



Table of Contents

About Niko Partners	1
Our Focus	1
Our Mission and Services	1
Our Team	1
Our Clients	1
Other Services	1
Executive Summary	4
Methodology	5
Geographical Distribution of the Survey	5
Internet Penetration Assumptions and Definition	5
Research Collection Process	6
Supplemental Statistics	6
Market Projections Methodology	7
Baseline Data Availability	8
Economic Assumptions 2010	9
China's Economic and Market Overview	11
Chinese Gamers	14
Demographics	14
Time spent and location of playing video games	16
Gamer Choice of Gaming Platforms	17
Gamer Spending	17
Gamer Home PC Ownership	19
Online Games and Operators	22
Online Game Market Snapshot	22
Online Game Market Trends	23
Casual Games	24
Networked Games	24
Webgames	25
Summary of the World of Warcraft Regulatory Problems of 2009 and 2010	25
Online Game Operators' Metrics	26
What Gamers Want	29
Popular Online Games in Early 2010	31
Social Networking Service (SNS) Games	33
Major Competitors	33
Regulatory Landscape for Social Networking Service Games	35
Prepaid Card Distribution	36
Internet Cafés	38
Ownership Structure of an Internet Café	41
Internet Café Customers	42
Regulations & Policy	46
Scope of the Regulatory Bodies	47
Tighter Regulations since September 2009	47
Uneven Playing Field for Chinese and Foreign Companies	48
Recently Announced Regulations	48
Future Trends and Things to Consider	50

Table of Exhibits

Exhibit 1: Summary of China's Online Game Market Size and Forecast	10
Exhibit 2: Online Gamers and Online Game Revenue 2009-2014	11
Exhibit 3: Age Distribution of Adult Chinese Gamers (years of age)	15
Exhibit 4: Number of Years as a Gamer	15
Exhibit 5: Hours per Week Spent on Video Games	16
Exhibit 6: Location of Gameplay	16
Exhibit 7: Monthly Spending on Video Games	18
Exhibit 8: Preference for Item-Based or Time-Based Sales Model	18
Exhibit 9: Monthly Spending on Virtual Items	19
Exhibit 10: Rate of PC Ownership at Home = Rate of Playing on Home PC	19
Exhibit 11: Brand of Home PC	19
Exhibit 12: Age of Home PC	20
Exhibit 13: Intent for First-Time PC Purchases	20
Exhibit 14: Sample Configurations and Pricing for Chinese Home PCs	21
Exhibit 15: Chinese Home PC Models (mid & high-end) and Prices	21
Exhibit 16: Chinese Online Games Sub-Segments	23
Exhibit 17: Time Spent On Each Segment of Video Games	23
Exhibit 18: Percentage of Gamers Who Play Webgames and Networked Games	25
Exhibit 19: Selected 2009 Online Operator Game Services Revenue and Hit Titles	27
Exhibit 20: Selected 2009 APA and Q4 2009 ARPU Data with 2008 Comparisons	28
Exhibit 21: Selected ACU and PCU Data by Company	29
Exhibit 22: Most Significant Reason to Decide to Play an Online Game	29
Exhibit 23: Number of Games Actively Involved with at One Time	30
Exhibit 24: Online Game Genres Desired by Gamers (Other than RPG)	30
Exhibit 25: Top 10 MMORPGs July-December 2009	31
Exhibit 26: Top 10 Advanced Casual Games July-December 2009	31
Exhibit 27: Top 10 Casual Games July-Dec. 2009 (See SNS section for SNS games)	32
Exhibit 28: SNS Game Usage Compared with Other Online Games	33
Exhibit 29: Leading 15 SNS Game Titles (Ranking Changes Frequently)	35
Exhibit 30: Modes of Payment by Buyers of Prepaid Cards	37
Exhibit 31: Total Number of PCs in Cafés	39
Exhibit 32: Number of Years in Business	39
Exhibit 33: Daily Averages in Tier 1 and 2 Cafés, Based on Survey Responses	40
Exhibit 34: Internet Café Chain Membership	41
Exhibit 35: Internet Café Association Membership	42
Exhibit 36: Types of Internet Café Activities	42
Exhibit 37: Time Spent by Game Segment	43
Exhibit 38: Time Spent by Online Game Category	43
Exhibit 39: Networked Game Platform Brand Usage	43
Exhibit 40: Game Promotions Hosted Each Year	44
Exhibit 41: Gender of Gamers in Internet Cafés	44
Exhibit 42: Age of Gamers in Internet Cafés	45