



Stanford eCorner

The Changing Economics in Mobile Gaming

Nick Earl, *Electronic Arts*

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Video URL: <http://ecorner.stanford.edu/videos/1619/The-Changing-Economics-in-Mobile-Gaming>

Nick Earl, General Manager of Electronic Arts Redwood Shores Studio, shares his insights about moving into the mobile gaming market. He explains that the high price of building graphical games is prohibitive in an environment where there is no hardware standardization.



Transcript

And we're also learning that it's just getting incredibly expensive to launch games. So making games, we've known for a long time, is very expensive. You could spend \$15, \$20 million making a game these days. To launch a game has become more expensive. What you need to spend at retail, you're really looking for events that allow you to kind of rise above the noise, and there's a lot of noise out there. So it really requires looking beyond, and that beyond includes things like mobile. So mobile is kind of the new hot thing, I say, along with online in terms of an opportunity to create games and market them, growing at a very fast growth rate. If you think about mobile phones as a device to play video games, it really is by far and away the largest installed base. 'Installed base' means number of hardware units out there. With that said, it's completely fragmented.

So there are all different types of devices and different user interfaces, different-size screens, different technologies, which makes it very challenging. But it can't be ignored. We've got about a third of people in America playing games on a mobile device.