

The logo for GDC Europe 2011. It features the text "GDC" in a large, bold, purple font, with a small "11" inside the "O". Below "GDC" is the word "Europe" in a smaller, dark red font. The background of the slide has a complex, abstract pattern of overlapping circles and lines in shades of pink, red, and white, creating a sense of depth and movement.

GDC
Europe

Game Developers Conference™ Europe 2011
August 15-17, 2011 | Cologne, Germany
www.GDCEurope.com

Animal Logic: The Creation of National Geographic Animal Jam

Clark Stacey
EVP, Smart Bomb Interactive

ANIMAL JAM

animaljam.com



SMART BOMB
INTERACTIVE

ANIMAL JAM

- Fun, safe online playground for kids 5-10
- Constant supervision + safety tech
- Players explore the world of Jamaa and play games with friends
- Build a den, earn Gems, collect animals
- Access huge NatGeo multimedia library
- Learn about animals and habitats
- An online world that is always changing



Smart Bomb Interactive

fast facts...

- Mass market, kid-friendly game development
- Founded by Utah videogame industry vets in 2003
- VC funded



Proven Track Record with High-Profile IP

For 6 years, SBI produced work-for-hire titles for major publishers



Strategic Transition

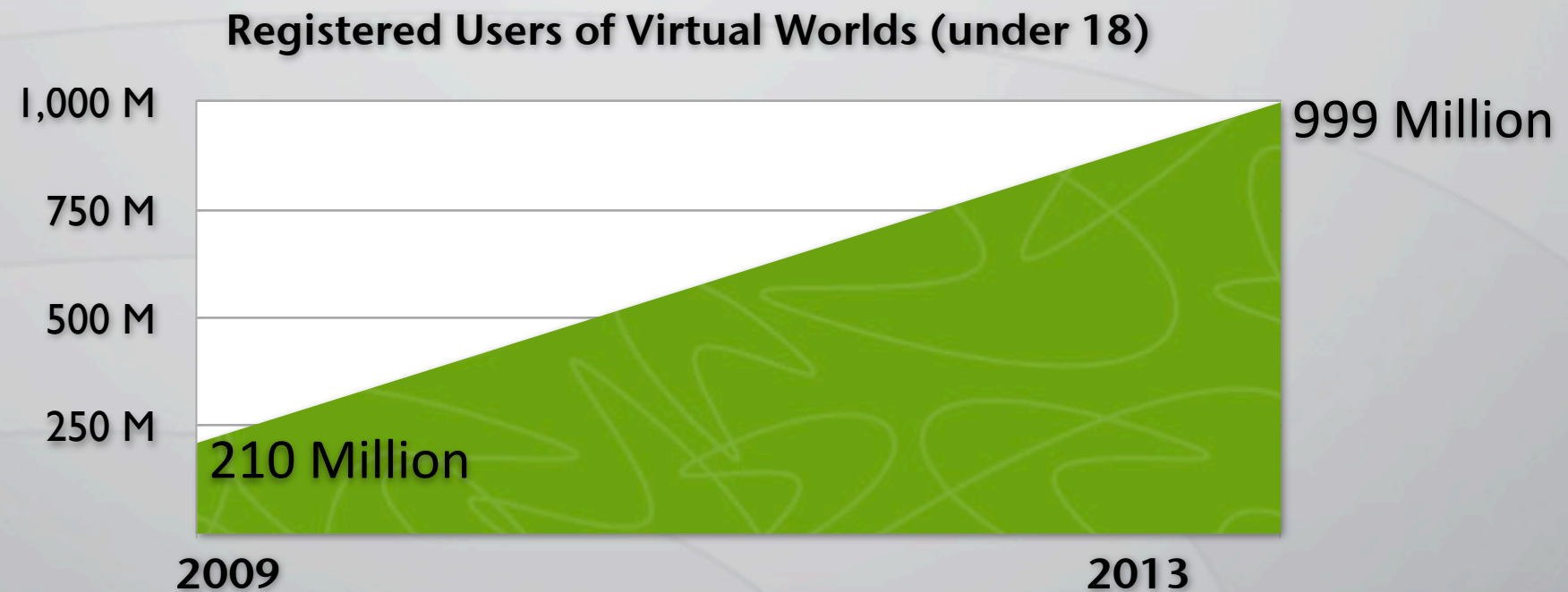
By 2008, it was clear that the global games market was undergoing radical change

- Rise of online social games (Facebook, virtual worlds)
- Growth & demographic shift in mobile gaming market (iOS and Android)
- Constriction of retail console game market (5% of titles make 90% of revenue)
- Huge emerging markets for MMO games (China, Korea, Brazil)
 - Establishment of Asian free-to-play business models in U.S.

Smart Bomb needed a new strategy for a new objective:

- Create wholly owned, self-published entertainment properties
 - Character based, transmedia  +10!
 - Leverage company's existing R&D, design experience

Market Research, Circa 2009



Exodus of kids and tweens from TV to online worlds

It's "Social Networking Lite"

37% of kids under 11 using virtual worlds, vs. 18 % of teens

Multiple revenue streams possible: subscriptions, books, merch.

Opportunity to create new IP in relatively new oeuvre

Data: eMarketer, InStat

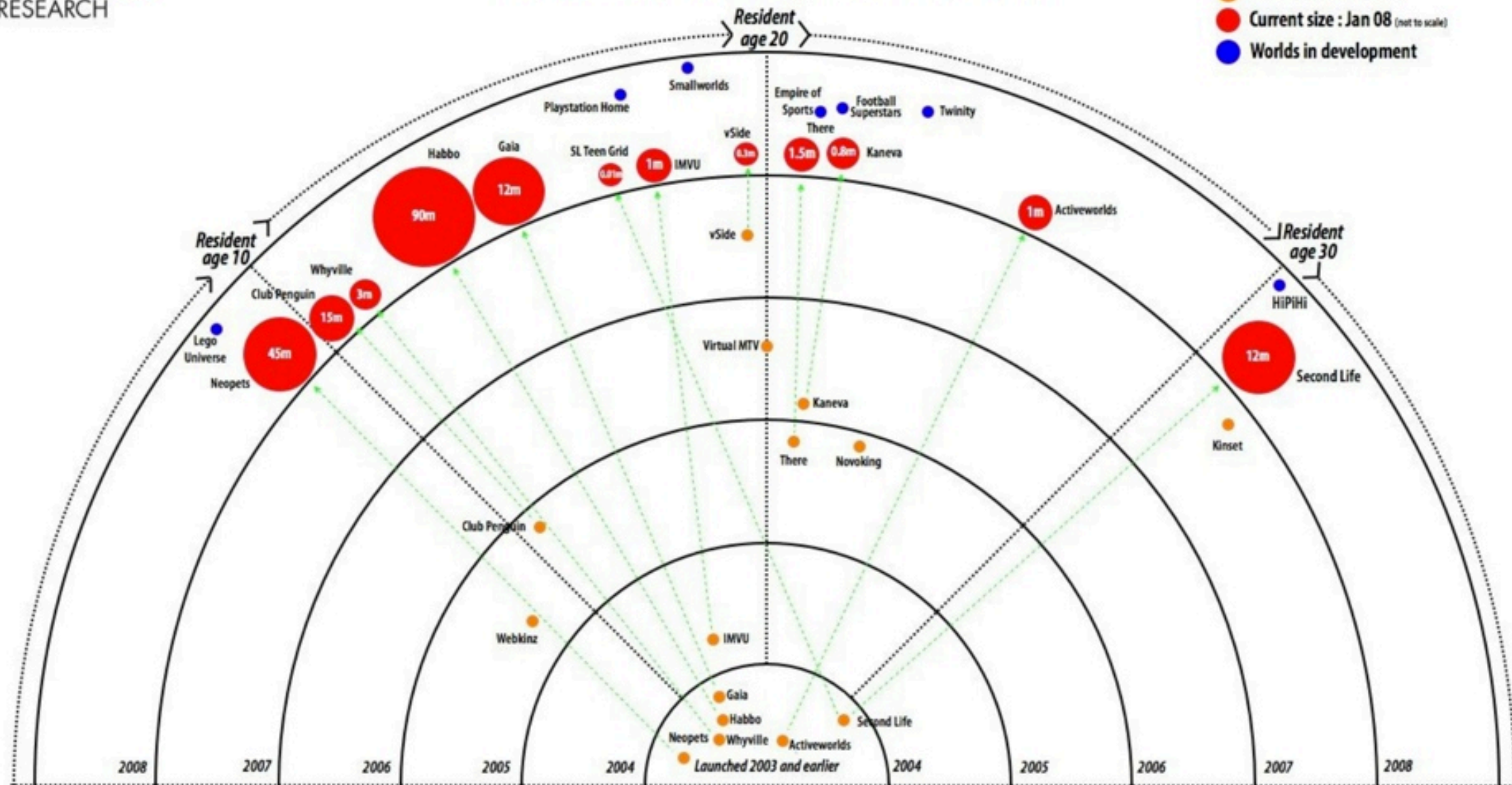


Market Research, Circa 2009



Virtual World total registered accounts

- Year/month of launch
- Current size : Jan 08 (not to scale)
- Worlds in development



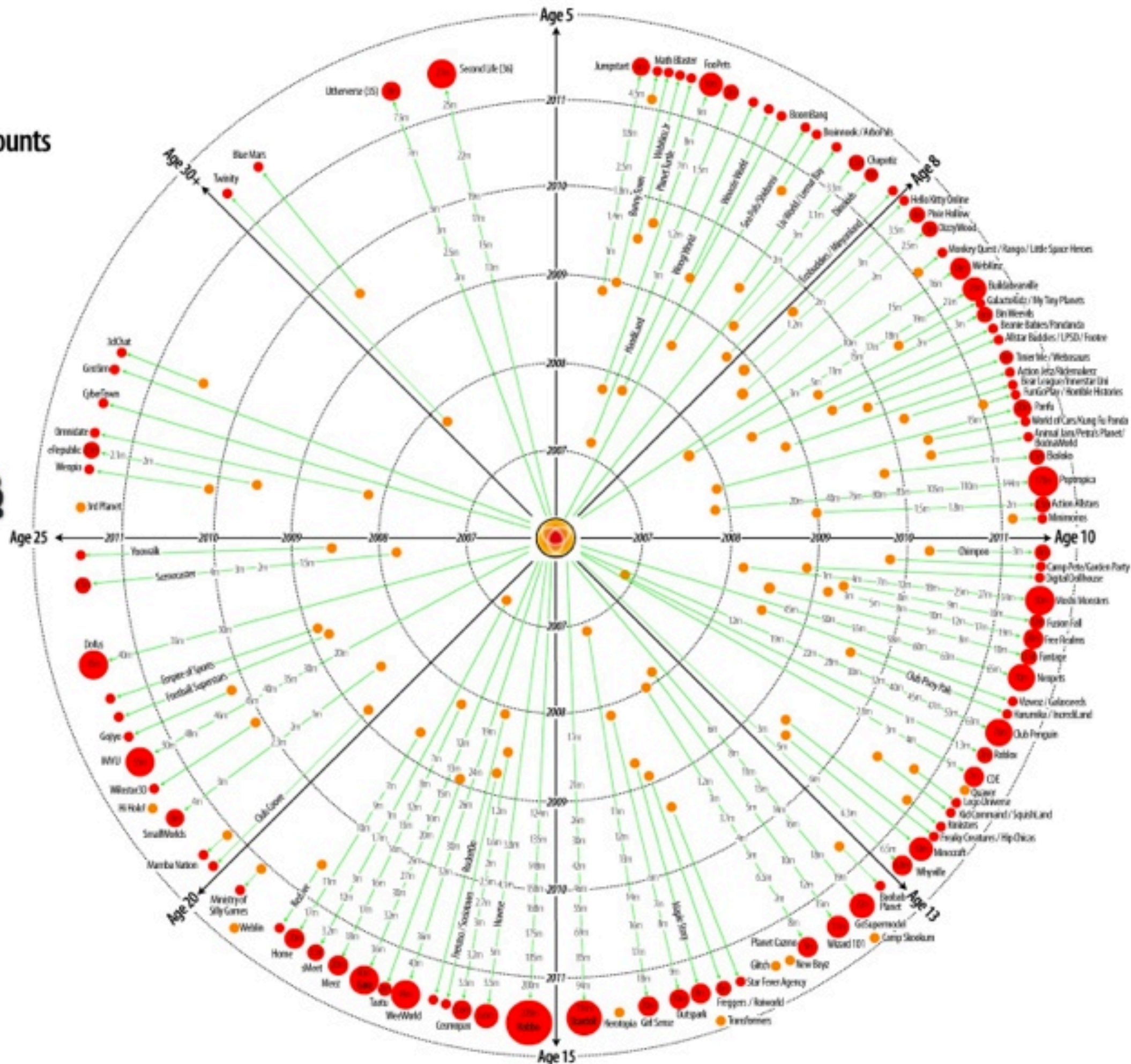
Underserved demographic: kids 5-9

Data: KZERO



● live or open beta
● Launched in

No data shown for worlds under 1m registered accounts.
Includes estimates.
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The Pitfalls

Why do so many virtual worlds for kids fail?

1. They don't start with enough money

Development cost is just the beginning:

Live game operations

- Network admin
- Analytics
- Transaction processing
- Customer service
- Moderation / community management

Servers & bandwidth

Marketing

...and the money spigot doesn't turn on the day you launch





The Pitfalls

Why do so many virtual worlds for kids fail?

1. They don't have enough money

2. They launch an IP, not a playground

Hard enough when you have your own TV network

You have to REALLY know kids and what they want

Well, what about



and



?

They succeeded as playgrounds first, and grew into IPs





The Pitfalls

Why do so many virtual worlds for kids fail?

- 1. They don't have enough money**
- 2. They launch an IP, not a playground**
- 3. They aren't game companies**



Gartner Says 90 Per Cent of Corporate Virtual World Projects Fail Within 18 Months

Success Requires Clear Objectives, Focus on Users and Realistic Expectations

Egham, UK, May 15, 2008—

Nine out of ten business forays into virtual worlds fail within 18 months but their impact on organisations could be as big as that of the internet, according to Gartner, Inc. Analysts said that focusing on the technology rather than understanding user requirements is one of the key reasons for failure.





OK, Let's Build A Virtual World

- **What is the core fantasy?**
 - Become your favorite animal & see the world through their eyes
- **Who is it for?**
 - We thought "Kids 5-10" was a demographic - it's 2 (at least)
 - Big question: could we create a playground for both?
- **What is the platform?**





Who is it for?

5 year-old ← → 10 year-old

- | | |
|---|---|
| ⇒ Limited ability to reason logically | ⇒ Need concrete examples to reason abstractly |
| ⇒ Limited ability to classify objects | ⇒ Classify objects and organize knowledge |
| ⇒ Learn to play and find pleasure in initiative | ⇒ Acquire skills and find pleasure in success |
| ⇒ Transition from an egocentric world | ⇒ Transition from a world of home to one of peers |

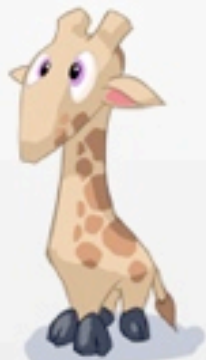


What do they have in common?

- **Parents are central figures in their lives**
- **Motivated by recognition of achievement**
- **Online communities are extensions of physical communities**
- **Aspire to have/do what older kids have/do**
- **Like to help each other, demonstrating their own mastery of skills**



Character Design



ANIMAL
ADVENTURES

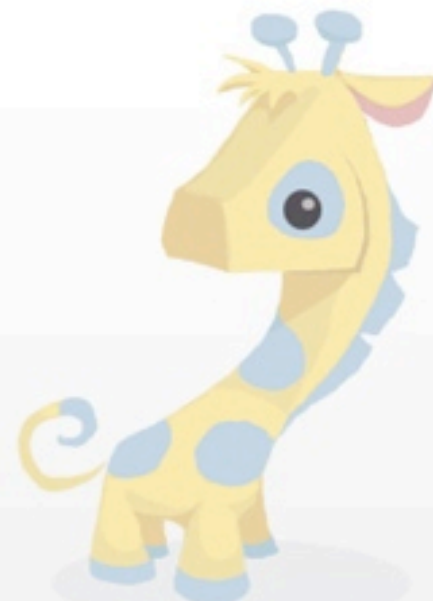
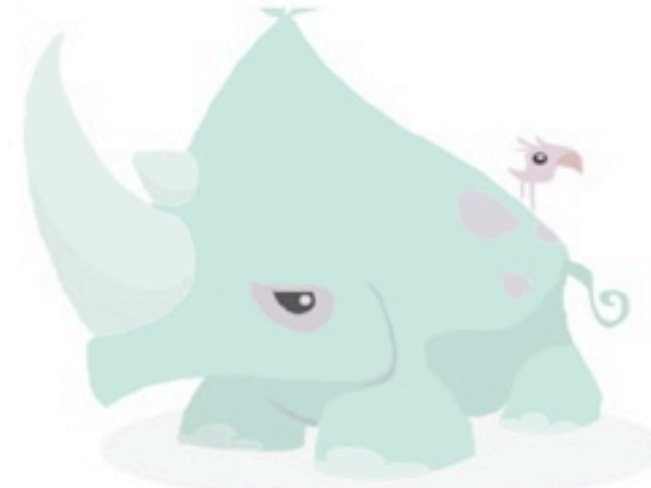


ANIMAL
ADVENTURES



Character Design





ANIMAL
ADVENTURES



Our Launch Characters







Our Audience = BS Detectors

- Kids can tell if you work for THEM or THE MAN
- The Captain Toothpaste Effect =

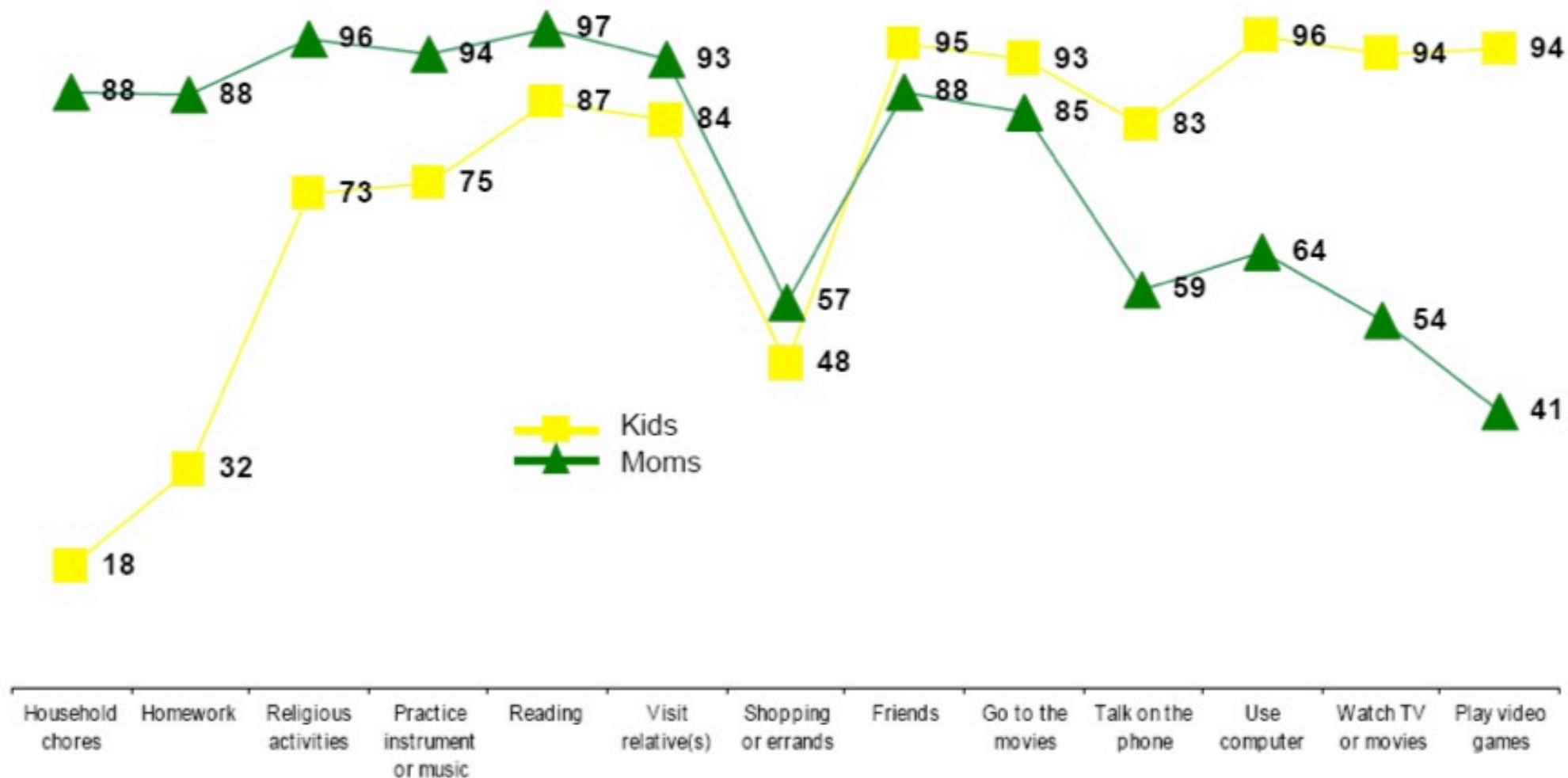




The Other Audience

(Moms Don't Trust Games)

Moms And Kids Opinions On Activities – Top 2 Box Ratings (Love/Like It)
Activities They Disagree On



- Existing audience in our target demographic
- Global brand recognition
- Credibility with parents



Friends with Benefits

- Access to NatGeo films, photos, people
- Built-in book partner
- Relationships with schools, zoos, etc.
- Scientific expertise
- Existing merchandising partners
- An audience of kids to talk to



Challenges

- Smart Bomb was relatively unknown
- Never built a virtual world
- No internal marketing department
- Complications of a new IP within an established IP
 - Who can do what with what?

Solutions

- Deal structured to minimize their risk
- Specified joint marketing planning
- Involved them in production beyond approvals



Friends with Benefits

- Smart Bomb owns the Animal Jam IP
- NatGeo licenses name, content, expertise
- We participate in NatGeo missions & initiatives







ANIMAL JAM

The Kids' Dilemma

- Lots of game worlds competing for their attention
- How much can I play without spending money?
- Where are my friends playing?
- Parents probably unwilling to buy subscription to more than one world
 - "It's just another videogame"
 - "You'll be bored with it in a month"
 - "You should be doing something productive"

play
wild.



Animal Jam Solutions

Differentiating features:

- Multiple player characters - be ALL your favorite animals!





Animal Jam Solutions

Differentiating features:

- Social triggers & chat options - make friends easily & safely





Animal Jam Solutions

Differentiating features:

- National Geographic videos, facts, photos and flavor





Finding the Free/Paid Balance

- Only area of design where kids' feedback won't help
- It won't be what you launch with, so experiment a lot early on
- A few general things we've learned:
 - Closing off areas of the world generally doesn't work
 - Respond to what kids are doing, not what they're saying
 - Don't leave free players out of big content updates
 - Let players know WHY membership costs money

The screenshot shows the Animal Jam website's membership page. On the left is a vertical navigation menu with five items: "overview" (with a book icon), "safety" (with a star icon), "membership" (with a paw print icon and highlighted in brown), "learning" (with a book icon), and "parent dashboard" (with a trophy icon). The main content area on the right has a light beige background. It starts with a paragraph: "Animal Jam is free for everyone to play, but members of the Animal Jam Club have access to premium content, encouraging greater exploration and creativity. Benefits of Club membership include:". This is followed by a bulleted list of five benefits, each preceded by a paw print icon: "Exclusive, members-only clothing and den items!", "Additional dens!", "Special sneak peek looks at new animals!", "Access to our member newsletter!", and "So much more!". Below the list is another paragraph: "Club membership helps keep Animal Jam advertisement-free and supports a safe and fun online experience for your child. Visit the [Membership](#) section to learn more." At the bottom of this section is a green button that says "join the club" in white text, with the link text "Click here to become a member" underneath it. To the right of the text is a cartoon illustration of a small, orange and white tiger-like animal with a blue collar, standing and looking towards the left. A green vine with leaves is on the far right edge of the page.

overview

safety

membership

learning

parent dashboard

Animal Jam is free for everyone to play, but members of the Animal Jam Club have access to premium content, encouraging greater exploration and creativity. Benefits of Club membership include:

- Exclusive, members-only clothing and den items!
- Additional dens!
- Special sneak peek looks at new animals!
- Access to our member newsletter!
- So much more!

Club membership helps keep Animal Jam advertisement-free and supports a safe and fun online experience for your child. Visit the [Membership](#) section to learn more.

join the club

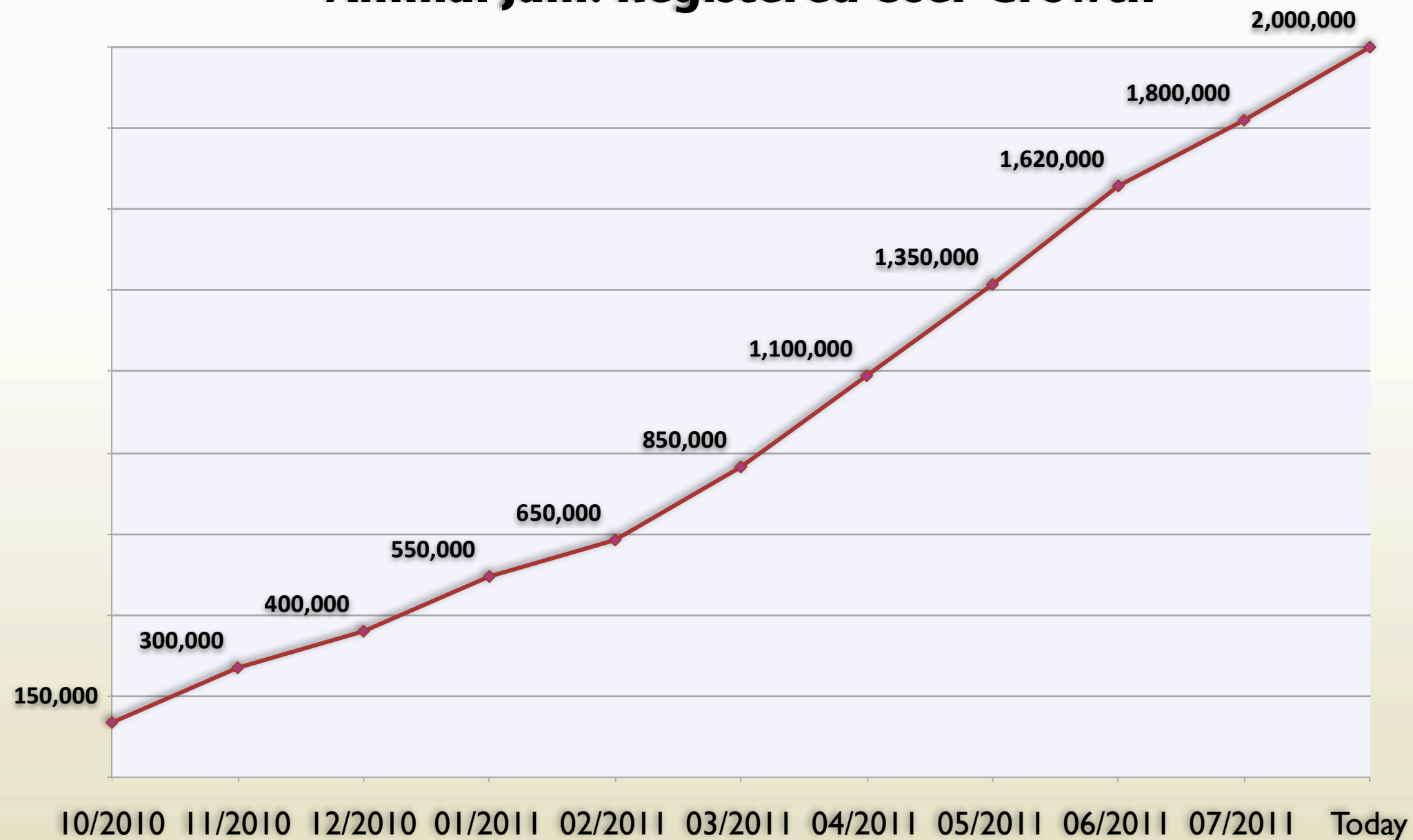
Click here to become a member





So... is it working?

Animal Jam: Registered User Growth



6 months to first 1 million users

4 months to second million users





So... is it working?

2011 KPI Targets

Funnel 1 (registrations)	30%
Funnel 2 (memberships):	3.0 - 6.0%
Registered users:	3,500,000
Paid members:	55,000



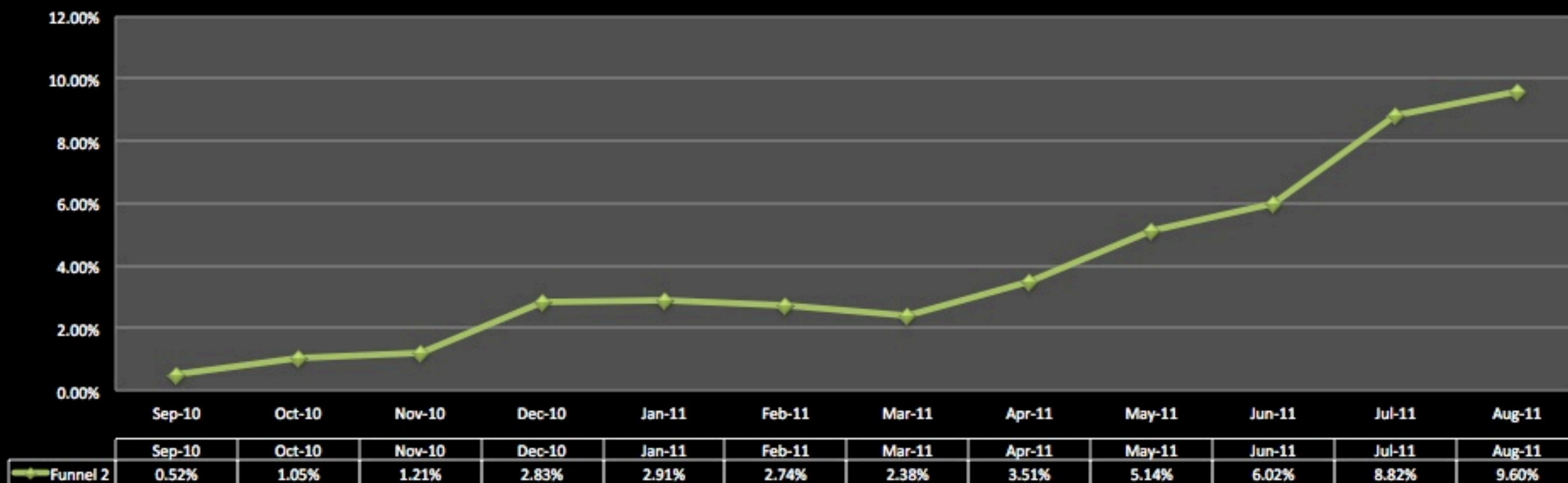


So... is it working?

KPI Current Actuals

Funnel 1 (registrations)	52%
Funnel 2 (memberships):	9.6%
Registered users:	2,000,000
Paid members:	over 70,000

Total Monthly Registered Users to Total Monthly Paid Subscriptions





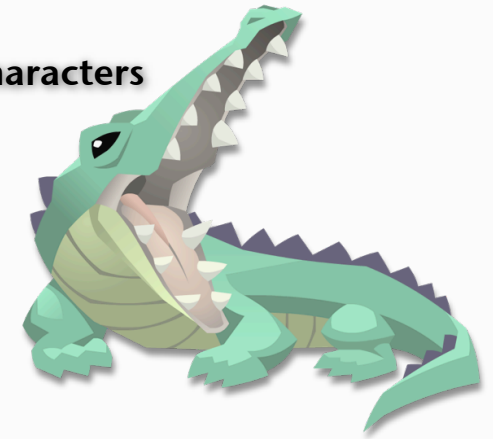
Special events

Retail cards



What's Next?

New characters



New territories

Oceans



Consumer products





DANKE!