

Article FOLLOW US SUBSCRIBE

# Will Nintendo Deliver On High Mobile Gaming Expectations?

Written by **Martin Kovacs** | 20/03/2015 | 13:26 | Category: **NEWS**

Investors have welcomed Nintendo's move into smartphone gaming with open arms, however time will tell whether the initial rush of optimism is a true indicator of Nintendo's ability to crack the growing mobile gaming market.

As reported by Bloomberg, with Nintendo's shares surging 36 per cent in the two days following the announcement, the rally risks overvaluing the move.

A partnership between Nintendo and Japanese mobile and online services company DeNA was **announced this week**, with the two companies to "develop and operate new game apps for smart devices and build a new multi-device membership service for consumers worldwide".

The alliance "is intended to complement Nintendo's dedicated video game systems business and extend Nintendo's reach into the vast market of smart device users worldwide".

It may not, however, be all smooth sailing.

"The market has told us they favour this move, but I think the share price may reflect over-optimism in their potential to generate profits in a highly competitive area," Bloomberg reported Michael Pachter, an analyst at Wedbush Securities in Los Angeles, who has recommended holding Nintendo shares, as stating.

"They are doing the right thing, but it may be difficult for them to execute."

Only new original games optimised for smart devices will be created under the alliance, with all Nintendo IP to be eligible for development.

Nintendo will be bringing a fair bit of clout and an iconic back-catalogue of characters to mobile gaming, however this is no guarantee of success.

The smart device market has been growing at pace, with Gartner figures released earlier in the month **revealing sales of smartphones for 2014 totalled 1.2 billion units**, up 28.4 per cent year-on-year, however a large potential market does not mean it will be easy to crack.

"This is an extremely difficult market that calls for a very different business model," Bloomberg reported Hideki Yasuda, a Tokyo-based analyst at Ace Research Institute, as stating.

"Investors' expectations for massive short-term profits are causing the shares to overheat."

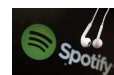


## Breaking News



### Samsung Galaxy S8 Leaks Ahead Of Launch

The first images of the Samsung Galaxy S8 have leaked, featuring a curved display and reduced bezels due to the lack of a home button.



### Spotify Moves On Hi-Fi Streaming

Tidal may not have bragging rights as the only big music streaming service to offer higher-resolution audio content for much longer, with rumors that Spotify is finally ready to unveil its own premium offering.



### New iPhone To Sport Curved Screen

Apple has decided to adopt a flexible display for one of its new iPhones, set to be released this year, and has ordered sufficient components to enable mass production, according to US reports.



### Nokia Classic Phone Not For Oz

Nokia's about-to-be-re-released non-smart phone, dubbed the 3310 - which received rave treatment when shown off at this week's Mobile World Congress in Barcelona - is unlikely to be released in Australia, it seems.



### Wi-Fi Calling Spreads To More Android Phones - But Not To iOS

Telstra says it has spread its Wi-Fi Calling service, which allows users to make calls anywhere there's an accessible Wi-Fi service, to several more Android devices.



### OZ To Get LG G6 Smartphone Ahead Of US + Europe

Unlike the past, LG is moving heaven and earth to be at the head of the queue with the launch of the LG G6 set to happen on March 28th right after the Korean launch.



### Google Celebrates 10M Cardboard VR Shipments

Google has announced in a blog post today that the company's low-cost Google Cardboard VR has shipped to more than 10 million customers worldwide.



### Google Giving Up On Chromebooks To Focus On Pixel

While companies like Acer and Samsung look to be making steady progress with cementing Chromebooks in the education market, Google themselves might be ready to throw in the towel.



### Control4 Acquires Speaker Brand

Control4 has forked out US\$9.6M in cash to buy the Triad speaker brand.



### BREAKING NEWS: Amazon Takes Retailers Down, Netflix Also Struggling

Several Australian retailers whose operations run on the giant Amazon web servers are today facing possible outages after the global cloud service operators servers crashed.

### Top Ranked Articles

1. [Who Has The Best LCD TV: Sony, Toshiba..](#)
2. [FIRST LCD TV REVIEW: LG Scarlet 60 Vs ...](#)
3. [Sony PS4 Not Far Away](#)
4. [Sony Bravia LCD TVs Vs Samsung LED H...](#)
5. [The Humble PC Gets A Whopping Makeo...](#)

**marantz® HEOS**

**MARANTZ SR7011 AV RECEIVER**

**NOW WITH HEOS MUSIC STREAMING**

**LIMITED OFFER - BONUS HEOS 5 SPEAKER**

[Site Map](#) | [Hot News](#) | [RSS Feeds](#) | [Media info](#) | [Environment](#) | [Job Opportunities](#) | [Contact Us](#) | [Terms of Use](#) | [Disclaimer](#)

Copyright ©2017 4SquareMedia Pty Ltd. All rights reserved. Level 1, 275 Alfred Street, North Sydney NSW 2060