

Starting up

- Do you play video games?
- Why do people play them?
- Who make up the main audience for them?

- Read through the whole article. Then do the exercise below.

Reading 1

Read the article again to find:

- a) two companies that make video games
- b) the place where the first company is based
- c) four games made by the first company
- d) a video games device sold by the first company
- e) a video games service provided by the other company
- f) two people who study the video games industry
- g) the organisation for which one of them works
- h) a publication specialising in video games

Nintendo bets big on mobile with launch of Mario Kart app

Nintendo has staked one of its most valuable assets on the future of mobile gaming by launching its blockbuster Mario Kart racing game as an app, while charging as much for the single title as Apple is asking for its entire new gaming service. Analysts say the launch of Mario Kart Tour, which uses a new pricing strategy and is Nintendo's third big mobile game featuring its most famous character, could be a game-changer in how the Kyoto-based company makes money outside of consoles. "This is by far Nintendo's biggest mobile game release in the history of the company," said Serkan Toto, an independent video games analyst in Tokyo.

So far, investors have been ambivalent about the Kyoto-based gaming company's monetisation efforts in the mobile space following a recent string of misfires. Shares in Nintendo fell 4.3 per cent on Wednesday, just hours ahead of the Mario Kart launch, as investors focused more on what some analysts said were disappointing initial domestic sales figures for its new Switch Lite console. Others argued, however, that the "disappointment" was only valid for those who had based their views on the extremely bullish sales forecasts from analysts.

Following a trial-and-error approach with various pricing strategies in the past three years, Nintendo has introduced the option of a \$4.99 per month subscription service for its latest mobile game that allows players to access benefits such as faster karts. In addition, users can make in-app purchases, and also make use of a "gacha" system in which real-world money can be paid for a virtual box containing something desirable (new characters, weapons or other items) within the context of the game. The price of Nintendo's subscription service is the same as that of Apple's new gaming service Arcade, which also costs \$4.99 a month in the US but whose offering is expected to include more than 100 games. The new pricing model marks a particularly radical shift for the Japanese gaming company, which has long been known for a more traditional, child-friendly revenue model for its games.

Its first mobile game, Super Mario Run in 2016, was free to download but came with a one-off \$10 payment for premium content that hindered its success in the market. With its second offering, Dr Mario World, which came out in July, Nintendo moved away from this one-off model and adopted the free-to-play style of other games such as Candy Crush Saga, which make most of their revenues from advertising or in-app purchases. But the title never caught on.

Masahiro Ono, analyst at Morgan Stanley MUFG, says that Mario Kart Tour's global downloads in the first week are expected to reach 10m to 15m, which would be much stronger than the initial downloads for Dr Mario World, which gained more than 5m in its first week. Mario Kart's foray into mobile comes just five days after Nintendo launched a portable version of its best-selling Switch console. According to Japanese video game magazine Famitsu, Nintendo sold 177,936 units of Switch Lite in Japan in the first three days.



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Vocabulary – synonyms

Look at the extracts from the article below. Replace the words and expressions in italics with the correct alternative that has the closest meaning. (The item must also fit grammatically into the surrounding context, which does not change.)

- 1 Nintendo has staked one of its most valuable *assets* on the future of mobile gaming ...
a) software b) equipment c) properties
- 2 ... while charging as much for the single title as Apple is asking for its *entire* new gaming service.
a) partial b) whole c) total
- 3 “This is by far Nintendo’s biggest mobile game *release* in the history of the company,” said Serkan Toto, an independent video games analyst in Tokyo.
a) beginning b) start c) debut
- 4 So far, investors have been ambivalent about the Kyoto-based gaming company’s monetisation efforts in the mobile space following a recent string of *misfires*.
a) successes b) failures c) explosions
- 5 Others argued, however, that the “disappointment” was only valid for those who had based their views on the extremely *bullish* sales forecasts from analysts.
a) optimistic b) pessimistic c) average
- 6 Nintendo has introduced the *option* of a \$4.99 per month subscription service for its latest mobile game that allows players to access benefits such as faster karts.
a) obligation b) possibility c) chance
- 7 The new pricing model marks a particularly *radical shift* for the Japanese gaming company, which has long been known for a more traditional, child-friendly revenue model for its games.
a) big change b) similar situation c) moving event
- 8 Its first mobile game, Super Mario Run in 2016, was free to download but came with a one-off \$10 payment for *premium* content that hindered its success in the market.
a) first quality b) top quality c) upper quality
- 9 With its second offering, Dr Mario World, which came out in July, Nintendo *moved away from* this one-off model...
a) left b) departed c) abandoned
- 10 ... and adopted the free-to-play style of other games such as Candy Crush Saga, which make most of their revenues from advertising or in-app purchases. But the title never *caught on*.
a) became loss-making b) became successful c) became unfashionable

11 Masahiro Ono ... says that Mario Kart Tour's global downloads in the first week are expected to reach 10m to 15m, which would be much stronger than the *initial* downloads for Dr Mario World ...

- a) first b) later c) medium-term

12 Mario Kart's *foray* into mobile comes just five days after Nintendo launched a portable version of its best-selling Switch console.

- a) exploration b) venture c) departure

Grammar – passive reporting verbs

Change the sentences into the passive, using the words shown, including the correct form of the words in brackets, and any additional necessary words, as in the example.

1 We expect Mario Kart Tour's global downloads in the first week to reach 10m to 15m.

Mario Kart Tour's global downloads (expect) ...

Mario Kart Tour's global downloads are expected to reach 10m to 15m.

2 Yesterday, I heard it mentioned that the world's video games industry will make \$150 billion in sales in 2022.

Yesterday, I (tell) ...

3 Industry observers say that Nintendo is developing a whole new generation of games.

Nintendo (believe) to be ...

4 The company is considering its video games business model, people say.

The company (say) to be ...

5 No one thinks that Apple will change its pricing strategy.

It not (think) that ...

6 Reliable sources say that a new competitor will shortly enter the video games market.

It (understand) that ...

7 They also say that this new entrant has been developing game products for some time.

The company (believe) to ...

8 People think that Nintendo is the real innovator in video games.

Nintendo (consider) to ...

9 The company has informed video game users about its new pricing model.

Users (inform) about ...

10 People think that Apple will respond to Nintendo's latest moves soon.

It (think) ...

Reading 2

Which of these are correct 'takeaways' from the article?

Nintendo has:

- a) had failures as well as successes over the last few years.
- b) used the same pricing strategy for its new product as for previous ones.
- c) sometimes used a system of one-off payments for upgraded versions of its products.
- d) never used advertising in games as a source of revenue.
- e) made its latest product available only in a mobile version.

Further discussion / Group work

- 1 Look again at the different pricing models for video games mentioned in the article (free downloads but with advertising, one-time payments, free basic versions but additional payments for premium versions etc.) Which model do you prefer? Give reasons.
- 2 Video games now earn more in sales around the world than the film industry does. Will technology mean that the two industries 'merge' one day, with computer-generated images (CGI) replacing the need for actors, sets etc. Make some predictions, giving reasons.

ANSWER KEY**Reading 1**

- a) Nintendo, Apple
- b) Kyoto
- c) Mario Kart, Super Mario Run, Dr Mario, Candy Crush
- d) Switch Lite
- e) Arcade
- f) Serkan Toto, Masahiro Ono
- g) Morgan Stanley MUFG
- h) Famitsu

Vocabulary

1c 2b 3c 4b 5a 6b 7a 8b 9c 10b 11a 12b

Grammar

- 2 Yesterday, I was told that the world's video games industry will make \$150 billion in sales in 2022.
- 3 Nintendo is believed to be developing a whole new generation of games.
- 4 The company is said to be considering its video games business model.
- 5 It is not thought that Apple will change its pricing strategy.
- 6 It is understood that a new competitor will shortly enter the video games market.
- 7 The company is believed to have been developing game products for some time.
- 8 Nintendo is considered to be the real innovator in video games.
- 9 Users have been informed about its new pricing model.
- 10 It is thought that Apple will respond to Nintendo's latest moves soon.

Reading 2

- a) and c)

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