

Stepping up in the **Asian Gaming Market** via Hong Kong

Italian gaming company Digital Bros relocates RHQ to Hong Kong with a goal to maximise its market share in APAC.



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Thomas Rosenthal
General Manager of Asia Pacific
Digital Bros

The gaming industry is seeing tremendous growth in revenue in recent years. Digital Bros is one of the many that flourishes in this rising trend. Founded in 1989 and headquartered in Milan, the digital entertainment company strives for delivering unique experiences to gamers across the globe.

Digital Bros is one of the few in the industry that engages along the whole value chain of gaming industry from developing and publishing to distributing games through digital and retail channel. It forms partnerships with potential developers and provide them with all sorts of support such as funding and marketing.

In July 2020, the company's subsidiary 505 Games announced its partnership with X.D. Network Inc., a Hong Kong-listed top-tier Chinese game developer, to publish the mobile version of sandbox hit Terraria in Mainland China, Hong Kong, Macao and Taiwan. With its ongoing effort and investment in the region, 505 Games has been awarded as the No. 1 Publisher of the Year in 2019 by Metacritic, as well as the Publisher of the Year in China by Baidu App.

Prominent market for pay-to-play games

Digital Bros relocated its regional headquarters (RHQ) from Shenzhen to Hong Kong in 2019 for a number of reasons. “The gaming market in Hong Kong is a hybrid between console and mobile supported by local gamers with high purchasing power,

in particular, for console games. Pay-to-play PC and console games account for 40 percent of overall gaming consumption,” said Thomas Rosenthal, General Manager of Asia Pacific at Digital Bros, “the local market already fits perfectly with our core strength in PC and console games.”

Apart from the local market, the opportunities arising from the Guangdong-Hong Kong-Macao Greater Bay Area is also a determining factor for choosing Hong Kong as its RHQ location. According to Rosenthal, while two-third of the gaming revenues in Mainland China is generated from the Guangdong Province, Hong Kong being an integral part of this region is the perfect location for Digital Bros to tackle both Chinese and overseas businesses. “Setting foot in Hong Kong enables us to build on our knowledge of the Chinese market with a global perspective,” Rosenthal remarked, “it allows us to manage our business activities and partnerships across the border more easily.”

He added, “The city offers a lot as a business hub in areas like the rule of law, market stability, human resources quality, logistic efficiency and easy data transfer. It is a strategic location for us to connect the gaming industry players in the East and the West, helping independent developers from both regions to go global while introducing our own IPs into Mainland China and Asia.”

Digital Bros is now looking to expand its network of licensees in the Asia Pacific region and increasingly focusing on direct releases on multiple platforms, and Hong

Kong will be an important base for offering operations, PR and digital marketing support. In the long run, the group hopes to increase production and publishing capabilities for supporting publishing and development activities in the region, particularly for games sourced in Asia.

Rosenthal regards InvestHK as an important partner for its expansion plan. “InvestHK has been providing support to us from the very beginning, opening doors for us to make new connections. The team offered us high-quality advisory with their experiences in the creative industry, which is not something you can typically expect in any FDI organisation,” he concluded.

Digital Bros

- Digital Bros is listed on the Milan Stock Exchange since 2000
- The company is active around the world through its own direct operations in Italy, the US, the UK, France, Spain, Germany, Mainland China, Hong Kong and Japan with approximately 200 employees

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