

Demographics, local tastes fuel Arab video game industry

Nour Merza, Reuters

Fares rushes through a crowded Moroccan market, past a man selling Persian rugs, a cat mewing for slivers of meat from a butcher, and a woman surveying mounds of bright red and yellow spices.

He hardly notices them, because his mission is to locate a lost chapter of famed Arab explorer Ibn Battuta's book on his 14th century travels across Africa and Asia -- a chapter stolen from the original manuscript long ago and detailing the location of a secret treasure.

Fares is an important figure in the Arab world's burgeoning online industry because he is a character in *Unearthed*, the first major Arabic-language video game developed for PlayStation 3 and Xbox by an Arab company: Saudi e-publisher Semanoor.

The Middle East has one of the fastest growing communities of online gamers in the world, and demographics mean this is likely to remain true for many years.

About 60 percent of the 350 million people in the Arab world are younger than 25, with internet penetration in the region at about 70 million users -- over 300 percent growth in the last five years, according to numbers from United Arab Emirates-based entrepreneurship research portal Sindibad Business. Internet penetration is expected to reach 150 million users by 2015, said the portal's founder Bahjat Homsy.

Such statistics are encouraging the rise of a small but dynamic video game development industry in the Arab world. At least six Arab game firms, most in Jordan, received funding from local investors in the last two years, according to Sindibad.

Arab video gaming "is interesting because it is following internet growth in the region, which is among the fastest in the world", said Nagi Salloum, chief marketing officer of Saudi investment firm N2V, which injected money into Saudi game platform Game Tako last month.

Last month also saw the first cross-border acquisition of an Arab video game development company, Saudi Arabian start-up Kammelna, by a foreign firm: Turkey's Peak Games, a fast-growing social gaming company. Kammelna, which specializes in an online version of the card game Baloot, said it had around a million registered users and about 50,000 users per day.

Mashhour al-Dubayan, founder of the Saudi Arabia-based Arabic gaming news portal SaudiGamer.com, said increasing consumer interest meant his website, initially

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launched as a hobby, was now a viable commercial proposition.

"After just a year of running it, we started seeing a business opportunity and began relationships with major companies (as sponsors). Next week, I'll be leaving my job to stay with SaudiGamer full-time," said Dubayan.

EXPANSION

Arab video game developers lack the deep pockets, marketing muscle and much of the technological sophistication of huge rivals in the West and Asia.

But the local industry has some advantages. In oil-rich Arab Gulf countries, where youths with pocketfuls of cash feel they have few entertainment outlets, average daily revenue per user is among the world's highest, according to Peak Games. While it is about 6 U.S. cents in the United States and Europe, it is around 8 cents in the Gulf, said Peak co-founder Rina Onur.

And while internationally known "first-person shooter" games from the West, such as Call of Duty and Halo, are certainly popular in the Arab world, there is also demand for games with local characteristics.

"People want to see their national days, their special dishes reflected in these games -- people who look like they're from the region, not just blond with a cowboy hat," said Onur.

Many Arab video games are card games or historical adventures that differentiate themselves by having storylines or artistic elements that look distinctly Arab, and do not yet try to compete directly with the hi-tech glamour of Western games.

The big international companies are also responding to local tastes; U.S.-based giant EA Sports, for example, will release an Arabic version of its FIFA soccer franchise in 2012.

The industry in the Arab World is still small enough that competitors sometimes work together to improve quality. To help the market grow, said Dubayan at SaudiGamer.com, his team has gone as far as writing articles for rival Arab gaming news websites.

"This is a time to collaborate, not compete," said Fahad al-Saud, Saudi Arabian head of California-based heritage game producer Popover.com, which specializes in developing online versions of culturally specific board games, such as Tarneeb, a traditional Arab game. "The geeks from all around the Arab world try to find each other and help each other."

Part of the reason gaming has taken so long to grow into a viable industry is the lack of interested investors -- most are extremely risk-averse, said Kammeln founder Essam al-Zamel. "There are easy ways to make money in Saudi. If you get 20 percent returns on real estate, why would you waste your money on a start-up that might not succeed?" he said.

"They don't understand the market...The mentality of investing in multiple companies, knowing two or three will succeed and others will fail and that's okay, doesn't exist. Here, they want to be sure that the company will succeed."

Omar Christidis, head of the annual ArabNet Digital Summit, which promotes entrepreneurship in the region, said Arab game developers needed to flood the market with products before investors would come calling. "We need to see game after game after game to see some successes," he said.

SOCIAL MISSION

Many of those in the Middle Eastern video game industry say they have a social and cultural mission. The plethora of games showing Arabs and Muslims as enemies and terrorists is what inspired Semanoor to enter the business, said the company's founder, Emad al-Doghaither.

"Games are being used to ruin the image of Arabs. We went into games because we want to reach the youth who use them and show them a different picture."

Gamers also hope their products change stereotypes about the Arab world by creating personal relationships between people from inside and outside the region who share a passion for video games.

The first line in Game Tako's description page, for example, says it aims to facilitate social interaction between online gamers and promote regionally created content. The firm embodies this cross-cultural mission in its own name, choosing to use the Japanese word for "octopus" instead of the Arabic one.

In a region where there are conflicting interpretations of religion and culture, Doghaither said some of Semanoor's customers saw its depictions of local lifestyles as divisive.

"We got pressure for having a veiled girl in our game. People asked us, 'why are you forcing your culture on us?' Well, what can we do? Women in our culture wear the veil. Other companies have their culture in their games.

"But others were supportive. They said that they're used to seeing American and European games, so they're saying: 'this is different. This is interesting.'"

(Editing by Andrew Torchia)

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