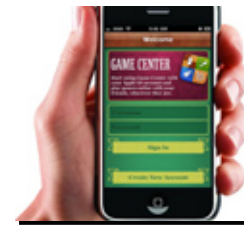




PLAYED

SEPTEMBER 2010: THE VP OF INSIGHT EDITION

PLAYED is Denuo's monthly look at the major headlines and evolving trends in gaming's ever-changing landscape. With insight from our gaming industry experts, PLAYED will keep you in the know when it comes to the expansive and entertaining world of gaming.



CONNECTING MOBILE GAMERS

- Mobile gaming networks are the new battleground for attention.
- Apple's Game Center connects iPhone users across games.
- OpenFeint shifts connected mobile gaming cross-platform.
- iComplishments brings sponsored perks to mobile gaming.



25 YEARS OF MARIO

- Nintendo's Mario turning 25 years old this month.
- Brand has sold over 220 million games worldwide.
- Mario used to introduce new technology from Nintendo.
- Return to roots with New Super Mario Bros. series on Wii and DS.



SONY'S VP OF BRAND AWARENESS

- Sony's PlayStation brand relaunch includes Kevin Butler.
- Represents gamers with questions about new PS3 products.
- Character incredibly popular with gamers and non-gamers.
- Credited with helping increase sales and awareness of PS3.

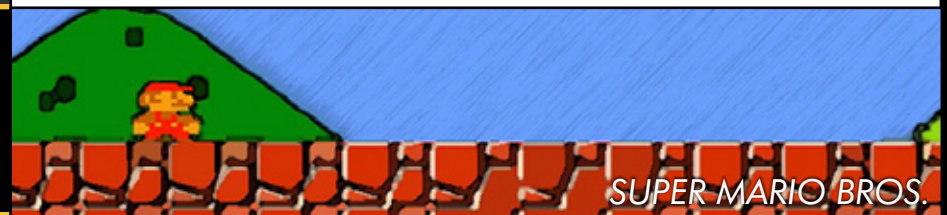


THE MATURATION OF GAMING

- California attempting to make sales of violent games a crime.
- Law originally declared violation of First Amendment rights.
- Gamers and developers working to keep law from passing.
- Organizations like the ECA and Video Game Voters gaining support.

PLUS:

WHAT WE'VE BEEN PLAYING WHAT WE'VE BEEN SURFING AUGUST SALES FIGURES



CONNECTING MOBILE GAMERS

Social gaming is an industry buzzword now, but few people remember that it was Microsoft that really started the trend with its Xbox Live service in 2005, back when Facebook was still limited to high school and college networks. From standardized voice chat to achievement points, Xbox Live brought an amazing amount of functionality and innovation to the console gaming space. While competitive home consoles still haven't found parity in their networks, mobile gaming is moving much, much faster. What started with a fragmented market of redundant social gaming networks has begun to evolve into a more mature, unified space. Three major players have appeared on the horizon - with very different feature sets and priorities, all of which will no doubt provide marketers a diverse array of new opportunities to engage gamers on the go. Nothing less than the hearts, minds, pocketbooks and data of a new generation of mobile gamers are up for grabs. This nascent space is not only going to make a big impact on the future of the industry, but it may, like Xbox Live did, change the way marketers communicate with the ever growing audience of mobile gamers.

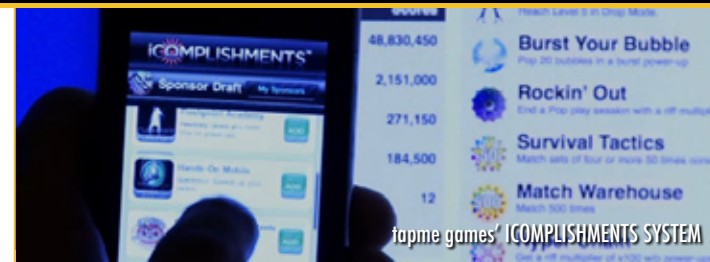


Apple's recently released **Game Center** app is looking to unify the many networks that cropped up in the wake of iOS becoming a gaming *tour de force*, and early signs point to high transition rate amongst game developers and gamers. Game Center offers a unified system for leaderboards, achievements, friends lists, and matchmaking with a heavy dose of Apple's spit and polish. The biggest boon for Apple, however, is that it has the largest library of portable games in the market by far. With Game Center established, the App Store and iOS combination has a powerful lead on other networks in terms of players.



Before Apple's gaming network, however, **OpenFeint** was the de facto way to connect gamers across iPhones and iPods, supporting a wide variety of popular games throughout some of the largest mobile publishers on the platform. With Game Center's introduction, many thought OpenFeint would be rendered obsolete, however, nothing could be further from the truth. Many developers and gamers are still using the OpenFeint network, even in the wake of Apple's solution. Gamers, after all, won't leave their hard-earned achievements and friends lists behind easily. In order to further differentiate itself, OpenFeint is launching advanced functionality aimed directly at core gamers with cross-platform multiplayer matchmaking and real-time voice chat. The introduction of these exclusive new features, combined with the recent announcement of expansion to the Android platform, shows OpenFeint adapting well to competition.

Microsoft, looking to capitalize on its successes, is bringing Xbox Live to the mobile space with its upcoming **Windows Phone 7 OS**. Xbox Live is a foundational feature for the new OS, one Microsoft is looking to use to differentiate itself. Microsoft is pushing hard on unique features that take advantage of the success it has gained with the Xbox 360. Gamers will be able to link their existing Xbox Live accounts with their phones, replicating almost all the features from the service on-the-go. Microsoft is also promising cross-platform functionality between the Xbox 360 and Windows Phone 7 phones, as well as tools that allow developers and gamers to seamlessly transition from gaming on their phones to gaming on their HD screens. With Windows Phone 7's success on the line, Microsoft is coming into the mobile social-networking space with guns ablazing.



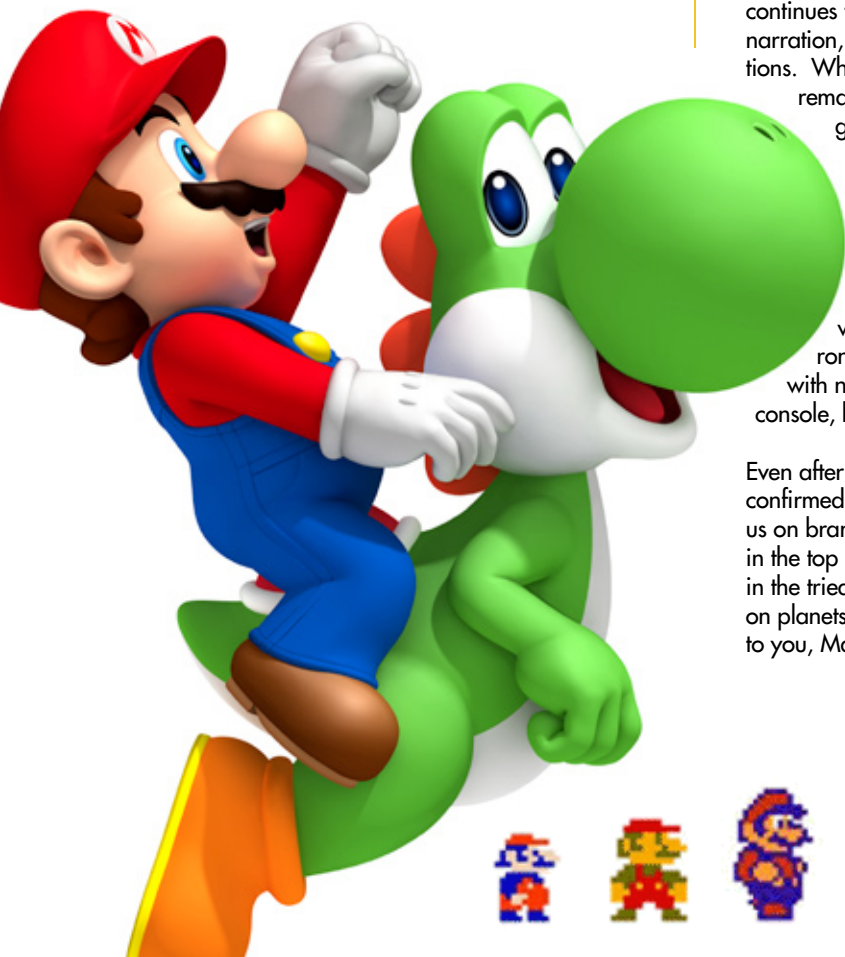
If having three new, major networks on the mobile gaming horizon isn't enough, there are still plenty of unknowns. For one, none of these networks have laid out public plans for marketers to directly get involved. Microsoft has certainly lead the way in the home-console space, but it remains to be seen what they will do differently in the mobile world. Facebook is another player battling rumors of developing a mobile OS, potentially integrating a lot of the site's industry-leading social functionality. While certain features and tactics are bound to work in both spaces, the vast differences in the mobile space will no doubt bring about some new innovations, as well. The **iComplishments** system from developer **TapMe! Games** is one of these new additions. The system gives gamers the option to plus-up their mobile gaming experience by selecting from an array of branded, game-relevant power-ups. For example, selecting a sports drink-branded upgrade would allow a player to move faster in a basketball game, while earning impressions for the brand. While iComplishments is still in its early stages, it reflects just one of the many new ideas coming to the space to bring gaming and brands even closer together.



Though much remains hazy, it is an exciting time for mobile development, and no doubt central to the future of mobile marketing. With consumers spending more and more time gaming on their mobile devices, social-gaming networks have only just begun to show their power for communication in the home space. As they become ever-present in our pockets, the opportunity for new ways to reach out to gamers on-the-go will only grow.

25 YEARS OF MARIO

While gamers were busy gearing up for the return of *Halo* and *Dead Rising* this month, a truly evergreen gaming franchise is celebrating a remarkable milestone for the industry. The endemic Super Mario Brothers turned 25 years old this month, celebrating a quarter of a century of bringing fame to Italian plumbers, mushrooms, and 1 ups. The mere soundtrack to *Super Mario Bros.* echoes with nostalgia, not to mention the fact Mario and his supporting cast have endured as iconic characters beloved by all for much longer than most modern-day gaming heroes. Mario made his debut in *Donkey Kong*, but established his legend in *Super Mario Bros.* on the Nintendo Entertainment System (NES), selling over 40 million copies worldwide, putting Nintendo, and Mario himself, at the forefront of gaming's new identity.



As Nintendo grew with changing technology, from the NES to the Wii and into handheld devices like Game Boy and Nintendo DS, the Mario brand evolved as well, oftentimes launching a title alongside a new system to bring a familiar face into gamers' homes with their latest console. Over time, Mario games have sold over 222 million copies across all platforms worldwide, according to Nintendo. Robert Lowe, Nintendo Marketing Manager UK Ireland, noted that Mario "is an enduring gaming icon that has a truly universal appeal. His games blend immense creativity, superb gameplay, and unbridled fun in a unique and spellbinding way."

Though he's gone through many iterations as technology has evolved, Mario continues to possess the staying power across generations, technology, and narration, allowing him to remain a videogame staple for over five generations. While most cartoons, videogames, and movie characters strain to remain relevant, Mario does it with ease, bringing new and experienced gamers together. Nintendo has featured the character beyond his own titles as well, using Mario to introduce new play mechanics to gamers, like puzzle games via *Dr. Mario*, RPG games like *Mario and Luigi* on the DS, or ushering in the 3D-platform adventure with *Super Mario 64*, which many argue is the greatest videogame ever created. Even analog gamepads, now a staple across all forms of gaming, can give credit to Mario, as the control style was invented for players to better control the plumber in the 3D environment on Nintendo 64. This coupling of familiar, beloved characters with new technology has let Nintendo innovate beyond the joystick and console, breathing new life into the company and the industry as a whole.

Even after 25 years and over hundreds of millions of games sold, Nintendo confirmed that we can "rest assured [knowing] that it will be Mario who takes us on brand new adventures in the future." To this day, a Mario game still sits in the top 10 for monthly NPD sales and news of his latest adventures - be it in the tried-and-true environment of the Mushroom Kingdom or in outer space on planets shaped like his head - create gamer buzz like no other. So here's to you, Mario. A very happy birthday, with many more years to come.

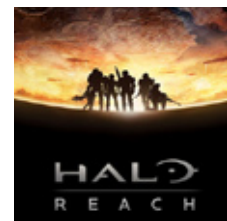


WHAT WE'RE PLAYING

SEPTEMBER 2010

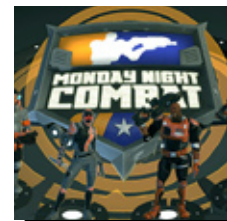
HALO: REACH

Bungie's final entry in the Halo universe offers everything a gamer could ever want.



MONDAY NIGHT COMBAT

This DOTA-style shooter makes multiplayer carnage a competitive sport from the future.



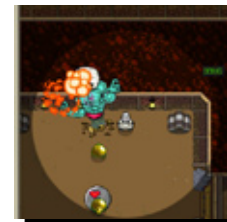
DRAGON QUEST IX

The classic RPG series never played better than on a handheld. Highly recommended.



100 ROGUES

A dungeon crawler that randomly generates levels on the iPhone. Scarily addictive.



SONY'S VP OF BRAND AWARENESS

"DAY 1: Eating cake. They love me."

This was the first tweet from Sony employee **Kevin Butler**, as featured in a new commercial for the PlayStation Move. The Sony VP of... well lots of stuff, is spending 90 days "moving in" with the Maguire family to put the Move to the ultimate test. We'd list Mr. Butler's actual position, but it seems to be in a constant state of flux. He's been listed as the Director of Game Accuracy, VP of Big Action Moments, and Chief Weaponologist. In fact, his title seems to change every time he shows up. All we really know is that it is Butler's responsibility to respond to "Dear PlayStation" queries, a series of television ads featuring Butler's responses to questions about the PS3. In the months since his debut, Kevin Butler has struck a chord with gamers and non-gamers alike, whether through his hilarious Twitter feed, his live appearances at big gaming conventions, or for the 30 seconds of relatable humor he brings through his spots. For Sony, the variable VP has led to a resurgence in PlayStation 3 sales and, more importantly, the creation of what could be a gaming icon.

Kevin Butler was created by Sony ad agency Deutsch/LA as part of their "It Only Does Everything" campaign for the PS3. Portrayed by actor **Jerry Lambert**, Butler first made his appearance in a 2009 ad for *MLB: 09 The Show*. The commercial earned such critical acclaim that Sony decided to build an entire campaign around the fictional employee. Even notoriously critical gaming blogs quickly embraced the spots, with Kotaku asking, "Could this be a return to commercials from Sony that not only make sense, but are fun to watch?" Butler's character has become so renowned, that Sony claims they have received requests from media outlets for interviews with Butler, not realizing he isn't a real Sony employee. A pretty big accomplishment for a VP of Fanboy Relations.



Kevin Butler
VP of Humility

While the ads have been unanimously praised, the positive accolades would mean little if they didn't translate into sales. Luckily, Sony does not have that problem. In August, sales of the PS3 rose by 5.1% and the system has seen 13 consecutive months of year-over-year sales increase. Sony Computer Entertainment America Senior VP Peter Dille was quick to give the Butler ad campaign credit for the success, saying "It's been tremendously successful. Consumers love it. And the results are really in the sales because it's really been flying (off the shelves)." While Dille appreciates people's love for the character, he understands the value of Butler from a marketing standpoint as well. "We're so excited that people love him. It's important that everyone loves the ad, but it's great that he sells the product. Sometimes, you might have a clever ad but when you ask people about it later and they say, 'What was it advertising for again?' You just don't have that problem with Kevin Butler; he's been great for us." So great, that Sony announced Butler would be injecting life into the PlayStation brand through the end of 2010.

Sony faced the latest industry challenge of appealing to moms, dads, and even grandparents without alienating the core gamer raised on their brand. Rather than producing a typical campaign that focuses on the technical achievements of the PS3, Sony focused on the relatable and humorous aspects of gaming, as summarized in **Butler's speech** at Sony's E3 2010 press event. Kevin Butler appeals to all sorts of gamers, fielding fictional questions from both girlfriends and fanboys alike. Sony understands that to stay relevant they will have to continue to find a way to appeal to a broader audience than they have typically relied on to sell units. Based on the public's embrace of the character and, more importantly, sales figures, it would appear hiring Kevin Butler as VP of Virtual Pet Relations was a great way to start.

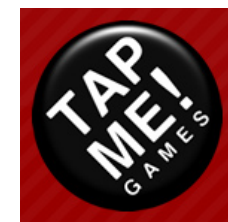


WHAT SURFING WE'RE

SEPTEMBER 2010

TAPME! GAMES

Indie developer out of Chicago that makes great games and offers fresh insight on their blog.



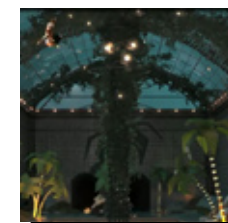
GLEE: THE 8-BIT ADVENTURE

YouTube becomes a classic game console in this retro adaptation of the hit show.



8BITS

Short animated film that drips with nostalgia, criticism of modern gaming, and awesome effects.



MADDEN NFL SUPERSTARS

Playfish and EA bring Madden to Facebook with a socially-driven collectible card game.



ART, CENSORSHIP, AND GAMING

Like film in the early days of the **Hays Code** and the music industry's fight with the **RIAA** in the 80's, gaming has come under fire by government officials looking to restrict the sale of "violent" videogames to people under 18. In 2005, California Governor Arnold Schwarzenegger tried to pass a law that would fine retailers for selling such games, despite the ESRB's efforts to clearly label and indicate so-called "objectionable" content on retail shelves. The law was struck down by the US District Court in California, citing that videogames are protected by the First Amendment, like films and music, and there is no evidence linking violent videogames to real-world violence. The Ninth Circuit of the United States Court of Appeals upheld the same ruling last year, praising the ESRB rating system put in place by the gaming industry as a less-restrictive but effective way to make sure gamers are playing age-appropriate games.

However, earlier this year, the US Supreme Court agreed to hear arguments from both sides of the law, reigniting the debate of whether or not games are protected by First Amendment rights and if government intervention is necessary to keep violent games away from children. The stakes are higher, the debate is stronger, and gamers are taking more action than ever before, putting game developers, gaming media, and the **Entertainment Consumer's Association (ECA)** into action to protect their rights to create, express, and share their work without federal regulation.



At the Penny Arcade Expo (PAX) earlier this month, keynote speaker **Warren Spector** challenged gamers to not only be welcoming and open to the growing gaming audience, but also to stand up and protect their entertainment choices by taking action against the law, as "November 2nd could be the start of a timeline where we're the first entertainment medium denied First Amendment protection." Longtime gaming lobbyists at the ECA are also making sure gamers are informed via websites like **GamePolitics**, presence at conventions like E3 and PAX, as well as incentivizing gamers to become members of the ECA, offering information on upcoming legal and federal issues that challenge the gaming industry. Even famed comic creator **Stan Lee** has made a point to inform and educate gamers on this important debate, considering his history in comics and his own battle against censorship throughout his career.

Regardless of the side one takes in this debate, the gaming industry's opposition of this bill shows a maturation of the gaming space in many respects. Gamers are now older and more politically active, while game creators are aware of the spotlight granted by success and the accompanying responsibility. The ESRB, gaming's independent content ratings board, has also spoken up, promoting the fact that fewer underage consumers access their content than similar industries with their own rating boards, like film's MPAA or the music industry's famous advisory label. In every art form's infancy, the battle for what is considered objectionable and proper always occurs. Gaming's mainstream success has led to this attention, and, as gamers become more active, social, and vocal about the industry, the art of gaming will hopefully belong to those who enjoy and consume it the most: gamers.

SALES DATA

AUGUST 2010

HARDWARE SALES

August 1st, 2010 to August 28th, 2010

- Xbox 360 - 356,700
- Nintendo DS - 342,700
- Nintendo Wii - 244,300
- PlayStation 3 - 226,000
- PlayStation Portable - 79,000



SOFTWARE SALES

August 1st, 2010 to August 28th, 2010

- Madden NFL 11 (360) - 920,809
- Madden NFL 11 (PS3) - 893,638
- Super Mario Galaxy 2 (Wii) - 124,607
- New Super Mario Bros. (NDS) - 110,360
- Mafia II (360) - 109,827
- New Super Mario Bros. (Wii) - 105,796
- Call of Duty: Modern Warfare 2 (360) - 99,377
- Mafia II (PS3) - 96,962
- NCAA Football 11 (360) - 87,180
- Just Dance (Wii) - 78,970

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