

Angry bird case ananalysis



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Case study: Angry Birds

- 1.

Introduction In this day and age, with the development of technology and science, mobile phone has been used in multiple ways.

With the exception of communication, there are a large number of applications for individuals' entertainment. The mobile games have been becoming more and more popular in our daily life. There is no question that Angry Birds is one of the most successful mobile games in recent years. In this report, I will analyse the game in details. First, I will introduce the overview of the whole games industry. Following this, I will analyse the business environment, why Angry Birds is so successful, the values which are generated by it, and so on.

At the last part, I will do some analysis about the future of Angry Birds which it will suffer from. It includes not only the opportunities but also risks.

2. The general environment for the gaming industry In recent years, the development of games industry is prosperous. However, the majority of the market share is the mobile gaming industry. The ranges of games are very wide and they can be played on the mobiles easily. Now, people can enjoy high quality mobile games at anytime and anywhere. In 2010, the worth of the mobile entertainment industry is approximately 33 billion US dollars.

This is because of the success of the iPhone and a large number of Android system devices (Max, R. , 2011). Nowadays, there are a lot of factors which have crucial effects on the major changes in the mobile game industry. For example, all the mobile games can be published to the App Stores easily. As a developed, the cost of developing a mobile game is very low. Whether the mobile games are free or not cannot have effects on the profits of the developers. The developers can earn money from other ways when their games are published.

For example, the mobile games can be offered through the use of the advertisings. It is an example of this. The advertising can be seen obviously in the frame (Briley, 2011). Figure 1: the advertisings are used in the games In addition, the number of the female players which are increasing has broken the record. The percentage of female mobile gamers is 53 per cent now. 3. The Industry Environment As there are thousands and tens of thousands of mobile games in the industry, the competition among developers is very fierce. I will analyse this in five forces below, 3. Threat of new entrants The threat of new entrants is high. There are a lot of factors. First, the costs for developers are very low. They can enter this industry easily. On the one hand, low costs mean low risks. On the other hand, many people can access this sector easily. If they have good ideas and some knowledge of programming, a popular mobile game can be developed. Furthermore, the potential profits attract more and more new entrants to share the mobile game market. 3. 2 Power of suppliers The power of suppliers is very low, even zero sometimes.

This is because the value chain of the mobile game industry is very simple. The third party is only App Store. The developers can develop the mobile games and sell them via App Store or to customers directly. The process of developing the mobile games is very easy. Everyone can do it at home if he have related knowledge.

3. 3 Power of buyers The power of buyers is very high. Whether a mobile game is successful or not depends on the volume of sales. Thus, customers play a crucial role in the development of the mobile games.

It illustrates the values of the mobile games. Due to satisfy customer demands of entertainment, Angry Birds has become the most popular mobile game until now.

3. 4 Threat of product substitutes The threat of product substitutes is very high as well. As mentioned above, there are thousands and tens thousands of mobiles games providing for customers. There are also other games attracting customers. It is unavoidable that the competition among developers. Moreover, many developers copied the idea of Angry Birds and developed many similar mobile games like Angry Birds.

If Angry Birds cannot develop new ideas in the future, it will be replaced by its rivals fast and easily.

3. 5 Intensity of rivalry among competitors It is no doubt that the intensity of rivalry among competitors is very high because the mobile game industry can be accessed easily and the process of developing mobile games is very easy and low risk. Moreover, the ideas of the mobile games can be imitated by other developers. Therefore, the competition among competitors is very fierce.

4. The value chain The most common value chain of the mobile game industry is in the figure 2 below (Behrmann, M. 2011). Distributors Customers Developer

Figure 2: the most

common value chain of the mobile game industry The value chain of Angry Birds is the same as most mobile games. As stated previously, the costs of the development of mobile games are very low. Hence, a lot of mobile games can be self-funded by private investors or development studios. In addition, the value chain of Angry Birds is very short. Developers can earn the majority of the profits which are from 70 per cent which are sold through distributors such as App Store to 100 per cent which are sold to customers directly of the prices.

As the most successful mobile game now, Angry Birds has been downloaded more than 300 million times until July of 2011. Furthermore, with the success of the game design, the concept of Angry Birds is applied to other sectors such as toys, films and clothes; to name but a few (Arina, T. , Inkinen, S. and Parda, J. V. , 2011). 5. Core competencies of ROVIO Angry Birds is the development of the traditional shooting game. Through adopting different kinds of birds which have different functions, the design of the game result in it was more interesting and attractive.

It is a new experience for gamers. With the exception of the design, the game is easy to play. Gamers only need to touch the screen and set the shooting direction. Thus, in my point of view, the main core competency of ROVIO is innovation. Through another expression of the traditional shooting game, a huge number of gamers are attracted to play it. 6. Business level strategy As the success of Angry Birds, a lot of developers copy the idea of Angry Birds and develop a large number of games which are similar to Angry Birds.

In order to keep and exploit the core competency of Angry Birds, ROVIO has to design new distinguishing feature to attract customers. If not, it will be replaced by its rivals. 7. Future opportunities and risks On the one hand, with the development of mobiles, it offers a big opportunity for the mobile game industry. In recent years, the sales and revenue of the mobile game industry has been increasing dramatically. People hope to enjoy enterprise at anytime and anywhere. Mobiles are good carriers. People can “ take” entertainment in their pockets. Many people has accepted the brand of Angry Brand because of its success.

Therefore, with the demands of customers and the brand value in customers, the development of Angry Birds can attract many people, especially young and female people. In addition, ROVIO can widen the range of production about Angry Birds through exploiting its brand value. On the other hand, we cannot deny there are a lot of risks accompanying with the opportunities. For example, many rivals copy its idea and develop a lot of similar games. This results in the decline of advantage of Angry Birds. Moreover, a huge number of developers are designing mobile games at the moment.

We cannot deny that some mobile games will beyond Angry Birds. 8.

Conclusion From the evidence we have discussed above, the mobile game industry is on the rise at the moment. The profits at this sector are increasing significantly, especially in recent five years. It is no doubt that Angry Birds is the most successful and profitable game in the history. However, it is suffering from the fierce competition from its rivals. In the future, it will develop with both opportunities and risks. From the case of Angry Birds, we can find that innovation plays a critical role in its success.

Innovation is useful to improve the core competency of companies not only in the mobile game, but also in other sectors. 9. References Briley, (2011). It's Time To Take Mobile Gaming Seriously. Behrmann, M. , (2011). Game Development and Digital Growth. European Games Developer Federation. Arina, T. , Inkinen, S. and Parada, J. V. (2011). Competitiveness of Finland's IT & Telecom Industries Today and Tomorrow. The Federation of Finnish Technology Industries. Special Edition. Max, R. (2011) Development Of Android Games In The Growing Mobile Game Industry.