



[BREW®] developer case study

company □ Blue Heat Games

headquarters □ Atlanta, Ga.

founded □ November 2001

overview □ Formed by a core team from Sega and Electronic Arts, Blue Heat Games is a leading game developer for mobile platforms. The twelve-person company has secured and is actively pursuing licenses in entertainment and sports and is in the process of bringing those games to the market. Blue Heat's top customers already include well-known mobile game publishers such as JAMDAT Mobile, Sega and THQ. The seasoned game developers at Blue Heat have together sold more than 1.5 million units worldwide for the console and PC market. They are applying the same design and production methodologies to develop a cross-platform and scalable architecture to easily create rich, deep games for limited memory wireless devices.

website □ www.blue-heat.com

BREW developer □ Since November 2001

Founded in November 2001 by veterans from the video gaming developer community, Blue Heat Games is quickly demonstrating that it can develop feature-rich and entertaining games for mobile phone users through mobile game publishers such as JAMDAT Mobile, Sega and THQ. One of the company's high-end games includes Sega Snowboarding, an upbeat, fast-paced game with a visual style similar to the Gameboy and 16-bit systems like Sega Genesis. This game incorporates one of the first scrolling isometric backgrounds implemented for wireless games. Based on Blue Heat's experience in designing and producing best-selling sports titles like NFL2K, NBA2K and World Series Baseball, the company is developing a line of sports simulations for real sports fans. One of the first products is MLB Slam, which will offer 80 percent of the robustness of a PC or console game in wireless devices. Blue Heat supports BREW, J2ME and Palm OS platforms.

Blue Heat founder and principal Marcus Matthews, former senior producer at Sega of America, saw the mobile gaming market coming together in 2000 with the success of NTT DoCoMo's i-mode service in Japan. He set out to look for a business platform that mimicked the content payment scheme incorporated by i-mode. QUALCOMM's BREW platform fit the bill.

Blue Heat introduced its first project, Sega Snowboarding, based on the BREW platform in November 2002. But along the way, the company met plenty of skeptics. Publishers heavily entrenched in the Java world continued to tell Matthews and his team that BREW would never work. His response: "How do you know?" Today, the tune is much different. "I have almost all publishers wanting to lead with BREW ... The market is asking for BREW," said Matthews.

BREW has solidified a win-win business structure for all participants in the mobile data value chain. "It's very easy for us to get our piece of the revenue pie. That helped legitimize the mobile gaming market," said Matthews. Blue Heat's ability to write mobile gaming applications in C++ programming language is another main advantage of BREW. This allowed the company's developers to port libraries of PC-based gaming applications into the mobile space with a minimal amount of rewriting. In contrast, J2ME applications often require Blue Heat to rewrite applications from scratch.

Compared with other platforms such as J2ME, BREW's standardized interface makes porting applications across different handsets relatively easy. However, because of the graphic intensive capabilities Blue Heat incorporates into its gaming applications, the company must often optimize applications for various types of handsets.

"Most phones aren't made with gaming in mind," said Matthews. "Some of the cell phone manufacturers don't make screens fast enough to display action games and the keyboard response can be slow. We have a lot of extra profiling we must do ... Overall, having BREW makes it easier to support other handsets, otherwise we're dealing with the manufacturers' APIs."

Despite Blue Heat's early success in the mobile gaming market through the BREW platform, the company's main challenge pertains to working with various wireless operators not using BREW, which have different revenue-split business models and approaches to the wireless data market. Getting paid on-time or at all is one of the biggest gripes of wireless content developers today working with operators who have incorporated J2ME.

"We'd like to see operators with more consistent business plans," said Matthews. "There is a tremendous transition going on in the wireless space. Operators are moving from the service space into the application business. That's totally different from just selling phones because it requires you to support developers and applications."

Ultimately, the mobile gaming industry is not a technology play, said Matthews. Technologies such as Bluetooth and global positioning system (GPS) have been cited as key enablers to the mobile-gaming revolution, but the market is more about creating compelling applications that end users want to buy and about leveraging existing technologies to make them work, he said.

"Gaming is the most active data area right now," said Matthews. "Just like any other platform, the most compelling content will be very, very successful."

Blue Heat sees a mobile game demographic similar to the PC game market where about 10 percent of users are willing to pay for computer games, resulting in a \$3 billion opportunity. "I see the same thing with the cell phone. About 10 percent will be active purchasers of content. That's a sizeable amount when you are talking about the tens of millions of phones that will be in the market."

Testimonial references

Blue Heat is interested in speaking with the media as a customer reference for QUALCOMM. Marcus Matthews, founder and principal of Blue Heat is the appropriate spokesman. His contact information is: (404) 691-3819 ext. 81.

