



Bart Decrem joined
Disney when it bought
his company Tapulous

MAKING A SPLASH

Hurling itself into the smartphone revolution, Disney sets its games supremo Bart Decrem a challenge – to deliver its next animated superstar

By David Ryan

Bart Decrem has just flown into London from Beijing and is so jet-lagged, he can barely remember the password on his netbook. He's running late, desperate for a half-hour lunch break as he prepares to address The Walt Disney Company at its regional headquarters in Hammersmith, and as a result, his time with *CNBC Business* has been halved. Which is fine, strangely enough, because as well as being passionate and lucid, Decrem is also an extremely fast talker.

The term 'whizz kid' could almost have been invented for the 44-year-old Belgian, who speaks Mandarin, Korean and six other languages. He's like a wiry, carrot-topped computer prodigy from one of the studio's dimly remembered mid-80s feature films, suddenly all grown up and overjoyed to find that he's senior vice president of Disney Mobile. When he talks, in a Flemish accent pepped up with Silicon Valley inflections, his clichés about the magic of Hollywood sound utterly sincere.

Today Decrem is keen to talk about Swampy, an animated alligator that, if Disney has its way, will be this century's Mickey Mouse. This loveable, hygiene-conscious reptile is the star of *Where's My Water?*, an annoyingly addictive game that has caught on across the globe. Soon we'll be seeing vignettes on YouTube about Swampy and his fellow sewer-dwellers, Cranky ("who messes with the pipes")

and Ally ("a love interest, but they're not quite dating, you know?"). After that, the bandwagon could conceivably lead anywhere, the big screen included. "If we're lucky," Decrem told his team when the game launched last September, "one day when we're old we can go to Disneyland and see a character we created."

Until recently, children arrived home from school and switched on the TV. "Now it's: 'I jump into the car with mom or dad, I grab the phone and I start playing games.' For a new generation of what we call guests, *this is the first screen*," says Decrem, stroking his iPhone affectionately and observing that there are 550 million smartphones in the world. "I just came from China today. People over there don't have a computer, by and large. This is their computer. So, how do we tell stories for this new era, for these new markets, for this new platform and for this new generation of kids?"



It's a question that, one way or another, the Stanford law graduate has been trying to answer since 2008, when he founded the games developer Tapulous after a decade working on tech start-ups. Back when the iPhone was something of a novelty, his music game *Tap Tap Revenge* was one of the first to reach the top of Apple's App Store chart. Decrem had assured his investors that Tapulous would get a million downloads in 18 months; in the event, it did so in about three weeks. As Jack Kent, a senior analyst at Screen Digest, explains: "While lots of companies could get huge amounts of downloads, Tapulous had a very good ability to monetise its audience, first through paid downloads, then by offering in-app purchases so people could buy additional content." Disney took notice and bought the company in July 2010.

As a result, properties such as Minnie Mouse and *Tron* have gone down the mobile games route – but it's Swampy who's getting all the attention. He wasn't the first original character on the iPhone, of course: the real trailblazer was *Angry Birds*, a pop-culture phenomenon from Finnish studio Rovio that has notched up an astonishing 700 million downloads. "It's great," concedes Decrem, "but at Disney I feel that we can build deeper, more interesting, richer characters. That's what we're best at. It's our mission."

With a six-person team, Decrem developed *Where's My Water?* – a game he describes as "a physics puzzle" – in the space of six months. Deep beneath the city streets, Swampy sits in a bathtub, ▶

▶ waiting for a player at ground level to channel water his way. "But if it touches grass, the water makes the grass grow [and misses Swampy]. That's one of the laws of physics, right?" Throw in a protagonist who smiles when you tickle him and growls when you overdo it, problems involving angles of descent, DVD-style Easter eggs and 200 skills levels (encompassing everyone from five-year-olds to PhD physicists), and you have the makings of a runaway success.

Within a day of its release, the original 99c version of *Where's My Water?* (there's now a free one too) was the most popular paid app on the US App Store, beating *Angry Birds* into second place. In its first month, it was downloaded more than a million times and stayed at the top of the chart for three weeks. Since then, for one day at least, it has been the number-one app in 79 countries and the top game in 97. "It's quite a compelling game and Disney really marketed it well," says Kent. "They got a huge amount of buzz as it launched and, once you're at the top of the iTunes or the Android market charts, it's easy to stay there because of all the eyeballs you get."

Decrem, on the other hand, views building a successful game as more of a science. "Apps are consumable," he says. "There's about half a million. You play an app, you get rid of it and you get the next one. In a way, they're like YouTube clips. Now, imagine you're Steven Spielberg and you've spent 10 years working on this beautiful new movie. It comes out on YouTube but the same day there's this cool little video of a hamster doing something funny, and it's bigger than your movie. That's the App Store. It's maddening and very challenging, but it's amazing and awesome because it's kind of a level playing field and anything can happen."

Warming to his theme, he talks about combining "beautiful, magical" experiences with smartphone-enabled social transactions and bite-sized, stackable content. "We live in an ADD era. You're on the go, you're waiting for a meeting that starts late, you're on the bus, whatever — you want 30 seconds or 60 seconds or entertainment. With *Tap Tap Revenge*, I used to have three-minute levels, full song. But increasingly I'm focusing on the 90-second version of a song because three minutes is a big commitment. That's the nature of the culture we live in."



"We live in an ADD era. Three minutes is a big commitment"

The abundance of apps makes the 'free or 99c' model essential. "You also have to focus on building a network. What I mean by that is the technology building blocks, literally: the computers that tie everything together." Beyond that, there's the brand. "In a world of infinite options you need things that are trustworthy and reliable and so a lot of these are offline brands from before. What I'm doing is essentially saying: 'Look, this is a new canvas, it's a magical device, let's bring the magic of Disney to these devices.' Sometimes it means bringing existing Disney characters to the smartphone, but that's the old way. 'Oh, there's a movie coming out, let's make a game.' I'm trying to do less of those opportunistic or event-driven things.

"One of the reasons that a lot of these traditional games end up not successful over the long term is that they start with a character and then try to fit a game to it. What happened in the case of *Where's My Water?* is that we thought about the core mechanic first. The team had this great idea of digging. There's soil, I can dig through it, then water will come down and I can move it. We said: 'OK, that's really fun. Why are you digging? What are you looking for?' So we did a bunch of brainstorming, like: 'Oh, ▶

Just a flight of fancy?

Angry Birds' developer vows to be bigger than Disney



With the launch of its latest game, *Angry Birds Space*, Rovio Entertainment's ambitions appear to know no limits. According to chief marketing officer Peter Vesterbacka, its rivals now are not mere games developers like Zynga (whose *FarmVille* is now a Facebook institution), but giant entertainment franchises like Disney. The only difference, he told a San Francisco tech conference in March, was that it intended to be "much bigger".

"We are an entertainment company, not a game company," Vesterbacka proclaimed. "We want to be the first brand with a billion fans."

The launch had all the marketing megahype of a Hollywood blockbuster. As well as filming a video in space, Rovio produced a book with National Geographic and partnered with Walmart to sell a vast array of *Angry Birds*-themed merchandise.

It worked. The new game got 10 million downloads in just three days. And with 700 million to date, the *Angry Birds* juggernaut shows few signs of putting out.

Mikael and Niklas Hed, the Finnish cousins who launched the game, reportedly turned down a \$2.25bn buyout offer from Zynga last summer. They have held back from an IPO this year that some thought could value the company at \$9bn.

To the tech world, aiming to take your company to \$80bn (the valuation of Disney) in just a few years appears just about plausible. But to the entertainment industry, it's insane. "Disney is a machine for producing characters, and these guys have one," says Vasily Kasyrov, an analyst covering Disney at New York's Susquehanna Research. "It's like saying, 'I'm going to make a plane in my garage to rival Airbus.' It's not the same." If Rovio's competition really is Disney, then perhaps Kasyrov is worth listening to. ▶

▶ they're seeds and they're growing.' We kept talking, and we'd hang around with people from the animation studios. Then one day, somebody said: 'You know, there's an alligator living in the sewer and he wants to take a shower.'"

In March, the App Store announced its 25 billionth download after a woman in China acquired the free version of *Where's My Water?* "Yesterday I went to the Apple store in Sanlitun, Beijing, and every employee had the game on their phone," grins Decrem. "They were using it to demo the thing." With this kind of momentum behind him, his overriding ambition in the next year or two is to reach a billion people "by creating these new characters that are magical and aspirational: the fairies or the princesses or the superheroes that are part of the Disney family".

He's certainly in the right line of work for this. "Mobile games in general are going to see a huge amount of growth," says Screen Digest's Kent, "and in terms of its overall concept proposition, Disney wants to have content across every single device and every single platform. Mobile isn't an area it can afford to ignore. All the studios now offer some form of mobile games, although they haven't launched a mobile-specific game that's seen the kind of success that Disney has. They're looking at it, though. As well as generating revenues from selling games, or selling advertising around the games, they see it as a way to enhance or promote their other content."

"You want to push the thing aggressively," says Decrem, getting back to *Where's My Water?* "When you have a hit you really want to build on it, right? But it needs time to find its place. There's a pacing to these things that you can only force so much. The team has always been sensitive about never wanting to diminish the quality. We are working on some merchandise. We have announced a partnership with YouTube. We're doing quite a lot of local initiatives, starting with the name of the characters in markets like China and Europe. Mostly the focus has been on adding more levels, and then slowly creating merchandise and supporting content. Getting the thing out there but not doing it so fast that the world doesn't care and isn't ready for it."

Did he go into the project envisaging *Swampy: The Movie* in five years' time? "No," he maintains. "That's kind of

"Maybe one day, a character we created will be in Disneyland"

arrogant. We're at The Walt Disney Company and you have to prove yourself. The market has to certify that a new character is worthy of that kind of investment. "A platform like the iPhone offers creative teams a chance to launch their projects quickly and inexpensively, he says. "Six people for half a year – that's an experiment. If it takes off, you can then double, triple or greatly expand the team."

With its money, manpower and historic reputation for innovation, Disney appears well placed to meet the challenge laid down by Rovio. As Kent points out, there's been talk of *Angry Birds* films, TV shows and soft toys. "Disney saw what Rovio was doing and realised that it already had expertise across those areas. From previous experience it'll be very difficult to do, but if anyone can do it, it's Disney."

Meanwhile, Decrem's aspirations keep on growing. "We're getting better at creating characters and telling stories," he says. "Half of my team has been at Disney for a decade so they have that in their DNA. The other half is like me, brand new to Disney. But I'm learning." ■

Rovio is doing a brilliant job squeezing every last bit of juice from its brand. Soft toys, T-shirts, hats, board games and the like already make up 10%–20% of its revenue. It opened its first store in Helsinki in November and plans to open others in Shanghai and Beijing this July. Then there are theme parks, an *Angry Birds* cartoon and a series of feature films in the works.

But for now it is still betting everything on the popularity of its kamikaze birds and the green pigs who stole their eggs. Rovio says it has another game under development, but its acquisition at the end of March of Futuremark Games Studio, the developer of *Unstoppable Gorg*, suggests it may be struggling.

That is not necessarily a problem. Not every company with a hit character has bothered to diversify. Japan's Sanrio still calls itself 'the home of Hello Kitty' nearly 40 years after the character was first launched.

Angry Birds is now only two-and-a-half years old. After his 1928 hit *Steamboat Willie* (the first cartoon talkie, starring Mickey Mouse) it took Walt Disney five years to achieve another with *Three Little Pigs*.

However, being a single character franchise is unlikely to satisfy Rovio. Sanrio, one of the world's most successful, is worth a mere \$3bn. And things move faster today than Walt Disney could ever have conceived.

Apple and Google's app stores allow Rovio to distribute its games to hundreds of millions, if not a billion people, almost instantly. But they are also available to its competitors. Something newer, cuter and even more addictive could potentially wipe *Angry Birds* out. Richard Orange ■

