

# Contents

<b>Preface</b>	<b>vii</b>
<b>Acknowledgements</b>	<b>xvii</b>
<b>About the Author</b>	<b>xix</b>
<b>Chapter 1 Innovations in the Game Industry: Online Games Versus Offline Games</b>	<b>1</b>
1. The impact of online games: Turnover of Korean game industry against American and Japanese competition	1
2. The potential of online games	3
3. Innovations of online games	7
1) Revenue model	8
2) Product attributes	12
3) Development process	14
4) Distribution channel	20
5) Communication	23
6) Game style	26
7) Immersion	29
<b>Chapter 2 Business Models and Corporate Strategy</b>	<b>33</b>
1. Revenue models of online games	33
1) Individual Set-Amount plan (①)	34
2) Individual Set-Volume plan (②)	35

3) Partial pay plan (③)	35
4) Set-Amount plan for Internet cafés (④)	36
5) Set-Volume plan for Internet cafés (⑤)	37
(1) World of Warcraft	38
(2) NCsoft (Lineage/Lineage 2/Guild Wars)	38
(3) Nexon (including Kart Rider, Maple Story and Mabinogi)	39
6) Combined price plans	41
2. Pricing plans of various online games	41
1) ROSE Online	41
2) Lineage, Lineage 2	44
3) Mabinogi (Nexon)	44
4) World of Warcraft (WoW)	47
5) Kart Rider	48
6) Freestyle	48
7) Goonzu	50
3. The feasibility of item sales in the U.S.	50
1) Gender	51
2) Ethnicity	52
3) Type of Internet connection	53
4) Primary purpose of Internet use	53
5) Preferred game genres	54
6) Game selection criteria	54
7) Information channels	56
8) Primary times of Gameplay	56
9) Reason for playing online games	57
10) MMORPG genres played	58
11) Degree of LAN party participation	59
12) Payment status	59

<b>Chapter 3 Virtual Societies and Economies of Online Games</b>	<b>61</b>
1. Generation of online economic activity	62
2. Development and evolution of the item trade industry	63
3. Degree of item trades and player conception of Korean users	70
4. Cyber economy growth model	75
5. Issues to be considered in item transactions	77
1) Item ownership	77
2) Credibility in item trades	79
3) Game system and item trade	80
6. Conclusion	81
<b>Chapter 4 The Formation Process of the Korean Online Game Industry</b>	<b>83</b>
1. The precursor to the modern online game: Text MUDs	84
2. MUG (Multi User Graphic) game development and the spread of users	92
3. The emergence of Lineage and industry expansion	94
4. The emergence of game portals	98
5. The emergence of casual games	102
6. Formation of the innovative human resources: Online game development workforce	106
<b>Chapter 5 Factors Promoting Growth of the Online Game Industry</b>	<b>111</b>
1. User's path dependency: Absence of the console game market	112
2. Software piracy	115
3. Supporting infrastructure	117

1) Spread of Internet cafés	120
2) Spread of ADSL	124
3) Mobile small-amount billing system	127
4. The support of governmental policy	131
(1) High-speed communication network policy (Ministry of Information and Communication)	133
(2) Adapted military service system (Ministry of Culture and Tourism)	134
<b>Chapter 6 Global Development and Marketing Strategies of Korean Online Games</b>	<b>139</b>
1. Factors affecting global online gaming growth	140
1) Server operations	143
2) Publishing method	144
3) Distribution method	145
2. The Chinese market and its distinguishing characteristics	147
1) Growth potential	147
2) Risk factors	148
3) Internet cafés as online gaming strongholds	151
4) The expansion of Korean gaming in China	152
5) Cases of Korean expansion into China	154
3. The Japanese market and its distinguishing characteristics	156
1) Distinguishing attributes of the Japanese online game market	159
2) Development efforts of Japanese game firms	161
3) The strategies of Japanese game developers	163
4) Strategies for approaching the Japanese market	165
5) The Japanese market and its distinguishing characteristics	170

(1) Primarily MMORPG-based expansion	170
(2) Introduction of the partial pay revenue model	170
(3) Types of publishing and distribution for Korean online games in Japan	173
4. The U.S. market and its distinguishing characteristics	173
1) Purpose of Internet use	174
2) U.S. market penetration of Korean game developers	175
(1) Yedang online (Global server — direct publishing — online download)	177
(2) NCsoft (Local server — direct publishing — package sales)	179
(3) Gravity (Local server — direct publishing — online download)	180
(4) MGame (Local server — outsourced publishing — online download)	182
<b>Chapter 7 International Comparison of Online         Game Users</b>	<b>187</b>
1. Community identity	188
2. Game information acquisition channels	196
3. PK preference	200
4. Game styles	205
5. Online game selection criteria	208
<b>References</b>	<b>211</b>
<b>Index</b>	<b>215</b>