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*Chilltime's online game expansion into targeted
countries in the MENA and East-Asia region*

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Abstract

Title: Chilltime's online game expansion into targeted countries in the MENA and East-Asia region

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Being the most innovator Portuguese company in the online gaming industry, Chilltime aims to expand its leading game, World War Online, into targeted countries in the MENA and East-Asia countries. Already present in more than 100 countries and with more than 10 000 active players, the company expects to have his game released worldwide for the mobile platform, with players from every country fighting to be the ultimate winner.

The motivation for this dissertation was to write a case study about a company in its early years and analyse the strategic and marketing approaches that better suits its final objective of having an effective and efficient market development. The main challenge of the company is to understand the feasibility of investing in the marketing development in countries with cultures and behaviours much different from the Europeans.

With a study of the market potential in each country, it is concluded that countries in the Middle East and East-Asia have a higher probability of becoming profitable for the company. Such is due to the higher number of online people and smartphone users, the easiness to adapt the game to the local culture and the monetization potential that these regions offer to the company. It is given some recommendation on the best online and offline marketing strategies that can lead to an efficient market development.

Keywords: online games, market development, online marketing, study of markets' potential

Resumo

Título: Expansão online do jogo da Chilltime em países selecionados nas regiões do Médio Oriente, Norte de África e Este Asiático

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Sendo a empresa portuguesa mais inovadora na indústria de jogos online, Chilltime tem como objetivo expandir o seu jogo, World War Online, para mercados selecionados do Médio Oriente, Norte de África e Este Asiático. Disponível em mais de 100 países e com mais de 10 000 jogadores ativos, a empresa pretende ter o seu jogo distribuído por todo o mundo, com jogadores de todos os países a lutar com o objetivo de serem o vencedor final.

Este projeto tem a intenção de escrever um caso de estudo sobre uma empresa nos seus anos iniciais, analisando as estratégias de marketing que combinam com o seu objetivo de ter um desenvolvimento de mercado eficiente. O desafio principal é entender a viabilidade de investimento no desenvolvimento de mercado em países com culturas e comportamentos diferentes dos europeus.

Ao analisar o potencial de mercado de cada país, conclui-se que os países do Médio Oriente e Este Asiático têm um maior potencial de serem mais lucrativos para a empresa, devido ao elevado número de pessoas online e de usuários de smartphones, à facilidade de adaptação do jogo à cultura local e ao potencial de monetização destas regiões. Por fim, são dadas recomendações das formas online e offline mais eficazes para um desenvolvimento de mercado eficiente.

Palavras chave: jogos online, desenvolvimento de mercado, publicidade online, estudo do potencial de mercados

Preface

With the dream of starting my own company, my objective for the thesis was always to study a challenge that a start-up company is facing in its early years of life. Considering such thought, this thesis allowed me to get in touch with a company in such period. Consequently, my first acknowledgement goes to Chilltime, the company that opened its doors to me and allowed the writing of this thesis. An especial appreciation to its CEO, Daniel Vila Boa, and its Operations Manager, Mariana Fernandes, for being available to receive me and for all the data offered that was essential to the understanding of this case study.

It is also my wish to thank the Professor João Simão Pires for all the help and guidance in the writing of the thesis. Such was essential for the writing of a well-structured and well-based project and without a doubt that I could not have done it without his support.

Finally, to all my family and friends that gave me the moral support and the motivation needed to accomplish this final stage of my Masters Programme. In the words of Winston Churchill, “There is no doubt that it is around the family and friends that all the greatest virtues, the most dominating virtues of humans, are created, strengthened and maintained.”, I learned on how to see myself as a better professional because of the support of my family and friends.

List of Abbreviations

MENA – Middle-East and North-Africa

APAC – Asia Pacific

WWO – World War Online

APP – Downloadable mobile application

MMO – Massive Multiplayer Online

MMORTS – Massive Multiplayer Online Real-Time Strategy

F2P – Free to Play

P2P – Pay to Play

SEO – Search Engine Optimization

SEA – Search Engine Advertising

SMO – Social Media Optimization

B2C – Business to Consumer

ROI – Return on Investment

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Chilltime's online game expansion into targeted countries in the MENA and East-Asia regions

1. Introduction

Nowadays, the number of people with hobbies such as reading online news, listening to music, searching for information or streaming movies are becoming much more uncommon. The tech-era where we live replaced those digital pastimes for the more common digital gaming activity, building the perfect path for the ascension of this industry. While watching television programmes and films is still the most popular activities around the world, digital gaming is getting a higher share, especially across the most dynamic digital cultures. This trend, usually dominated by men, is now expanding to all kind of demographics and regions, gaining increasingly respect across multiple organizations, not only because of its impact on society but also because of the great monetization potential that this market offers.

In the words of Christopher Versace, co-founder of Tematica Research and contributor to Forbes magazine, “On a global basis, online gaming or iGaming as it has been called has grown into a multi-billion dollar business. In the past online gaming used to mainly attract younger men, but that demographic group has expanded to include both women and older age groups”. To strengthen this point, Keith Stuart, journalist of The Guardian Journal, states that “Online games are respected enough for Bafta to accept them into its remit, enough for Moma to put a range of titles into its permanent collection, and enough for major art spaces like the Barbican and the Grand Palais museum in Paris to run exhibitions.”. Even in politics online gaming is receiving recognition, as seen in the words of Richard Bruton, Ireland’s Minister for Jobs, Enterprise and Innovation, “As a pioneering sector within the wider digital economy, the games sector is dynamic, innovative and exciting. Global growth, particularly in online and mobile games, is phenomenal (...)”.

In terms of the value added to the player, not only online games give the main purpose of entertainment but, according to numerous research, they also act as social platform for the players, improve vision, cognitive flexibility¹, and even decision making². Despite popular

¹ <http://www.medicalnewstoday.com/articles/259547.php>

² <https://www.wired.com/2010/09/gamer-decisions/>

stereotypes of being a lonely activity, games also create bonds and are inclusive, with large, supportive communities and some brilliant events³.

Games come in various types and platforms – online, single-player, multiplayer, various genres, for computer, for consoles – and the biggest challenge nowadays for someone who wishes to find an easy way of entertainment is to pick which one will amuse him the most. As the Internet evolves and becomes more accessible and cheaper for the masses, so online games grow as products with huge potential. The offer increases proportionally to the demand and now the online gaming is a highly competitive market.

This project intends to study and analyse which targeted markets in the MENA and East-Asia regions should a Portuguese start-up company emphasize its expansion efforts of its online game – World War Online, while being already available in several countries of the world. The project also aims to deliver efficient and cost-effective ways of developing such markets, according to what is normal for the industry and the available channels for such expansion. It will focus on studying the targeted markets entry barriers and drivers according to the market's potential. This potential is considered by analysing the market size according to the numbers of Internet and social media users and its growth; the size of the smartphone market and its penetration, the easiness for game adaptation to those markets and the monetization potential of each country.

Being an online game that requires the use of Internet, a commodity available in almost any country in the world and with more than 3.7 billion users⁴, this study will try to provide strategic approaches common to the industry on how to enter and prosper in this difficult and highly competitive business.

2. The Industry

In the online gaming industry, the Massive Multiplayer Online Real-Time Strategy games are a specific business where World War Online is playing. The MMORTS games, insert in the gaming category of Massive Multiplayer Online (MMO), where a massive number of players interact online with each other, creating alliances and attacking its opponents; are real-time strategy games, being a battle strategy title in which players control an army of different types

³ For example, <https://www.egx.net/egx>

⁴ <http://www.internetworldstats.com/stats.htm>

of units and must direct them against an enemy’s forces. In this game, players have to mine for resources in order to build units before putting them into battle. One key element associated with the rapid expansion of this type of game is that most of the MMO games, and consequently MMORTS, provide the option of free-to-play (F2P), which offers gamers the possibility to play in the online world without financial commitments. The revenue streams are usually built in-game, where players have the option to buy perks online that enables them to rank higher and faster in the game.

Due to their growing popularity, big companies like Microsoft and Sony are launching consoles that can support this type of games, adding the possibility of connection to the Internet in their platforms. In addition to this, developers are increasingly focussing on providing gamers with a better gaming experience by developing and designing high-end graphics-oriented games. Moreover, an increase in the offer and speed of broadband network – Internet – that supports online gaming is another important factor that will aid in the growth of the market. The following table⁵ shows the market size for the MMO industry, considering the revenues between 2013 and 2017, along with the comparison between F2P and P2P share:

	2013	2014	2015	2016	2017	CAGR
Global games market⁶	\$70.4	\$83.6	\$91.8	\$99.6	\$106.5	+8.5%
Global MMO games market	\$22.6	\$24.4	\$26.3	\$28.4	\$30.7	+7.9%
F2P share	64%	67%	70%	72%	75%	+3.2 %
P2P share	36%	33%	30%	28%	25%	-7.3%

Table1
Source: Newzoo and ad2games’s 2017 The Global PC/MMO Market Report, values in billions

An important aspect of the MMO games are its adaptability to mobile platforms, which is an industry growing incredibly fast (see appendix I), being the platforms of choice for game

⁵ Because market researchers do not distinct the MMORTS business from the MMO, the data shows the revenues only for the latest one.

⁶ This includes TV/Console, Mobile, PC/MMO, Tablet, Casual Webgames and Handheld games.

developers who wish to expand their games rapidly⁷. In this case, the global market in 2016 is of \$27.1Bn, with a Year on Year growth of 23.7%⁸. To strengthen that point, a report by Cisco states that, “Globally, 75% of mobile connections will be 'smart' connections by 2021, up from 46% in 2016”. As usually, with an increase in the industry size, the tendency to increase the number of software companies rises as well and now the competition is fierce. The following figure shows how the global games’ revenue is divided according to each segment.

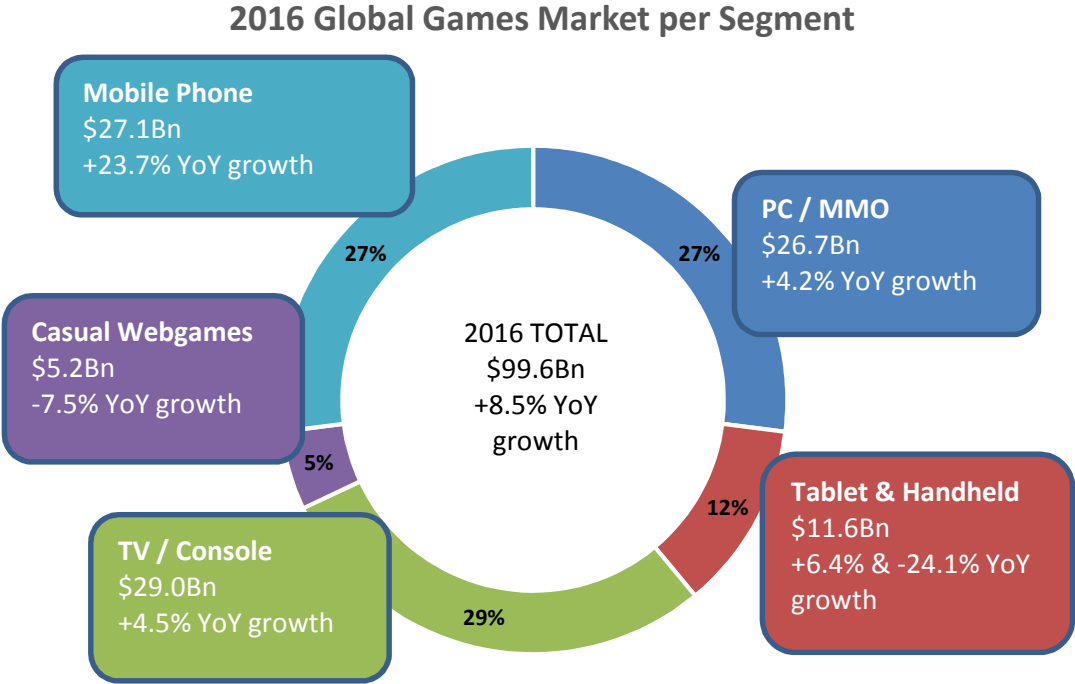


Figure 1
Source: Newzoo’s Global Games Market Report 2016

TV and Console games, more commonly referred as video games, are the ones that require the purchase of a physical platform where the game is insert (CD-ROM) and a console, where the player interacts with the game through a controller, a held-hand device with buttons or a joystick.

Mobile games are games designed for all kind of mobile platforms, like smartphones, feature phones, pocket PC’s and portable media players. Usually, these games require Internet connection in order to be played.

⁷ “Mobile gaming has been around for more than a decade, but it did not become a social phenomenon until the popularization of the smartphone in the early 2010s. People usually download game apps to their iPhone or Android phone for free and play them while commuting.”, by Toru Iwatani

⁸ Newzoo’s 2016 Global Games Market Report

Tablet games are created specifically for being played in tablets, being very much alike with mobile platforms. Due to its past popularity, it is not inserted in the mobile segment, being recognized as a different sector. Handheld games require the purchase of a lightweight, portable electronic device with a built-in screen, buttons and speaker. Usually, these devices only contain one game, but can also have the option of inserting other games (for example, PSP or Nintendo DS).

A casual web game is played online, on a computer, in under an hour, set up and taught in under 10 minutes, only requiring some light strategic thought. Casual games are specifically marketed to children, but can also be enjoyed by anyone from older children to adults.

3. Chilltime – the next big idea in online gaming

Chilltime, a 10-staff-member start-up company based in Oeiras, composed of multi-talented people with expertise in the development of software, is one of the most pioneer Portuguese companies in the online gaming industry. For three years now, the self-sustain company, with almost no external investment, is following the trend of producing games that promote socialization, that are playable anywhere with an easy and customer friendly interface⁹ (see appendix II) and with real-life awards.

The company, owned by Daniel Vila Boa, is committed to create “epic strategy games with tactical teamwork, international diplomacy and intense warfare.”, as it is said on their official website. With a strong commitment to increase its worldwide presence, by expanding its network and number of players, the company is exploring the idea of fighting the big companies and expand its game to additional attractive markets, while bonding with new partnerships across the globe.

As a common practice in the industry, the revenue model of this company is mainly characterized by the use a Freemium¹⁰ product, where Chilltime offers its game F2P and charges a fee to those players who wish to buy premium features and perks like in-app items or virtual goods in order to facilitate their improvement in the ranking.

⁹ Whatls.com defines user interface as “(...) the set of dials, knobs, operating system commands, graphical display formats, and other devices provided by a computer or a program to allow the user to communicate and use the computer or program.” Available at <http://whatls.techtarget.com/definition/interface>

¹⁰ Business Dictionary defines Freemium as: “A business model that allows a consumer to receive basic services for free, but requires them to pay for any service deemed to be premium.”. Available at <http://www.businessdictionary.com/definition/freemium.html>

With quarterly meetings, where the team defines its main focus and goals for the upcoming three months, Daniel believes Chilltime as all the right instruments to continue being financially self-sustain and grow its products and international network and exposure. An important aspect about the company is its commitment to adapt WWO to mobile platforms, primarily to the software used in smartphones, like iOS or Android. This will have a strong impact on the choice of the markets to develop, as the mobile industry (mainly smartphones) are expected to continue with the huge development and sales as shown presently and represent one of the main criteria for the market choice.

In terms of publicity, Chilltime was nominated as one of the start-ups selected to represent Portugal at the Web Summit 2016 and is also getting recognition from several Portuguese media, being selected to be documented by TV channels (SIC Notícias¹¹), radio (Rádio Renascença¹²) and online media (Jornal de Negócios¹³, Economia Online¹⁴) among others, sharing their game and objectives for the future and increasing its national exposure.

3.1. Top 5 competitors and their market approach

Top 5 WWO's competitors								
Game	Genre / Publisher	Fee	Platform	Area	Release Date	User Rating (out of 10)	Number of Players	Facebook Followers
Sparta: War of Empire	Strategy / Plarium	F2P	Browser	Global	March 2014	5.9	1.5 million	1.033.939
Vikings: War of Clans	Strategy / Plarium	F2P	Browser, Android, iOS	Global	August 2015	3.5	12 million	57.251

¹¹ <http://sicnoticias.sapo.pt/especiais/web-summit/2016-10-31-Yoochai-Chilltime-Tripaya>

¹² http://rr.sapo.pt/artigo/67512/os_portugueses_a_conquista_da_web_summit

¹³ http://www.jornaldenegocios.pt/empresas/pme/produktividade-e-inovacao/detalhe/de_batalha_em_batalha_ate_a_medalha_final

¹⁴ <https://eco.pt/reportagem/depois-do-web-summit-o-que-e-feito-destas-empresas/>

Imperia Online	Strategy / Imperia Online	F2P	Browser, Android, iOS	Global	August 2005	7.2	35 million	610.546
League of Angels 2	Fantasy / GT Arcade	F2P	Browser	Global	April 2016	8.8	Millions ¹⁵	427.840
Alliance Warfare	Strategy / District Ware	F2P	Browser	Global	March 2013	5.7	7000	32.957

Table 2 | Source: mmogames.com

As seen in the table above, most of the top 5 competitors of WWO¹⁶ are prospering very well in the industry, having already a large number of players in a time interval similar to WWO's release. The reason to justify this difference can be found in the fact that the developers of these games have a much deeper knowledge of the industry than Chilltime, being already players in the online gaming business for at least five years or more, with more than one game published. Moreover, these companies (except District Ware, with nine members) are composed of hundreds or thousands of employees, being able to create a higher output than Chilltime.

Another aspect that explains the success of these companies is their high marketing expenditures, in order to promote their games. Excluding Alliance Warfare, all the other games currently have online advertisement not only in Facebook and Google but also on several gaming websites that specialize in analysing the games and reviewing them, a partnership with famous players or personalities that promote the games, as well as having online, radio and TV commercials.

An important factor that we can conclude by interpreting the table, is that the games that are available on a mobile platform – Android and iOS – have the largest number of players, being an indicator that, in fact, this platform increases the number of users of each game.

Moreover, the number of Facebook followers are higher according to the number of players, with the exception of Alliance Warfare, due to the lack of interest from the players, abandoning

¹⁵ Research limitation. Several sources only mention “millions” as the number of players in this game, but there are reasons to believe that this game has at least 5 million players, according to MMOgames website.

¹⁶ This are the games that Chilltime considers as their top 5 competitors.

the game and Sparta: War of Empire, that explains the high number of followers comparable with the number of players because players who follow the game in social media received an award in-game (such does not occur in the other games). Contrary to that, Vikings: War of Clans has such a lower number of followers relatively to the number of players since the official page of the game was activated in social media very recently (only on October 19, 2016).

4. World War Online

In its third year online, World War Online is considered by Chilltime as its flagship game. The strategic game, with more than 10 000 players in the last championship, lets players from over 100 countries fight for their nations in a virtual map that simulates the real world, where they compete against others with the objective of leading their country to become the winner of the tournament. The championship is divided into three seasons with three months each. At the end of each season, the top countries fight against each other to become the ultimate winner. The game sets the perfect competition for those who love strategy games, as the player becomes a “virtual commander” of their own country, putting into challenge their patriotic feelings, strategic abilities and diplomatic skills.

This game is intended to offer the players not only the main trade-off – entertainment, but also the sense of control and power over their own country, which is much more captivating than the unreal, fictional worlds offered by other games. This is also recognized by Chilltime as the primary reason for players to join the game. Moreover, the community inside the game are in constant communication, and the interaction between real players often leads to the creation of friendships and real-life connections, something also positively viewed by the players themselves (see appendix III).

One aspect that sets apart WWO from its competitors is the reward system. In order to make the competition more challenging and engaging, WWO creators decided to award the winners with real-life medals that are shipped to their homes. This can be a strong incentive for players, especially in countries where games have a strong social impact, as players can physically show their awards to friends in the game community.

The social media is also considered by Chilltime as a major channel to reach out to current and new players. Currently, the Facebook page of the game has 20.621 followers (see appendix IV).

4.1. Current Game Expansion

Aiming to expand quickly to the rest of Europe, Chilltime focuses its advertising budget by promoting in some online websites related to the gaming industry and by using digital marketing tools, mainly Facebook and Google Ads. Online advertisement is currently the channel where companies spend most of their marketing budget (see appendix V). According to Magna Global, in 2016, Google and Facebook controlled 54% of the total digital publicity market (versus 44% in the previous year), making it the most successful online channels for advertisement. In fact, game development corporations such as EA-Games, Playfish and Zynga signed contracts with Facebook, Instagram and others, which consist of using these social networks as their main distribution channels for online games.

This intelligent advertisement method is based on intention, targeting people who search online for Strategy Games, and other related keywords, or that show interest in this games by searching online for words and sites related to this topic, to each the game is promoted to by appearing in the news feed of their Facebook and Google+ accounts. Certain keywords put together in a Google search can make the game's website appear on the first page of the search results (see appendix VI). For instance, by searching on Google the words "online strategy war game", WWO appears as the first result (see appendix VII), which is proven to be the result position that drives more traffic to the website. Online search engines have a defined criteria to determine which website appears in each position, but companies can also pay to improve their positions in the search results.

Moreover, websites that appear on the first page of a Google search have an average of 33% of the total traffic related to that search. The percentage decreases to less than 18% in the second page, being even lower in the subsequent pages. There is also the option of paying for advertisement, where the game would be advertised if someone search for similar keywords (see appendix VIII). This ranking can be upgraded by investing in search engine marketing, which consists in search engine optimization (SEO) and search engine advertising (SEA). This involves paying the companies that own the online search engines (for example, Google, Yahoo or Bing).

Worth-of-mouth is also an important way of expansion, as players had the opportunity to invite friends to the game using an online link, rewarding the players with in-game perks for its use. The motivation for the invitation is usually for the fun of playing together, since players can discuss their strategy personally, instead of using the chat provided in-game.

Now that the game has already an acceptable number of users in the European market, the company intends to endorse a similar marketing strategy, targeting eight countries in the Middle-East and North-Africa (MENA) region and four of the most high-tech East-Asian markets.

5. Expansion to East-Asian and MENA countries

In a report done by Casual Games¹⁷, the study of the gaming market in East-Asia showed that this area not only has already several game developers but is also home to millions of online players. According to the report, in 2016, China, Japan, South-Korea and the Greater South-East Asia generated 45% of the worldwide total game industry revenues. The same report forecasts an increase in this value, with particular attention to the games adapted to the mobile platform, which has the biggest slice of those revenues. To support this estimate, Technavio¹⁸ concludes that the Asian-Pacific (APAC) region dominated the games market and is expected to reach close to 57% of the total market share in terms of revenue in the following years. During 2015, Japan and South Korea were among the largest and most important markets for online game developers in the world. Factors such as the easy distribution of games through mobile apps and the increasing popularity of online gaming in East-Asia will aid in the growth of this industry in this countries in the upcoming years.

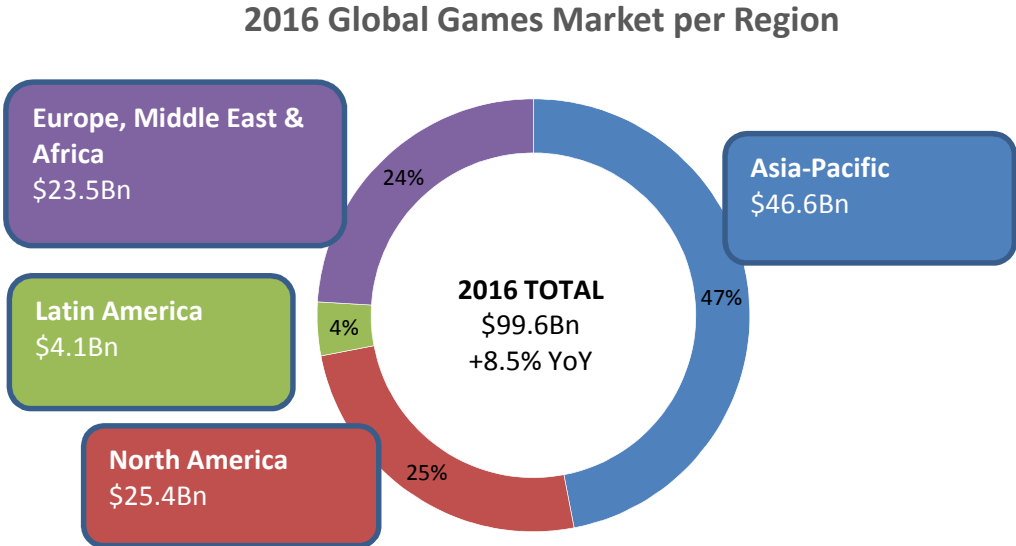


Figure 2
Source: Newzoo’s Global Games Market Report 2016

¹⁷ “The Asian Games Market: Sizing Up Opportunities”, report by Casual Games Sector, May 6, 2016
¹⁸ Technavio is a market research company that focus on emerging businesses, such as the online gaming industry.

Considering the MENA region, important aspects that could contribute to the expansion of online games in this area would be the fact that Internet, social media and phone penetration rates are high in most countries in the Gulf region¹⁹. The remaining countries, such as Egypt, the region's largest country with a population over 80 million, and the other MENA markets are experiencing a modest yet rapidly increasing penetration. It is expected that half of the Arabic-speaking world (the official language in all of the MENA countries in this study) will have access to the Internet in the year of 2017, a ratio well above the global average. Another demographic that is important for the study is the age of the population, as about half of the total MENA population is younger than 25 years of age (inserted in the millennials generation), increasing the potential of this region.

According to several market analyses, to successfully seize the MENA market, game developers need to do, primarily, two things:

- Integrate local culture in the game
- Consider the technologies available to provide suitable payment methods for their users.

Taking all this information into consideration, this analysis will separate the targeted countries according to the geographical distance, the culture similarity and the key factors used to characterize them, resulting in the following groups:

- Group 1 – Taiwan, Hong Kong, South Korea and Japan
- Group 2 – Egypt, Qatar, UAE and Saudi Arabia
- Group 3 – Tunisia, Algeria, Morocco and Libya

5.1. Key factors for market choice

As said previously, online gaming is a fast-growing market that shows no sign of slowing down. This trend, generally seen across the world, is expanding in some countries faster than others. In order to segment which markets better fit the expansion of this game, to which Chilltime should focus their efforts, there are four key factors that play a major role in this decision: number of internet users (specifically the ones who actively use Facebook or Google, as this are major channels for game advertisement); the size and forecast of smartphone users in each

¹⁹ In this case, the countries that are part of the Gulf Region, according to the European Union, are: Qatar, UAE and Saudi Arabia.

market; the easiness of game adaptation to the local culture and the monetization potential of each of the countries.

First of all, as the number of online players increases proportionally to the number of Internet users, this is considered as a crucial element for the analysis. Also, the level of use of Facebook and Google is essential for a company like Chilltime that uses these websites as advertising channels (see appendix IX).

Secondly, smartphones are considered the most important and, hypothetically, more profitable platform for an online game, giving the best way for a company to reach its users more frequently. Such is supported by the fact that smartphones provide the easiness to play and improves the socialization among players, as they can be transported effortlessly everywhere, allowing the player to play the game while commuting.

The third point relates to how easy is for Chilltime to adapt his game to different countries, considering the language, the local culture and the overall changes in-game needed to better reach to the locals.

The last one dictates the easiness for Chilltime to implement monetization policies and agreements in order to facilitate the payments made by the users of its game, and, consequently, increase its revenue streams.

5.2. Taiwan, Hong Kong, South Korea and Japan

Being the most attractive markets for the online gaming industry nowadays, these four high-tech countries, with a continuous increase in Internet users and online game players, are much more open to western apps/games than its neighbours China or North Korea, for example. In this countries, almost all of the population have daily access to the Internet, uses social media, being Facebook the leader in Taiwan and Hong Kong, and chooses Google as the main online search engine. According to Statista, East-Asia is the second region of the world where the population spends more money online, being defeated only by Europe. In this report, Hong Kong makes the top as the biggest expenditure per capita. In another report about the countries that spend more money in games, published by Newzoo, Japan and South Korea are 3rd and 4th position in the Top 20 Countries by Game Revenue, respectively. Also in this list features Taiwan in the 15th position (see Appendix X).

Considering the smartphone penetration in these markets, the following table presents the number of smartphone users per country and the expected growth:

Country	Number of smartphone users (as of 2016)	Expected growth in 2020	Source
Taiwan	17.2	18.8	EMarketer
Hong Kong	5.4	6	Statista
South Korea	40	43.7	Statista
Japan	56.9	66.9	Statista

Table 3, values in millions

In terms of adaptation to the markets, all these countries are much aware of western cultures and products, with plenty of information being trade and western multi-nationals having offices there and vice-versa. This factor aids in the acceptance of the culture embedded in WWO in this region, allowing the company to expand its game without many changes to the interface. However, the official languages of this countries are not yet available in WWO’s interface, with the exception of Hong Kong, that has English as an official language.

The easiness of mobile payment offered and the rapid worth-of-mouth spread are two other factors that appeal very much to game publishers. Because of the rapid worth of mouth spread and the increase in the mobile and social games, a game that gains a few fans can rapidly capture the attention of the circle of friends of such fans, creating a vicious cycle and, consequently, expanding the game’s network and the number of players.

Concerning Taiwan and Hong Kong, the most common payment method is by using services such as PayPal, allPay or mPay, among other similar online payments platforms, accounting for 61% (increasing to 67% in 2019) of all online payments. The remaining percentage is filled by the use of credit or debit cards. In the case of South Korea, credit card is by far the preferable payment method, with 70% of total payments, followed by the use of online payment providers such as PayPall or SMARTRO, corresponding to the remaining 30%. In Japan the situation is similar, where almost all the online payments are done by credit card (see Appendix XI).

However, not everything is great about these countries. Being a highly competitive market, it requires a large investment to proper penetrate and highlight from the several competitors, especially in translation and efficient language adaptation to the local culture.

Related to the socialization around the online games, Mark J. P. Wolf concludes that across all this region, is common for people to talk about games they play while commuting, incentivizing

developers to adapt their games to a mobile platform. There are also plenty of online game developers and other entities that organize physical events and competitions where players compete against each other. These competitions became very famous between the population, being compared with the importance of summits, art exhibitions, music festivals or any other cultural event, and are the chosen place for many companies to present and promote their games between the participants.

5.4. Egypt, Qatar, UAE and Saudi Arabia

Another region that is receiving the focus of most of the industries is the Gulf market. The countries of this region are known for their increasing wealth and a high number of rich individuals. These factors appeal very much to several businesses that work with a B2C approach and intend to capture the attention of these people, which usually give no limits nor attention to their expenses. With higher than average salaries, almost no taxes and mortgage-free homes, these countries can still offer its population a type of life superior to the ones of most of the other regions in the world. Despite the fall in the oil price – biggest asset in this region – these Gulf countries still rank top 12 or higher GDP per capita according to the International Monetary Fund report of 2017, with the exception of Egypt. In this case, Egypt provides something the other countries cannot, a large market size.

Furthermore, in an international survey on globalisation, it was found that the population of Saudi Arabia and UAE are among the most patriotic in the world, ranking fifth and fourth position, respectively. Even though the other countries were not in the ranking, the survey concluded that the general Arabic countries have a high level of patriotism, when compared with the world's average.

By analysing the key factors in this region, the number of Internet and Facebook users are very high both in Qatar and the UAE, representing almost the entire population. This condition cannot be found in Saudi Arabia, as Internet users account for 63.6% of the population and Facebook users for 46.5%, while in Egypt the numbers are even lower, accounting for 36.5% and 33.6%, respectively.

The smartphone market in these countries, as of the second quartile of 2016, is represented in the following table:

Country	Number of smartphone users (in millions)	Percentage of total population
Egypt	23.6	26%
Qatar	1.9	84%
UAE	7.6	83%
Saudi Arabia	19	60%

Table 4
Source: statista.com

The previous table provides further evidence that these countries are very well adapted to new technologies. The small percentage of smartphone penetration in Egypt can be explained by the fact that this country has a much poorer society when compared to the others. Even though, because of its large population, it can still represent a good market for online games. According to Statista, all these markets are expected to grow in the number of smartphone users in the following years.

The adaptation factor is usually an aspect that game developers pay particular attention when entering these markets, as there are many aspects of the Arabic culture that differ very much from the western way of life. First, the language must be translated properly, as plenty of players only speak Arabic and can even find offensive having the game poorly translated to their language, demotivating them to play the game. Another entry barrier may be the offensive content of the game's interface, as characters, history or other data that are accepted in the western or East-Asian cultures may offend the players of this region.

In terms of monetization potential, all these countries are used to shop online and share the use of the online payment platforms PayPal and Cashu. Despite that, the number of users of online payment methods is much lower than in the East-Asian region, as the population is still reluctant in making this type of payments. The number of online payments may be lower, but the amount per payment is usually higher, especially in countries such as Qatar or UAE where the number of rich individuals and the high GDP make it possible for players to spend more in online games. Business Insider writer, Jim Edwards, conducted a research about the spending in the game Clash of Clans, one of the most successful MMO games of today, concluding that "There is, however, some circumstantial evidence that Middle Eastern players are dominating the uppermost league of Clash of Clans. Some of them say they're paying up to \$16,000 to get there. (...) So, clearly, there are some high-spending Arabs who are addicted to Clash of the

Clans.”²⁰, suggesting that this population have no problems in spending money in something that gives them the sense of addition.

5.4. Tunisia, Algeria, Morocco and Libya

Algeria, Libya and Tunisia, ranking third, fourth and fifth place, respectively, on the Top 10 Most Developed African Countries²¹, share similarities in what concerns the development of their population regarding new technologies and adaptation to this tech-era. In the past years, all these countries tried not only to alphabetise their population, by introducing free and compulsory education in primary levels of school, but also to insert new technology into their daily lives, increasing the Internet access range and offer of smartphones. Morocco, taking the eleventh position in the same ranking, is also doing an effort to increase its technological development, despite being unable to reach the level of the others.

However, there are some drawbacks in these markets, especially due to the fact that there are plenty of companies with high market share in the technology sector, controlling the market, and governments that have strong influence in the policies of the companies, causing great harm to the population when strategies that slow down the modernization and development of technology are implemented. For example, in early 2016, Maroc Telecom, the largest Internet provider in Morocco banned all online games and social media, having no opposition both from the government or the population, as well as from its competitors.²² In Libya, the internal war that still persists is also affecting the popularization of online media and technology spread in the country, with the government, that censors certain information and western online channels, focusing less in those areas and more in finding a solution to the war crisis.²³

All these countries are facing increasing urbanization, with migration from their population to cities where they gain much more exposure to technology and modernization that are not yet available in most of the rural areas. The large number of younger population (almost 60% of the population are under 30 years old) makes this region suitable to receive vast new

²⁰ <http://uk.businessinsider.com/saudi-player-spends-1-million-in-clash-of-clans-2015-10>

²¹ According to the Human Development Index of 2016

²² <https://www.morocoworldnews.com/2016/05/186994/maroc-telecom-blocks-online-games/>

²³ <https://www.rt.com/op-edge/363539-civil-war-gaddafi-libya/>

opportunities in the mobile market and tech sector, industries that are easier adaptable to Millennials and Generations Y and Z.²⁴

Relating to the number of internet operators and social media users, almost all the population of these countries that have access to the Internet also have an active account on Facebook and uses Google as the main online search engine. Even though it is still relatively low compared to the other countries in this study, Internet penetration is expected to increase rapidly in this region, a forecast that has been fortified by Cisco’s Visual Networking Index since 2012, “The Middle East and Africa will continue to be the fastest growing IP traffic region from 2012 – 2017 (5-fold growth, 38% CAGR over the forecast period)”.

As seen in the table below, on average, one out of four people uses a smartphone in these countries, a much lower number than the one in the Middle-East and East-Asian countries.

Country	Number of smartphone users (as of end 2015)	Percentage of total population
Tunisia	3.1	27%
Algeria	9	22%
Morocco	8.8	25%
Libya	1.5	23%

Table 5

Source: “The Mobile Economy: Arab States 2015”, report by GSMA, values in millions

Consequently, mobile games are still not very popular among these markets. Smartphones are often used by younger people primarily to connect to their social media, send online messages, check the email or search in the web. Considering that, the average of smartphone adoption in North-Africa is expected to increase to 61% by 2020²⁵.

As seen in the countries analyzed previously, probably the factor that requires more attention when expanding to North-African countries is the adaptation to the local culture. In this case, not only the language is an obstacle for western products, but also the religion, the political climate and the international relations of those countries. In what concerns online games, the characters used in the game and their outfit, the history of the game and its final objective for victory can, among others, be offensive for the players of this region. Although the majority of

²⁴ Millennials are the people born between 1985 and 2000, while Generation Y and Z are the ones born after 2000. <https://technologyconsulting.eidebailly.com/blog/generations-technology-millennial-influence/>

²⁵ “The Mobile Economy, Middle East and North Africa 2016”, report by GSMA, page 19

the population speaks Arabic, there is an immense knowledge of French and English among the younger and educated people, as this are languages taught in schools from an early age and are the idioms used to do business.

In terms of monetization potential, the culture of these countries dictates that when trading commodities, the people involved must be physically present, as a sign of trust and commitment to the deal being made. With the introduction of Internet and smartphones, online payments increase in use, becoming more popular among young adults in this region. Of all the online payment providers existent there, Cashu, PayPal and Skrill are the ones who dominate the market, being even more popular than credit cards, due to the fact that users do not like to share their personal information on the websites where they spend the money.

Overall, this region presents potential in the way that investment and willing to adopt technology is increasing both by the governments as well as the populations, however, such investment is still high and of difficult implementation, especially in the immense remote rural areas that aggregates, in average, 36% of the population of these countries²⁶.

6. Conclusion

Considering the astonishing success that online gaming is having worldwide, Chilltime must be able to follow the key players of the market, by trying to expand its game to a worldwide audience and by being able to retain players across multiple championships.

Now that the situation in these targeted markets is clear, the following task is to find the answers to the questions of which of the countries in question should Chilltime spend its attention and focus on? and which marketing strategies and entry plans should the company use to facilitate its market development?

²⁶ <http://data.worldbank.org/indicator/SP.RUR.TOTL.ZS>

7. Appendices

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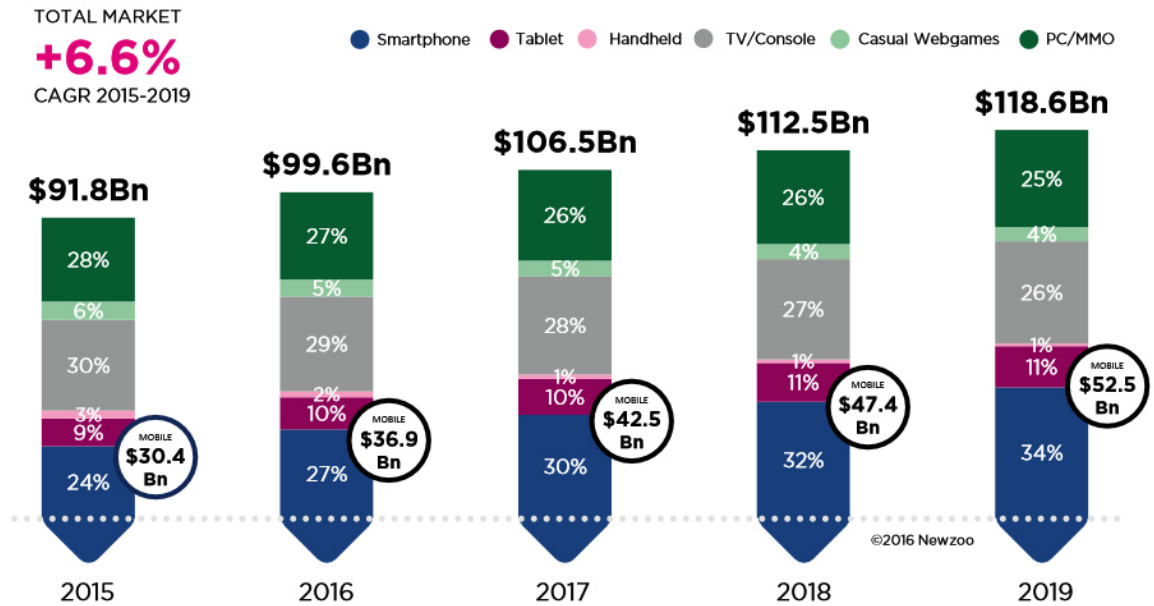
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Appendix I – 2015-2019 global games market: forecast per segment

2015-2019 GLOBAL GAMES MARKET

FORECAST PER SEGMENT TOWARD 2019



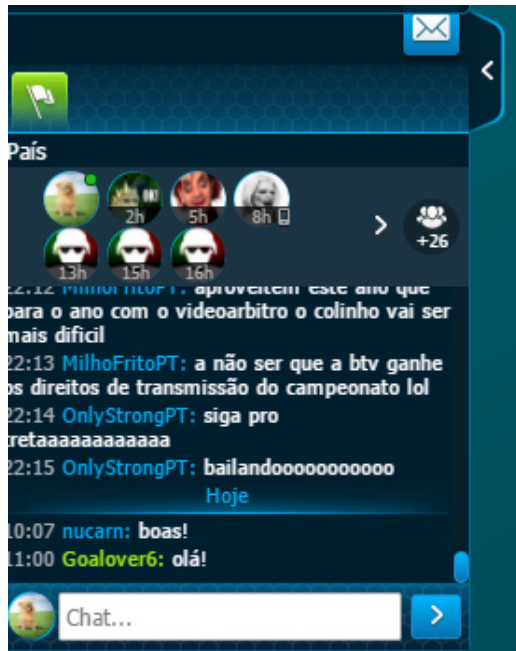
Source: Newzoo's Global Games Market Report 2016

Appendix II – WWO's user interface



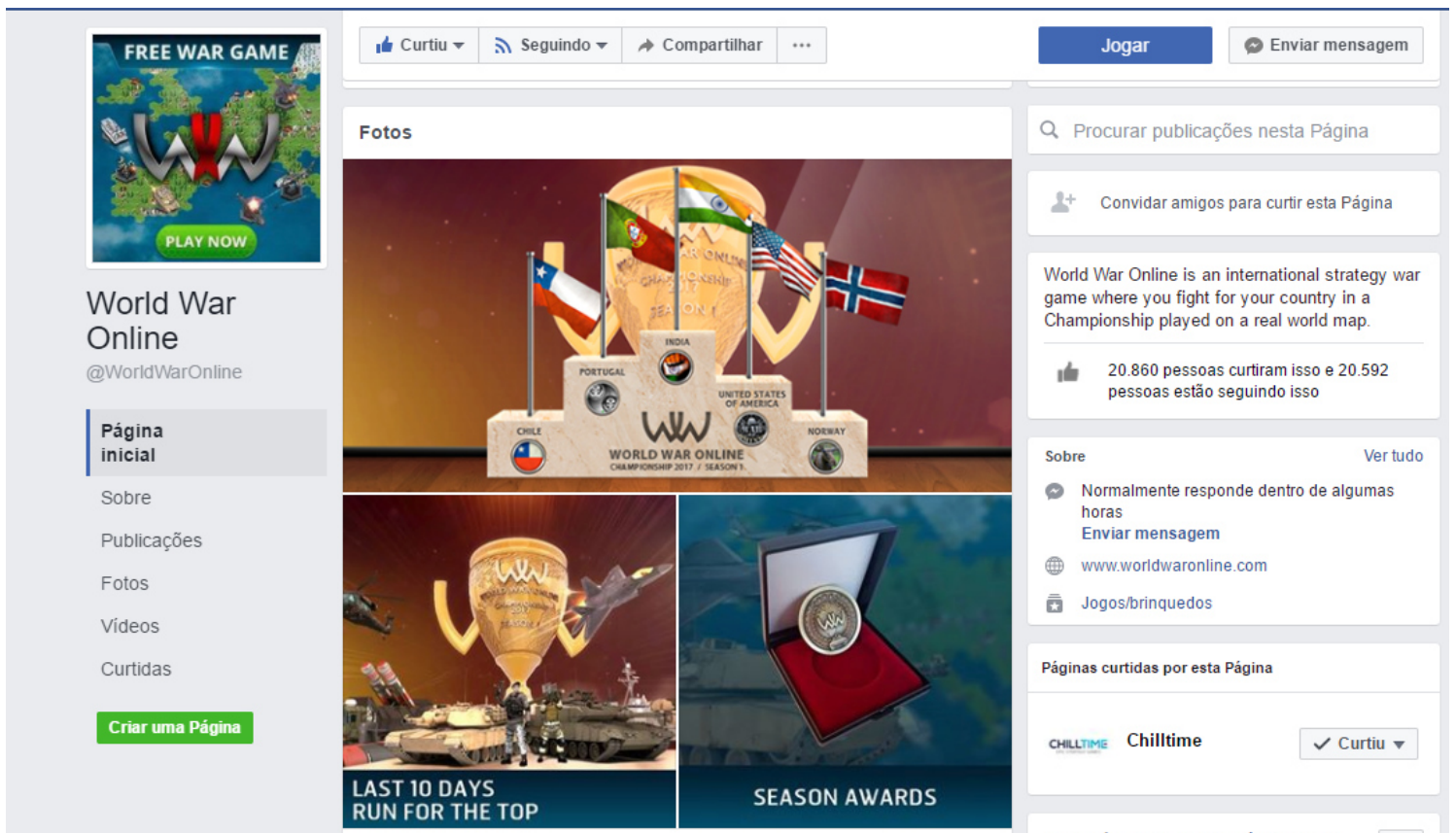
Source: WWO website

Appendix III – WWO’s in-game chat



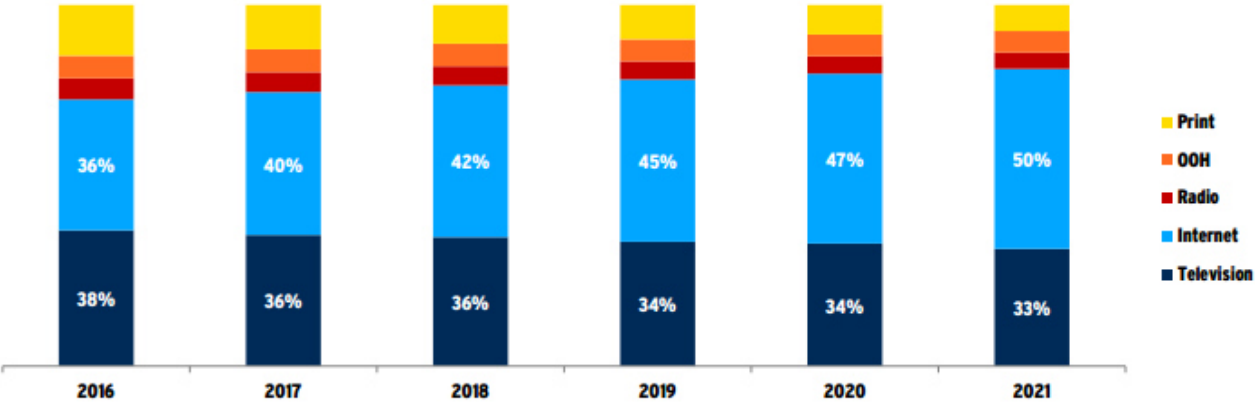
Source: WWO website

Appendix IV – WWO’s Facebook page



Source: Facebook

Appendix V – Global Advertising Market Shares by Media Type



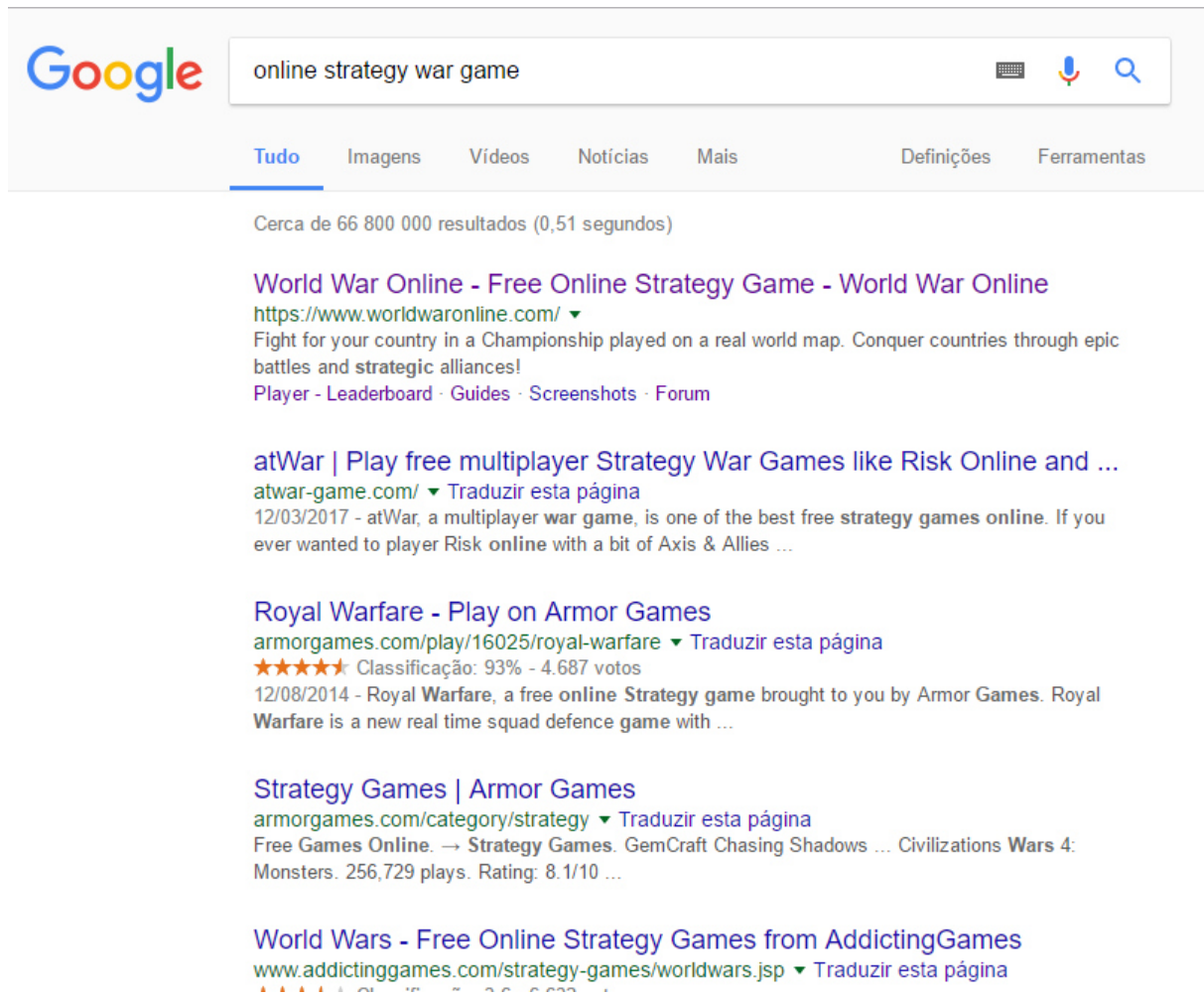
Source: “Global Advertising Market”, report by Magna

Appendix VI – Top keywords in Google search for WWO

Keyword	Position (Change)
strategy war game	5 (4 ↑)
war strategy game	2 (4 ↑)
war games free	11 (3 ↑)
online strategy war game	1 (3 ↑)
war games online	4 (4 ↑)

Source: spyfu.com

Appendix VII – Google search results



The image shows a Google search results page for the query "online strategy war game". The search bar at the top contains the text "online strategy war game" and includes icons for keyboard, voice search, and search. Below the search bar, there are navigation tabs: "Tudo" (selected), "Imagens", "Vídeos", "Notícias", "Mais", "Definições", and "Ferramentas". The results section shows "Cerca de 66 800 000 resultados (0,51 segundos)".

World War Online - Free Online Strategy Game - World War Online
<https://www.worldwaronline.com/> ▼
Fight for your country in a Championship played on a real world map. Conquer countries through epic battles and strategic alliances!
[Player](#) · [Leaderboard](#) · [Guides](#) · [Screenshots](#) · [Forum](#)

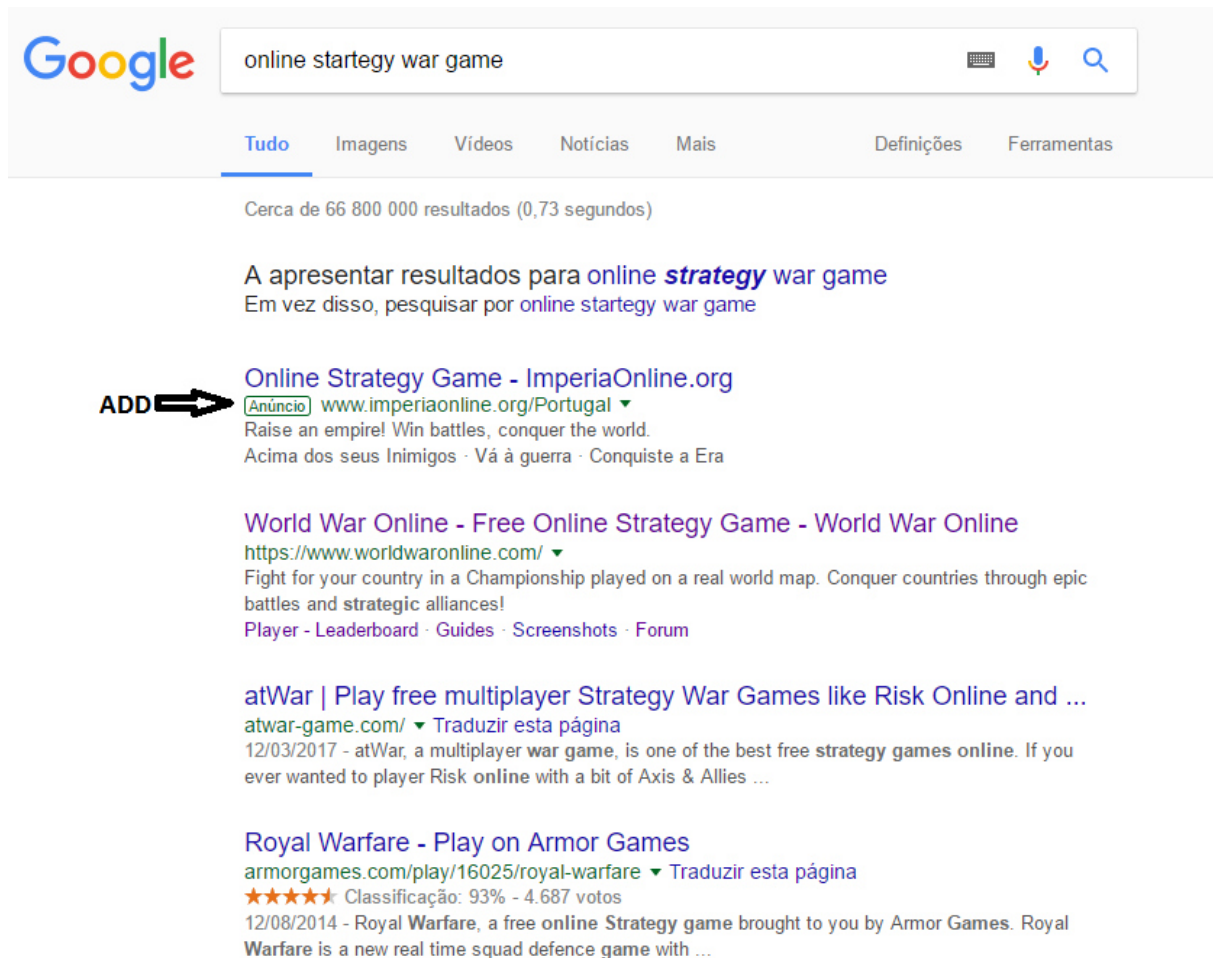
atWar | Play free multiplayer Strategy War Games like Risk Online and ...
atwar-game.com/ ▼ [Traduzir esta página](#)
12/03/2017 - atWar, a multiplayer war game, is one of the best free strategy games online. If you ever wanted to player Risk online with a bit of Axis & Allies ...

Royal Warfare - Play on Armor Games
armorgames.com/play/16025/royal-warfare ▼ [Traduzir esta página](#)
★★★★★ Classificação: 93% - 4.687 votos
12/08/2014 - Royal Warfare, a free online Strategy game brought to you by Armor Games. Royal Warfare is a new real time squad defence game with ...

Strategy Games | Armor Games
armorgames.com/category/strategy ▼ [Traduzir esta página](#)
Free Games Online. → Strategy Games. GemCraft Chasing Shadows ... Civilizations Wars 4: Monsters. 256,729 plays. Rating: 8.1/10 ...

World Wars - Free Online Strategy Games from AddictingGames
www.addictinggames.com/strategy-games/worldwars.jsp ▼ [Traduzir esta página](#)
★★★★★ Classificação: 93% - 4.687 votos

Appendix VIII – Google advertisement



The screenshot shows a Google search interface. The search bar contains the text "online strategy war game". Below the search bar, there are navigation tabs for "Tudo", "Imagens", "Vídeos", "Notícias", "Mais", "Definições", and "Ferramentas". The search results indicate approximately 66,800,000 results found in 0.73 seconds. The main heading for the results is "A apresentar resultados para online **strategy** war game". Below this, there is a suggestion: "Em vez disso, pesquisar por online strategy war game". The first search result is an advertisement for "Online Strategy Game - ImperiaOnline.org", marked with a green "Anúncio" label and a black arrow pointing to it from the word "ADD". The ad text includes "Raise an empire! Win battles, conquer the world." and "Acima dos seus Inimigos · Vá à guerra · Conquiste a Era". The second result is for "World War Online - Free Online Strategy Game - World War Online", with a URL and a description: "Fight for your country in a Championship played on a real world map. Conquer countries through epic battles and strategic alliances!". The third result is for "atWar | Play free multiplayer Strategy War Games like Risk Online and ...", with a URL and a description: "12/03/2017 - atWar, a multiplayer war game, is one of the best free strategy games online. If you ever wanted to player Risk online with a bit of Axis & Allies ...". The fourth result is for "Royal Warfare - Play on Armor Games", with a URL, a star rating of 93% based on 4,687 votes, and a description: "12/08/2014 - Royal Warfare, a free online Strategy game brought to you by Armor Games. Royal Warfare is a new real time squad defence game with ...".

Note: In this case it is possible to see an advertisement of a WWO's competitor – Imperia Online

Appendix IX – Internet and Facebook Users by country (as of June 2016)

Country	Continent	Internet Users in millions (percentage of total population)	Facebook Users in millions (market penetration)	Main Search Engine
Taiwan	Asia	19.7 (84%)	18 (76.7%)	Google
Hong Kong		5.75 (77.7%)	5.1 (71.2%)	Google
South Korea	Asia	45.3 (89.4%)	17 (34.6%)	Google
Japan	Asia	115.1 (91.3%)	26 (20.6%)	Google
Egypt	MENA	34.8 (36.5%)	32 (33.6%)	Google
Morocco	MENA	20.21 (57.3%)	12 (34.1%)	Google
Algeria		15 (36.5%)	15 (36.5%)	Google
Tunisia		5.8 (50.5%)	5.8 (50.5%)	Google
Libya		2.8 (43.7%)	2.8 (43.7%)	Google
Saudi Arabia	MENA	20.8 (63.6%)	14 (43.5%)	Google
Qatar		2.2 (94.6%)	2.2 (94.6%)	Google
UAE		8.51 (90.6%)	7.7 (83.1%)	Google

Source: www.internetworldstats.com

Appendix X – Top 20 countries by games revenues

TOP 20 COUNTRIES

BY GAME REVENUES | 2016

CHANGE	RANK	COUNTRY	POPULATION (M)	ONLINE POPULATION (M)	TOTAL REVENUES (M\$)
▲ 1	1	CHINA	1,382.3	788.8	24,368.8
▼ 1	2	USA	324.1	293.6	23,598.4
-	3	JAPAN	126.3	117.6	12,447.6
-	4	SOUTH KOREA	50.5	44.6	4,047.3
-	5	GERMANY	80.7	72.4	4,018.7
-	6	UNITED KINGDOM	65.1	61.1	3,830.2
-	7	FRANCE	64.7	56.7	2,737.9
-	8	SPAIN	46.1	37.6	1,812.0
-	9	CANADA	36.3	32.8	1,792.2
-	10	ITALY	59.8	41.3	1,742.1
-	11	RUSSIA	143.4	110.1	1,414.4
▲ 1	12	BRAZIL	209.6	136.4	1,274.8
▼ 1	13	AUSTRALIA	24.3	21.5	1,199.7
-	14	MEXICO	128.6	67.0	1,125.8
-	15	TAIWAN	24.0	21.1	987.8
-	16	TURKEY	79.6	46.8	755.5
-	17	INDONESIA	260.6	56.7	704.4
▲ 1	18	MALAYSIA	30.8	22.8	539.5
▼ 1	19	NETHERLANDS	17.0	16.1	521.3
▲ 1	20	THAILAND	68.1	28.7	521.3

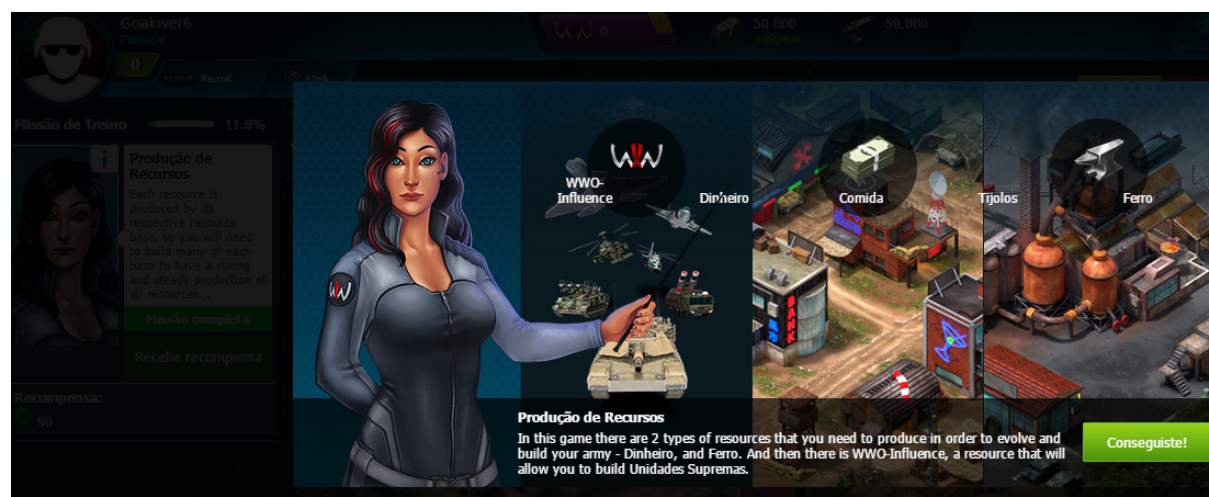
Source: Newzoo's Global Games Market Report 2016

Appendix XI – Most used online payment methods in the targeted countries

Country	Most used online payment methods	Chilltime's payment platforms available
Taiwan / Hong Kong	- Credit/debit cards (39%: expect to decrease to 33% by 2019) - Paypal, allPay, mPay, China UnionPay and over-the-counter payments ²⁷	- Paypal - Skrill - 2Checkout - Fortumo - Cashu (WIP)
South Korea	- Credit/debit cards: Visa, Mastercard, AmEx and Smart Card (70%). - SMARTRO, Teen Cash, ARS, T-money, Paypal and Carrier billing (30%)	
Japan	- Visa (42,3%) - Mastercard (36,6%) - JCB Credit Card (18,8%) - PayPal (<0,3%) - Pay-easy (<0,3%)	
Egypt	- Payfort, Paypal, 2Checkout	
Morocco, Algeria, Tunisia, Libya	- Cash on Delivery, Cashu, Skrill, PayPal	
Qatar, Saudi Arabia, UAE	- Credit Card, PayPal, Bank Transfer, Cashu	

Source: Chilltime

Appendix XII – WWO's training woman outfit



Source: WWO website

²⁷ Way for customers to order online and pay in cash in payment centres located in the countries in question.

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Case Analysis

1. Use of the case

Courses such as Game Development, Gamification or Introduction to Game Marketing, offered in some universities around the world due to its novelty, are the most suitable ones for the exposure of this thesis, as the product is an online game. However, due to its focus on the strategic issue of efficient market development of a start-up company, this case fits well several courses in the fields of Strategy and Entrepreneurship, like Strategic Management, Strategic Decision and Technology Innovation or Managing Innovation and Entrepreneurship; as well as in the Marketing field, in courses such as Marketing Management, Digital Marketing or Marketing Planning.

For better understanding and explanation of the case, the reader should have some knowledge about Asian Pacific, Middle-East and North-African markets, as well as some acquaintance on how the online game industry and digital marketing works.

2. Which of the targeted countries should Chilltime focus on?

From all the information gathered about the company in question, the online game to be expanded and the characteristics of all the targeted countries, it should now be possible to decide which of those countries better fit the market development strategy of Chilltime. [Chaffey, 2012]

There must be taken into account that Chilltime needs to develop a strategy for its expansion to be able to deliver a competitive advantage and also which of the company's activities deliver value to this market development, by defining which policies and resources are most relevant. [Porter, 1998]

2.1. Group 1 – Taiwan, Hong Kong, South Korea, Japan

Despite the fierce competition, the easy access to competitors and the constant offer of innovative platforms and ways of entertainment, the countries of East-Asia – Taiwan, Hong Kong, South Korea and Japan – are considered to be suitable for an investment in order to

expand and promote WWO in this region. Such claim can be supported not only by the fact that there is an increasing popularity of online games in these markets, but also by the increase in the number of internet users and social media addicts, representing almost all the young and active population in this region, which are the majority of the online games' players. This region were the early adopters of mobile gaming and are very adapted to this platform, which is in line with Chilltime's strategy of expanding their game to this market focusing on this platform. [Newzoo, 2016]

Another reason that supports the possible investment in these markets in the desirable fast grow that an online game can have there, due to the vicious cycle created by the worth of mouth and socialization around online games. Furthermore, the monetization potential is very attractive for Chilltime, since that not only the players in these markets are big spenders in games, making the top of several rankings, but there is also in place partnerships with online payment platforms that make it more accessible for them to spend money online, something they are very comfortable in doing, increasing the potential of having a higher revenue stream in these markets. Overall, the industry forecasts a good long-term potential of these countries, as all research expects a growth of the online gaming business in East-Asia.

2.2. Group 2 – Egypt, Qatar, UAE, Saudi Arabia

Egypt and Middle East do not present the heavy competition that we can find in East-Asia, making it easier for developers to expand their game there. However, the market size is much smaller, and the popularization of the game can be concluded as more difficult. In terms of cultural adaptation, there are some features of the game to be considered. According to Chilltime, the game is currently being translated into Arabic, which is a huge advantage in these countries, as the knowledge of English or other languages is reduced. Moreover, there should be made some changes in the characters of the game such as the training women outfit (see appendix X), in order to make it more culturally accepted. Something like using an Arabic man character or making the woman more associated with the society's vision (wearing a headscarf, for example) are possible solutions to this. Adapting the units of the game (war soldiers, tanks, planes and boats) to each country, by changing the names and images according to the ones used in reality would also benefit the acceptance of the game, making it closer to reality, which retains players even more. [Chaffey, 2013]

Because the game challenges the patriotic feelings of the players, this can function as an advantage in this region, that has a high level of patriotism, encouraging the players to keep playing the game, stimulating them to invite friends to play and spending money in it, in order to achieve better results and end the championship in the best position. In fact, a research study of 2014 found out that the emotional value caused by the patriotism side of the games can lead players to not only spend money in the game but also promoting the game by using word of mouth. The growing habit of spending money online in these countries, specially using online payment providers available in the game, is also a key factor that can boost WWO's revenue streams.

2.3. Group 3 – Tunisia, Algeria, Morocco, Libya

Contrary to the other regions, North-Africa presents bigger issues that can jeopardize the market development of Chilltime. With a total of 22.4 million smartphone users (less than in Egypt only), having around half or less of the population with access to Internet, a difficult acceptance of the western culture embedded in the game and a very unusual habit of making online payments, the perspective of achieving success is very remote in these four countries. Another reason that makes a big impact in the decision is the company's and governments' policies in these countries. As seen in the examples stated in the case description, several companies and governments in this region have too much power over the technological sector, making a big impact in society when making policies that affect online products and services. As an extreme, it is easy to predict a scenario where the people of this region would be impeded of having access to the Internet or foreign websites.

Even though Internet is a commodity available worldwide and of easy access, making the game available to anyone that uses it, an investment focused in the North-Africa region has a high probability of not being profitable, due to all the facts stated previously.

Despite this conclusion, North-Africa remains an emerging market in online games, and is worthy of attention in the following years, as the potential of this market is expected to grow, and a well-defined first move can lead to market leadership. [Khanna, 2005]

All in all, it is concluded that the countries in the groups one and two are the targeted markets that deserve a focused investment from Chilltime, either by promoting the game locally in countries of these regions or by making in-game changes to better adapt to the local culture and

attract new players. Contrary to this conclusion, the countries of the third group lack several characteristics necessary to a successful market entry, not being worthy of an investment.

3. Which marketing strategies should the company use in its market development?

The challenge in market development is not only about finding the right markets to develop but also the most effective and efficient marketing strategies that will facilitate the success of such policy. Now that the markets are selected, the next step is finding out such strategies, according to Chilltime's assets and the markets characteristics. [Baker, 2014]

Being an online game, it makes sense that most of the advertisement should be online, making it easier for Chilltime to reach out and engage possible new players [Kotler, 2017]. However, in some countries, promoting an online game physically can also be possible.

3.1. Online Advertisement

3.1.1. Search Engine Marketing

There are several ways of marketing an online game. According to Search Metrics, for a website that is not well known yet or when the competition is heavy, the best way of promotion is by using search engine marketing, especially with SEO, which tends to give better results than SEA. Chilltime is currently investing in both, which brings a lot of advantages to the company, as this type of marketing allows the company to target the exact customers they wish to attract, permitting a narrow segmentation according to age, gender, gaming preferences, behaviours, etc. SEA allows Chilltime to gather insights about their target audience, while SEO will acquire progressive rankings in the related pre-identified keywords to secure regular organic search traffic and to generate eventual leads²⁸. Overall, Chilltime should focus the marketing investment in ways that will make the website rank higher in search results (SEO) and, although not so intensively, in publicity shown in the pages of the search results when people search for similar words to the ones the website is about (SEA). [Tuten, 2015]

²⁸ According to TechTarget, "A lead, in a marketing context, is a potential sales contact: an individual or organization that expresses an interest in your goods or services. Leads are typically obtained through the referral of an existing customer, or through a direct response to advertising/publicity."

Related to the previous point, a constant presence and engagement in social media leads users to be more involved in the game [Chaffey, 2013], so it is important that Chilltime keeps a constant update of their news feed in these pages, answers to the questions of the users and promotes a fun and entertaining environment between all. The key point is that followers of the page should see at least one or two new stories in their news feed every day. Social media optimization (SMO) is another way of promoting the game in these channels. If the content is perceived as engaging, other websites may create a link to it when studying the industry, and users may tag it, share it, post it, comment on it and augmented with their own stories about the brand or the business. [Tuten, 2015]

3.1.2. Online influencers

Another online toll that is getting much attention nowadays in the online gaming industry is the partnership with online influencers²⁹. Big companies in this sector are partnering with individuals or groups of individuals that can either be a top player of their own game or just be someone with a huge network of potential customers, in order to use them as their own marketer. Chilltime could make use of this growing channel, by contacting online influencers expert in the industry, introducing the game and making an offer that would eventually lead the influencer to promote the game to their followers on their blogs or social media. First it is necessary that Chilltime understands exactly which type of customer they wish to attract, which, according to each market, can change in terms of age, professional occupation, or other, then the online channel that better suits the strategy (in this case it is believed that Facebook and blogs about online gaming are the most suitable) and finally the search for the perfect influencer begins. [Chaffey, 2012 and 2013].

This individual would be someone with credibility and a huge number of followers; that owns a unique brand (this can be defined as their personality in this case); that has a high sense of persuasion, strong engagement and can transmit one's specific "voice" throw the computer screen. This type of marketing can be expensive, especially if the company cannot find the right influencer, so it would require some planning before selecting the influencer, a well-defined programme management that reaches out to all the negotiations, content development and coordination details and a tracking plan that would make easier the comparison between the

²⁹ According to Social@Ogilvy, "Influencer marketing identifies those which have the most influence over potential buyers, and orientates marketing activity around these influencers."

real results and the initial proposal. If effective, online influencers can be the main source of new players for WWO, as it is expected that the number of followers will continue to grow.

3.1.3. Online competitions and partnerships

The increase in online competitions for online games can also be a compelling way of promoting the game. Big gaming companies are organizing competitions to find and support the best online games to partner with. For example, Electronic Arts (the 6th biggest company in 2016 by game revenue) owns EA Chillingo, a platform where game developers can present their game with the objective of being selected to partner with this company. This partnership gives the developer tremendous exposure and access to capital that would help significantly the expansion of the game. Even though companies may lose total control of the game, the possibility of getting to an agreement that would make both parties satisfied is very high and could be something that would be appealing to Chilltime in the near future.

3.1.4. Online network expansion

Despite not being a formal way of marketing, there are several ways to expand our network online, especially in social media like LinkedIn or Facebook. It is always recommended that someone that wishes to expand their product successfully must expand their network first, and social media is a free and very effective channel for that. Sending an online private message to someone expert in the industry and that can contribute to the success of the company costs nothing and it's a strong way of connecting to markets or discovering potential partners. For a young company, like Chilltime, it is crucial to develop this international network, and this can be done very easily in social media, where a 15-minute search can provide direct contact to potential customers or partners (for instance, online influencers) from all around the world.

3.1.5. Email marketing

Considered the online advertisement method that gives the best ROI, email marketing can be very effective when the message is well transmitted. Because it is one of the main apps used in mobile devices, users are constantly paying attention to their inbox. If the message is relevant and engaging to the user, the possibility of conversion to a new player in the game is very high. Simplicity and attractiveness are the key, as an email should be focused on the transmission of value, containing a simple sales pitch of the game and an intriguing call to action that would appeal the user to click and explore the game's website.

The best way to create an attractive email list for the company would be by using one of the several available email service providers, which are specialists in this type of marketing and can offer a very good solution for a relatively small investment.

Another important aspect about email marketing is its capacity of retention of players. By receiving emails from latest updates or a simple newsletter from the company, Chilltime can remind their players that the game is constantly improving and updating, increasing their engagement, and the email list is already part of the company, as players needed to provide it upon registration. [Ryan, 2017]

3.2. Offline Advertisement

Event though it may be harder, offline promotion is still something that suits an online game. There are several ways for Chilltime to advertise WWO locally in each country. By attending gaming conferences and seminars, which involves mainly transportation and accommodation costs, Chilltime's staff can create the possibility for the company to understand the competition better, to know the ways they are promoting their game and even to expand their network and make way to partnerships with companies in the market they wish to expand.

Another way of promoting would be by creating a collaboration with complementary businesses. Here we consider print publications in gaming magazines and print advertisement. The first can be easier than expected, as plenty of magazines lack interesting ideas for content, often accepting the invitation of companies to interview them. Moreover, plenty of magazines include their interviews / articles in both print and online version, outreaching the expected audience and requiring no extra costs.

The second would be possible mainly in East-Asia where Chilltime could promote their game with engaging posters and flyers in some establishments, as there are plenty of places (like Cyber Cafés) where people gather together to play their favourite online and offline games. Despite being a more traditional approach and more difficult to track the results, it can still be very effective, by starting the vicious cycle described previously. Furthermore, it only takes a contact (easily discovered online) and a small investment to advertise in this way that is not common to the industry and may lead to unexpected positive results. [Weinberg, 2014]

4. Recommendations

Taking into account all the previous suggestions, it is recommended to Chilltime to focus their expansion in the countries of Groups 1 and 2, as they fit properly the criteria of this study.

The online market approaches that would best suit the plans of the company, considering its assets, would be by expanding their network through direct contacts in social media or by continuing investing in search engine marketing, with a focus on SEO and SMO. Other possibilities are the investment in email marketing or in the partnerships with online influencers and big companies that could catapult their exposure and, consequently, success in the market.

Relating to the offline strategies, the presence in online gaming seminars and conferences would give the company a broader idea of how the market works internationally, providing necessary tools that would benefit their expansion. There should also be permanent contacts with local gaming magazines in each country that wish to cover the game in their publication and with local individuals or companies that understand the market and can be helpful in the development of the same. Partnerships with local companies related to the industry in order to physically promote the game could also be a positive action; in this matter, the key is to start local and scale to regional or even national if warranted.

Literature Review

[Baker, 2014] – Baker, M., J., (2014), “*Marketing Strategy and Management*”, Fifth Edition, Palgrave, Chapters 1, 2, 4, 21 and 24

In this publication, we can find the fundamentals of marketing, corporate strategy and market development strategy. It demonstrates how a company can leverage its assets to better adapt to a market development strategy. The book also advises on how to implement and control the marketing of a product in a foreign country or even globally. This is very much aligned with the purpose of this thesis.

[Chaffey, 2012] – Chaffey, Dave, et al., (2012), “*Digital Marketing: Strategy, Implementation and Practice*”, Fifth Edition, Prentice Hall, Chapter 1, pp.174-200

Quoting the author about how the targeting should be done in this tech-era, “In an Internet context, organisations need to target those customer groupings with the highest propensity to access, choose and buy online”. This book offers an explanation on how companies should target, segment and position their online products in a market development strategy. Using a step-by-step approach on how to develop the markets, the authors provide real mini case studies in order to prove the approach they suggest. To sum up, the book highlights the importance of making a proper analyse of the market before starting investing, considering the objectives of the company, the existing budget and the potential of the market, leading to the creation of the key-factors in this study.

[Chaffey, 2013] – Chaffey, Dave, Smith, P., R., (2013), “*Emarketing Excellence: planning and optimizing your digital marketing*”, Fourth Edition, Routledge, Chapters 4.6, 4.7, 4.8 and 4.9

This book contributed very much to the understanding of the online marketing techniques that sustain relationships and foster loyalty, by describing the profiles of the B2C online customers and the best ways to reach and retain them. It also assesses the processes, techniques and measures that should be used to achieve online marketing effectiveness, both in short and long term. The approaches to market defended in the book are used in this case analysis, as it were demonstrated by the author that they are very efficient in promoting a product.

[Khanna, 2005] – Khanna, Tarun, Palepu, K., G. and Sinha J., (2005), “*Strategies That Fit Emerging Markets*”, Harvard Business Review. Retrieved from: <https://hbr.org/2005/06/strategies-that-fit-emerging-markets>

The question of emerging markets is crucial in market development. This article defends that if a company wishes to remain competitive, it needs to have a strategy adaptable to emerging markets. Moreover, the authors state that successful companies not only target emerging markets, but also use strategies different from the ones used in developed markets, finding novel ways of implementing them. They concluded that most companies analyze the market according to characteristics that are often misleading (like GDP or market size) and do not study the characteristics that give a better understanding of the market according to the product they are selling and the culture embedded in each country. Remaining an unattractive region for most companies, North Africa is a market that only appeals to specific companies that sell products related to the culture and specific needs presented there. However, the success of a proper market penetration can be massive in this area.

[Kotler, 2017] – Kotler, Phillip, Kartajaya, Hermawan, Setiawan, Iwan, “Marketing 4.0: Moving from traditional to digital”, John Wiley & Sons, Chapters 1, 3 and 4

Surrounded by several alternatives for almost every product, the consumer nowadays has limited time and attention to dedicate to a specific brand. Regarding that, this book provides the advantages of attractive online marketing, its management and the possible outcomes of using the Internet to advertise a product, allowing a better targeting and segmentation of the audience we want to reach. It helps understanding how Internet users think and interact with companies and it also refers to the possible challenges that this channel can create and how to overcome them. This publication helps to understand the path from offline to online marketing and the current contributions of both. One of its main ideas is to include the customer rather than create exclusive products (as many are already available to the masses).

[Newzoo, 2016] – “*The global games market 2016*”, Newzoo, pp. 7, 15, 20

The results provided by this study revealed that the region of East-Asia is the most adaptable to the mobile gaming industry, being the early adopters of this platform and showing an increase market potential for game developers. Countries from Asia-Pacific region account for 47% of the total game revenue in 2016 and is expected to increase, being the mobile market the one

that has the biggest sales value. Through its annual report, Newzoo sustains the idea that both the online and mobile gaming will keep on increasing in the following years.

[Porter, 1998] – Porter, M. E., (1998), “*Competitive Advantage: Creating and Sustaining Superior Performance*”, Free Press, Chapters 1 and 2

Known as a marketing guru, Porter was very innovative with his value chain framework. In his book, he explains how a company can create value to their customers according to their assets, goals and strategies. The company’s competitive advantage is set according to its level of product differentiation and cost efficiency and it can be measure bearing in mind the market development strategies used, where is considered the entry drivers and barriers, the level of competition, and the power of customers and suppliers.

[Ryan, 2017] – Ryan, Damian, (2017), “*Understanding Digital Marketing, marketing strategies for engaging the digital generation*”, Fourth Edition, Kogan Page, pp. 153 – 159

With an investigation on the evolution of digital marketing, the book offers a management view on the importance of digital marketing in the strategy of the companies with a B2C business. It informs about the several tolls available and the best methodologies to better attract and retain customers. Overall, the book offers, in a practical and comprehensive way, the best techniques for getting the most out of this channel to achieve the utmost success for a business. The main ideas retrieved from the book and placed in this study were related to the importance of email marketing, the best practices of using this toll and the possible results that it could offer for a successful online marketing strategy.

[Tuten, 2015] – Tuten, T. L., Solomon, M. R., (2015), “*Social Media Marketing*”, Second Edition, Sage Publications, pp. 177-178

This book provides strong recommendations on how to enhance and develop a search engine and social media optimization strategy. It states techniques on how marketers can develop and publish content that improves the probability that search engines will rank the websites well in result of search queries. The book also provides better processes of SMO, such that the likelihood of a content in a social media platform is more visible and likable in online communities.

[Weinberg, 2014] – Weinberg, Gabriel, Mares, Justin, (2014), “*Traction: A startup guide to getting customers*”, First Edition, S-Curves Publishing, Chapters 11, 21 and 22

The goal of this book is to provide the best practices for a start-up working in any business to get traction and consequently improve their brand and overall success. With no one-size-fits-all solution, the examples and solutions presented in the text intend to help creating and sustaining the growth of young business. Despite covering several themes found in this thesis, the main contribution of this book was related to the offline advertisement that a start-up can execute as a way to increase exposure and customer knowledge of their company. It focuses on the importance of trade shows and offline events as a platform to increase the network of the company and suggests several ways of offline advertisement that can differentiate the start-up from its competitors.