

Tencent counts on smash hit Call of Duty to quicken global push

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The world's largest game developer plans to tap the marketing and distribution network it built when rolling out hack-and-slash hit Arena of Valor. (Bloomberg)

Tencent Holdings Ltd plans to roll out marquee title Call of Duty Mobile to markets from the US and Europe to Latin America, accelerating efforts to plumb new avenues of growth as uncertainty grips its Chinese home market.

The world's largest game developer plans to tap the marketing and distribution network it built when rolling out hack-and-slash hit Arena of Valor. Tencent now plans to expand that team by hiring more developers abroad, and also explore other genres to target international gaming aficionados, said Palo Alto-based Vincent Gao, overseas marketing director for Tencent's TiMi Studio Group and Arena of Valor.

After years of importing games in their entirety to entertain its billion-plus social media users at home, Tencent is reversing its playbook by adapting popular titles for mobile and then exporting them overseas. It's a move that helps the WeChat-operator hedge against slowing growth and regulatory clampdowns at home, as the government weeds out violent content online and curbs screen time for teenagers.

"We've accumulated a lot of experience from developing mobile games in the past, and we think we have a pretty good chance of exporting our know-how," Gao said in an interview. "In the future, we plan to introduce more categories with top-tier game developers."

Like arch-foe Alibaba Group Holding Ltd., the Chinese internet powerhouse is keen to sustain its rapid-fire growth. In May, Tencent reported its slowest pace of sales expansion since going public in 2004. It's casting its net globally to diversify away from a slowing domestic economy that's now in the cross-hairs of the US government.

It picked Call of Duty, a first-person shooter developed by Activision Blizzard Inc., to spearhead an international drive because it's one of the best-selling game franchises of all time. Tencent's mobile version is currently in beta-testing and it hasn't set a date for a full public roll-out, Gao said. But the Chinese giant is eyeing eventual launches in the US and Japan as well as across Europe, Latin America, and Southeast Asia.

Gao denied reports that the company has disbanded the overseas marketing and sales team for Arena of Valor, the international version of the battle arena hit Honour of Kings. Tencent has never had a team stationed in Europe and, in fact, planned to hire more developers for its American unit, he added.

Tencent encourages internal competition when it comes to developing games. TiMi is the largest of its four main creative studio groups, thanks to the breakout success of Honour of Kings. The overseas version of that same title struck gold in Vietnam, Thailand, and Taiwan, according to Randy Nelson, head of mobile insights at consultancy SensorTower.

TiMi "has its heart set on expanding globally. We're very determined in that strategy," Gao said.

It's unclear how Tencent will share revenue with Activision or other parties. But Tencent's global ambitions go

well beyond the title nicknamed "CoD." TiMi alone is already working with several international companies to introduce games in the shooter, role-playing and other categories, Gao said, though he wouldn't specify titles.

But the executive did address one area of concern for developers: that their work will get copycatted. Gao said TiMi will do better at respecting intellectual property rights. While content and storylines have been an area of relative weakness for the company, Tencent has a pretty good chance of being competitive globally in game-play and systems, he said.

"While Tencent has focused mostly on China in the past, we are now looking at the gaming sector with a much more global perspective," Gao said. "This will make the company pay better attention to IP protection."

- Bloomberg