

Please call 415-376-7310 or email research@pearlresearch.com for more information.

A Pearl Research Exclusive Report

Games Market in Taiwan: Online Games



Free Mailing List

For free research updates , please sign up for our newsletter at pearlresearch.com or send an email to newsletter@pearlresearch.com.

Copyright and Legal Notice

This report is intended only for the person or entity that have purchased this report and signed a service agreement with Pearl Research. Any review, retransmission, dissemination or other use of this information by persons or entities other than Pearl Research's paying subscribers is prohibited.

Redistributing and unauthorized reproduction of this document is considered breach of copyright and in violation of the terms and conditions set forth in the licensing agreement with Pearl Research.

About Pearl Research

Based in San Francisco, Pearl Research is a business intelligence and consulting firm that specializes in the interactive entertainment and Internet markets.

The company publishes in-depth market research reports in addition to providing customized research and consulting services.

For more information, please visit www.pearlresearch.com.
Email: research@pearlresearch.com
Phone: (+1) 415-738-7660

2007 Available Reports

+ Online Games Market in India

+ Games Market in China

+ Games Market in Korea

This exclusive research document by Pearl Research provides an analysis of the games market in South Korea (online, console, packaged PC and mobile) and includes:

- An executive summary highlighting major takeaways and key points
- Socio-economic overview including unique characteristics of South Korean society
- Robust discussion of inhibitors and drivers to market growth in the games industry
- Internet cafes and their role in the online games market
- Key metrics including top titles and publisher market share
- Examination of games currently in the market
- Online games pricing strategy
- Billing and payment methods
- Language and localization
- Profiles of key players
- Conclusions





Customized Research and Consulting

Pearl Research's customized research services help businesses solve their most pressing business issues. Every custom engagement delivers personalized in-depth analysis and realistic and tailored recommendations. Throughout the whole process, Pearl Research works closely with our clients to ensure key objectives are delivered successfully.

Typical engagements include:

- Market opportunity assessment
- Competitive analysis
- Benchmarking and best practices
- Market entry or market expansion plans
- Identification and tie-ups with potential local partners
- M & A advisory services with a special focus on Japan and China



TABLE OF CONTENTS

METHODOLOGY	VIII
GLOSSARY OF TERMS AND ABBREVIATIONS	IX
<u>I. EXECUTIVE SUMMARY</u>	<u>1</u>
<u>II. SOCIO-ECONOMIC OVERVIEW</u>	<u>2</u>
ECONOMY	2
Per Capita Income	3
POPULATION	4
UNIQUE CHARACTERISTICS OF TAIWANESE SOCIETY	5
<u>III. PC HARDWARE, INTERNET AND BROADBAND</u>	<u>6</u>
PC HARDWARE	6
INTERNET AND BROADBAND	7
<u>IV. INTERNET CAFES</u>	<u>9</u>
<u>V. DEFINING ONLINE GAMES</u>	<u>11</u>
<u>VI. ONLINE GAMES MARKET OVERVIEW</u>	<u>12</u>
DRIVERS TO GROWTH	14
INHIBITORS TO GROWTH	16
UNIQUE CHARACTERISTICS OF ONLINE GAMES	17
<u>VII. TOP ONLINE GAMES</u>	<u>18</u>
Soul of the Ultimate Nation (SUN)	18
Webzen	19
CABAL	20
Fugleman	20
Freestyle	21
Cayenne Tech	21
Rohan	21
YNK Korea	22
<u>VIII. TOP GAME OPERATORS</u>	<u>24</u>
<u>IX. EXTENDED COMPANY PROFILES</u>	<u>28</u>



CHINESE GAMER CORP.	28
History	28
Strategy	28
Games	28
Financial Information	30
GAMANIA DIGITAL ENTERTAINMENT	32
History	32
Strategy	32
Games	33
TV Show	34
Payment Platform	34
Financial Information	35
GIGAMEDIA LIMITED	37
History	37
Cambridge Entertainment Software (CES)	37
FunTown	38
T2CN	38
Financial Information	39
INTERNATIONAL GAMES SYSTEM	40
History	40
Operation	40
Online Games	41
Financial Information	42
INSREA	43
History	43
Games	43
INTERSERV INTERNATIONAL INC.	45
History	45
Game Development	45
Financial Information	46
SOFTSTAR ENTERTAINMENT INC.	47
History	47
Games	47
Financial Information	49
SOFT-WORLD INTERNATIONAL CORP.	50
History	50
Strategy	51
Games	51
Financial Information	52
WAYI INTERNATIONAL ENTERTAINMENT	54
History	54
Games	54
Financial Information	56
WINKING	57
Fantastic Melody Online (FM Online)	57
USERJOY	58
The Legend of Three Kingdoms Online	58
X. ONLINE GAMER BEHAVIOR AND PREFERENCES	59

<u>XI.</u>	<u>SOFTWARE PIRACY</u>	<u>70</u>
	Forms of Piracy	70
	Government Anti-Piracy Enforcements	71
<u>XII.</u>	<u>RETAIL AND DISTRIBUTION STRUCTURE</u>	<u>73</u>
	TOP CONVENIENCE STORE CHAINS	74
<u>XIII.</u>	<u>CONCLUSIONS</u>	<u>76</u>

TABLE OF FIGURES

Figure 1: Online Games Market Forecast 2006-2010 Data Table, \$m	1
Figure 2: Key Country Metrics.....	2
Figure 3: Taiwan’s Population by Age Group.....	4
Figure 4: Major Cities in Taiwan (population, thousands) October 2006 Data.....	4
Figure 5: Correlation between PC Ownership and Education Levels	6
Figure 6: Taiwan’s PC Penetration and Monthly Income (Income in USD)	6
Figure 7: Growth of Internet Users in Taiwan (in millions of users)	7
Figure 8: Broadband Penetration by Age Groups.....	7
Figure 9: Photos of High-End Internet Cafes in Taiwan.....	9
Figure 10: Examples of Web, Casual and MMORPG Games	11
Figure 11: Online Games Market Forecast 2006-2010 Graph, \$m.....	12
Figure 12: Online Games Market Forecast 2006-2010 Data Table, \$m	12
Figure 13: Payment Models for Top Online Games.....	14
Figure 14: Most Popular Online Game Forums April 2007	18
Figure 15: Screen Shot of SUN.....	19
Figure 16: Screen Shots of CABAL.....	20
Figure 17: Screen Shots of Freestyle.....	21
Figure 18: Select Top Titles in Operation in Taiwan	23
Figure 19: Online Publisher Market Share CY 2006.....	24
Figure 20: Comparison of Public Taiwanese Game Companies	25
Figure 21: Game Company Revenue Growth 2003 to 2006.....	26
Figure 22: Screen Shots of Wonderland Online.....	29
Figure 23: Screen Shots of Huang Yi Online	30
Figure 24: Chinese Gamer Financials 2003-2006	31
Figure 25: Title Shots of Recent Updates of Lineage	33
Figure 26: Screen shots of Gamania’s Maple Story and Mabinogi	34
Figure 27: Hosts of Dian Wan Te Gong	34
Figure 28: Gamania Financials 2003-2006.....	35
Figure 29: Earnings of Gamania’s Subsidiaries (NT in 1,000s)	36
Figure 30: Screen Shots of FunTown Games.....	38
Figure 31: Screen Shots of T2CN’s Freestyle.....	38
Figure 32: Gigamedia Financials 2003-2005	39
Figure 33: IGS’s arcade consoles	40
Figure 34: Screen Shots of Feng Sheng II.....	41
Figure 35: Screen Shots of We Dancing Online	41
Figure 36: IGS Financials 2003-2006	42
Figure 37: Screen Shots from Audition	44
Figure 38: Screen Shots from Dekaron.....	44
Figure 39: Logos for Iron Phoenix, M2 and Swordsman Online	46
Figure 40: Interserv Financials 2003-2006.....	46
Figure 41: Screenshots from La Frontera	48
Figure 42: Screenshot from Rich Online	48
Figure 43: Softstar Financials Q3 2005-Q3 2006.....	49
Figure 44: Screen Shots of Perfect World.....	51
Figure 45: Screen Shots of Battle and Battle Dungeon in RF Online	52

Figure 46: Soft-World Financials 2003-2006.....	53
Figure 47: Characters from Yulgang	55
Figure 48: Poster for SF Online	56
Figure 49: Wayi Financials 2003-2006.....	56
Figure 50: Screenshots of FM Online	57
Figure 51: Screenshots of The Legend of Three Kingdoms Online	58
Figure 52: Player categories by age groups	60
Figure 53: Preferred form of fees	61
Figure 54: Monthly spending on online entertainment (in NT\$, NT\$33=\$1)	62
Figure 55: Monthly spending on online games (in NT\$, NT\$33=\$1).....	63
Figure 56: Player Experience.....	64
Figure 57: Reasons for playing online games.....	65
Figure 58: Factors in Choosing Games	66
Figure 59: Favorite Type of Game	67
Figure 60: Preferred Graphic Styles.....	68
Figure 61: Reasons for Dissatisfactions.....	69
Figure 62: Game Prepaid Cards	73
Figure 63: Top Convenience Store Chains in Taiwan.....	74
Figure 64: Rest Area at an Hi-life Store	75