



Downloadable Dominance

Quantifying the Importance of DLC for Your Bottom Line

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GAME DEVELOPERS CONFERENCE

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2012

About the Speaker

- Started estimating XBLA Sales in Nov. 2007
- Business Analyst at Garage Games / InstantAction 2008-2010
- Co-founded FADE LLC in 2009

Data Points & Methodology

- 350 Pieces of Downloadable Content
- Macro Content and Expansion Packs
- Data through December, 2011
- 7 million users reporting data via achievements

Report Terminology:

- ❑ **Attach Rate** – The percentage of retail or digital purchasers who have downloaded a given piece of content
- ❑ **Metacritic** – A review aggregator for retail and DLC products. In our reports, we use retail scores only. (www.Metacritic.com)
- ❑ **Time to Market** – The number of days between the release of the initial product (the retail copy of a given game), and the downloadable content in the analysis

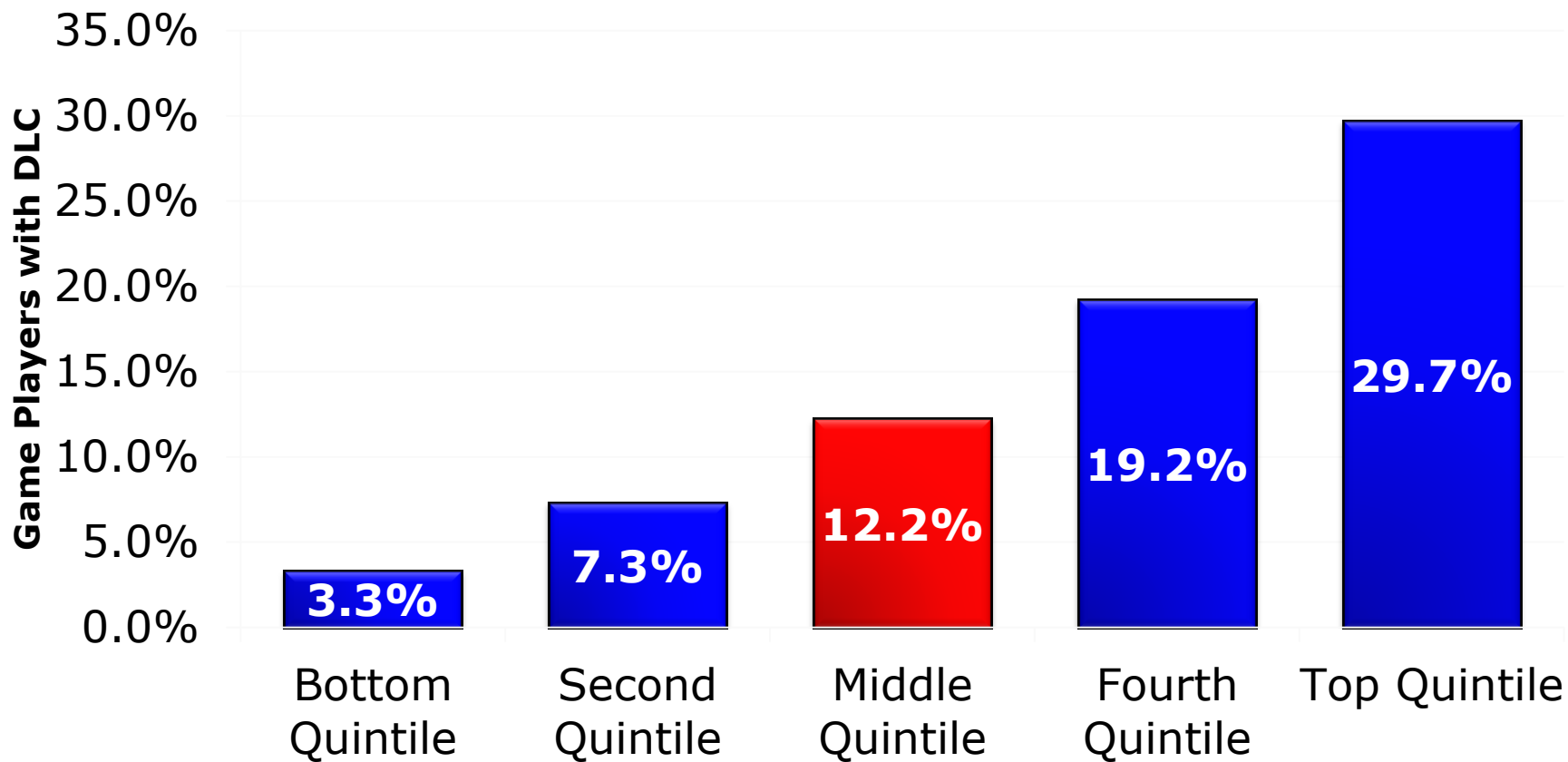
What To Expect When You're Expecting



Market Overview:

- Estimated annual revenues of \$1.3 billion in 2011
- Life-to-date revenues of \$2.5 billion by December 2011
- We project DLC revenues of \$2.5 billion by 2016

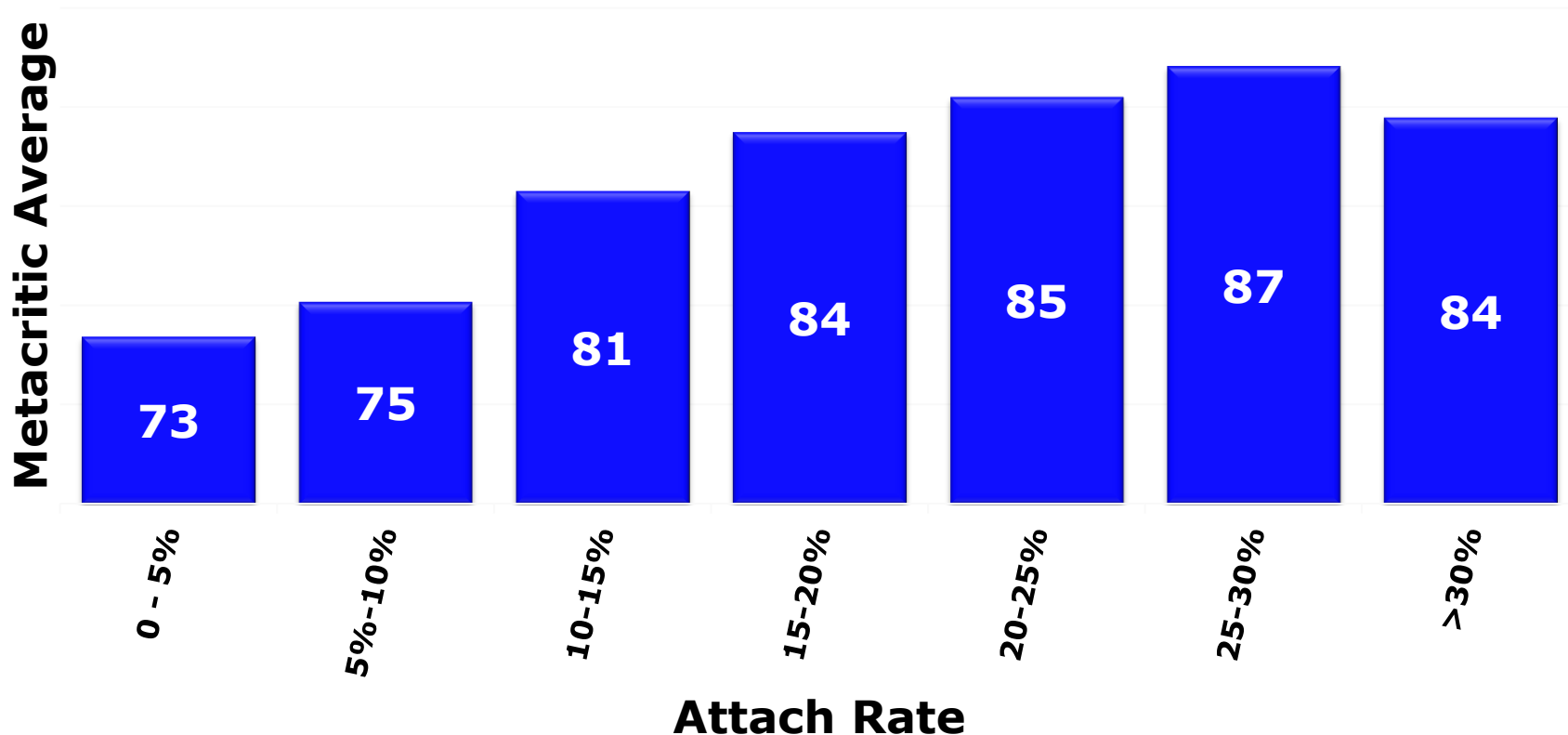
Attach Rate Scenarios Among DLC



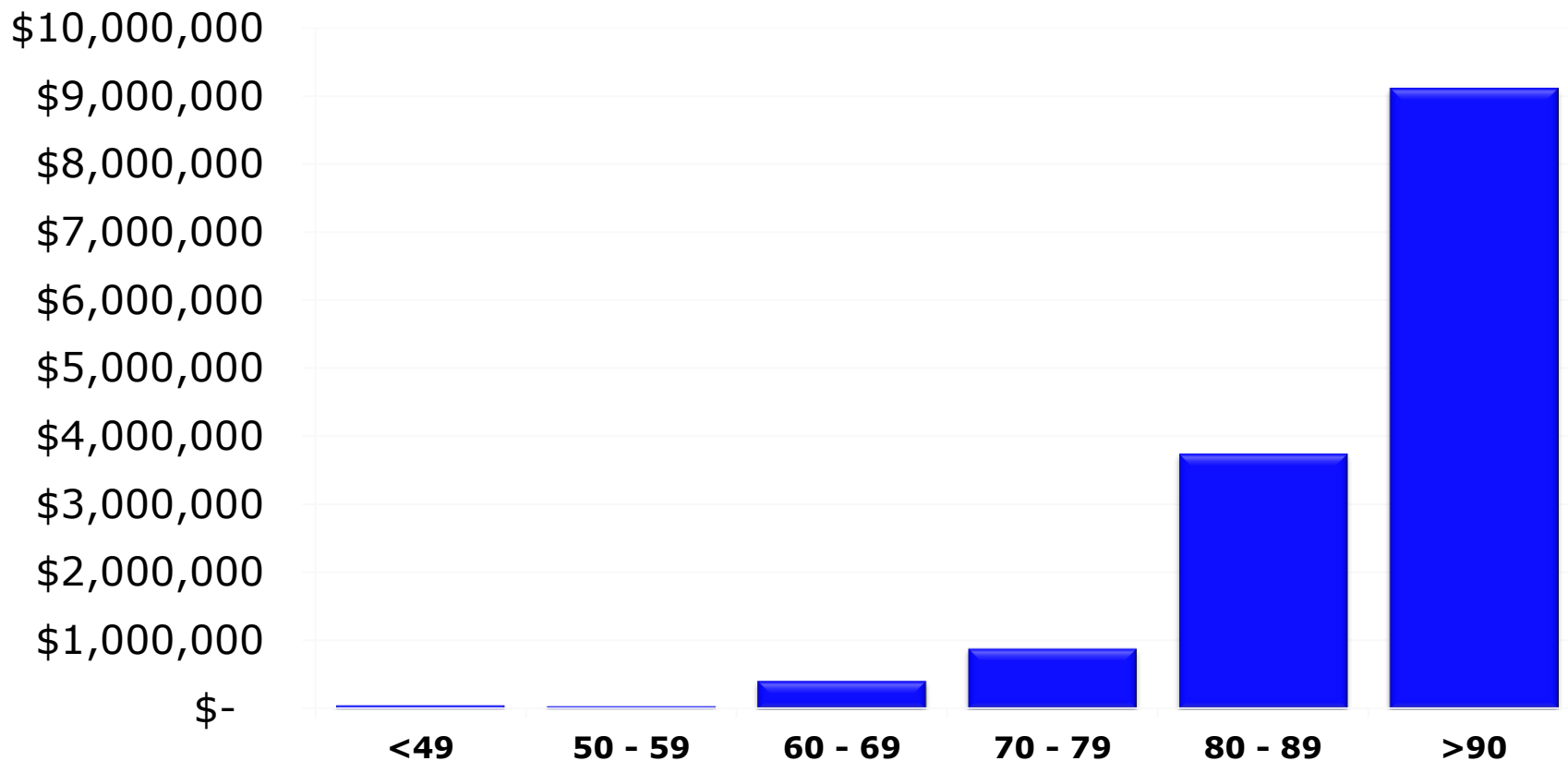
Price Sensitivity and Attach Rates



Metacritic Sensitivity and Attach Rates



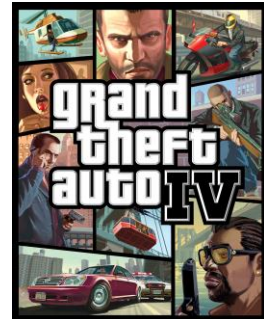
Average Revenue Per Piece of Content, by Title's Metacritic Score



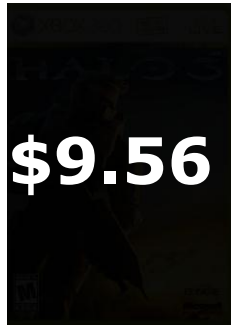
**When
Enough
is
Never
Enough**




What Games Benefitted Greatly From DLC?



What Games Benefitted *Greatly* From DLC?



\$9.56



\$7.69



\$8.62



\$10.65



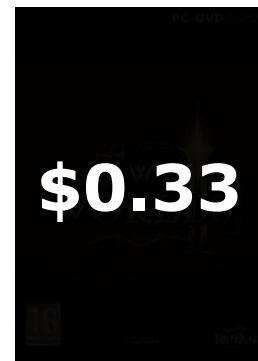
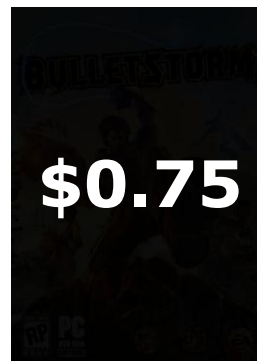
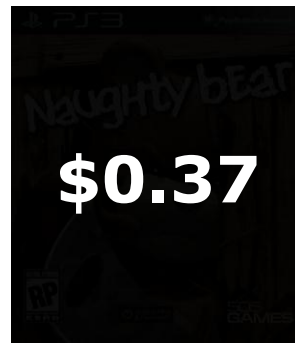
\$6.96

- ❑ **\$30 - \$60 of major content released per title**
- ❑ **62% of users completed the game**
- ❑ **User Engagement: >20hrs**

What Games Benefitted *Poorly* from DLC?



What Games Benefitted *Poorly* from DLC?

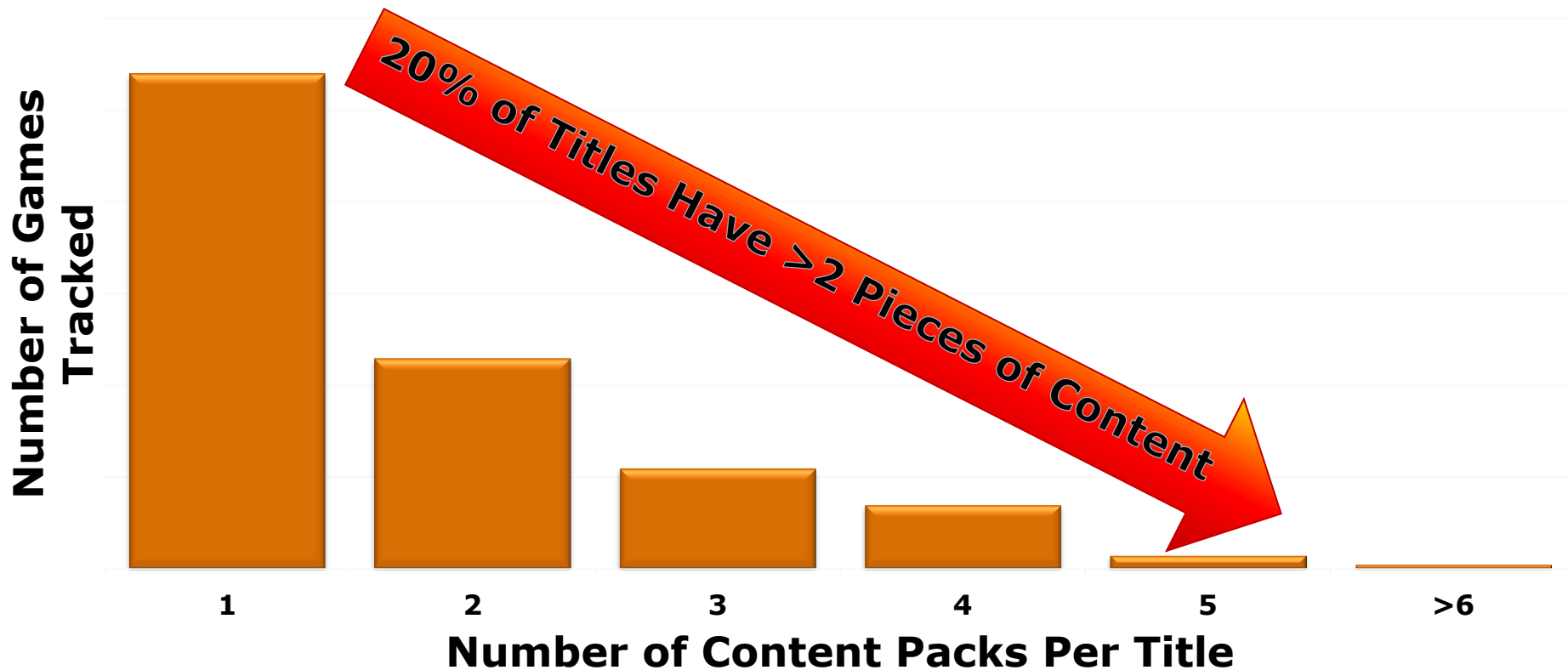


❑ \$20 of major content released

❑ 38% of users completed the game

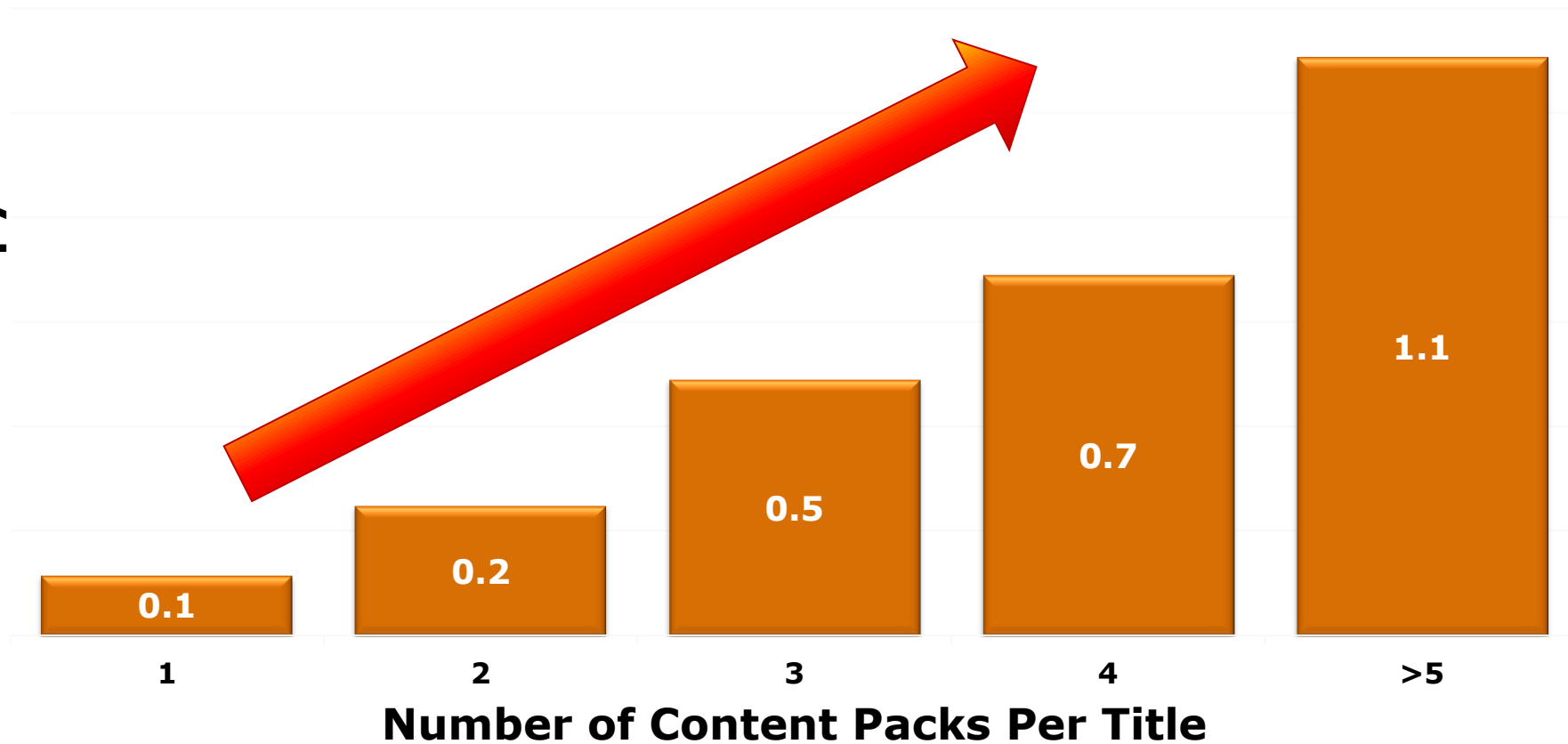
❑ User Engagement: <10hrs

The average game that releases content has 1.5 major content packs...

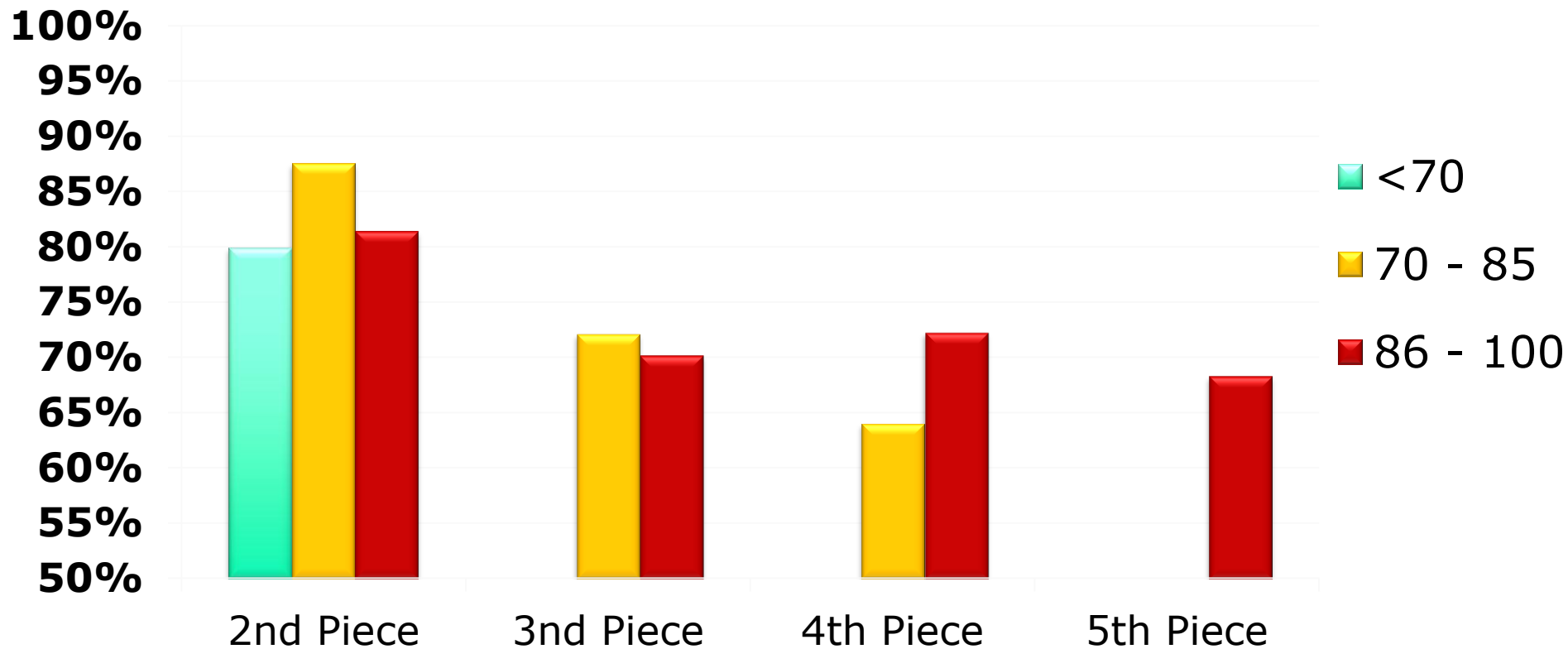


...But developers who release more, attach more...

Pieces of Content Sold
Per Retail Copy Sold



Attach Rate for Subsequent Content, by Metacritic Rating



**Striking
While
The
Iron
Is Hot**

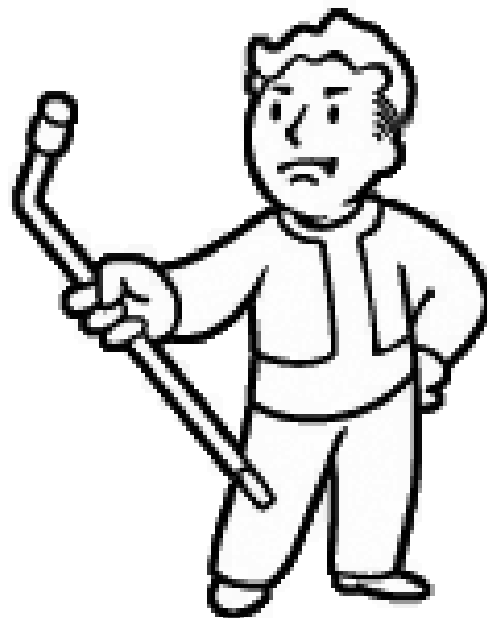
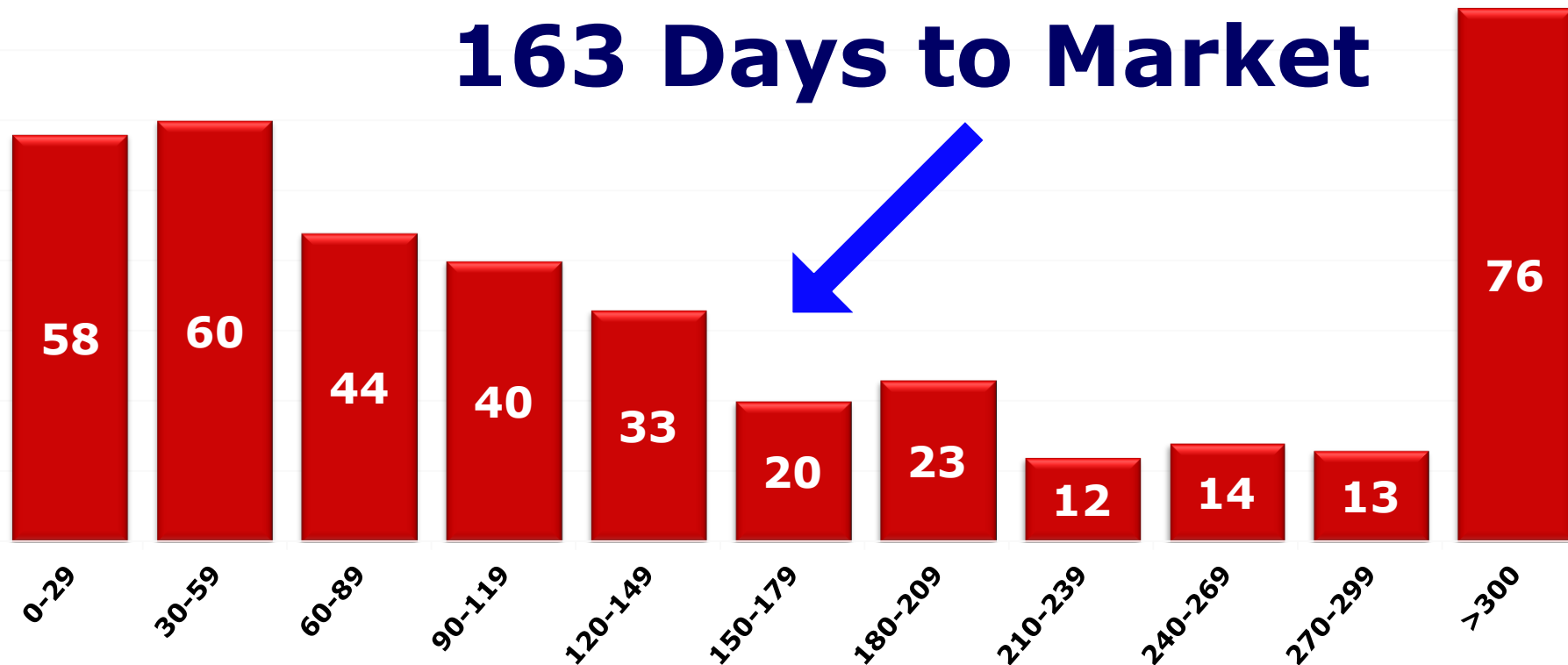
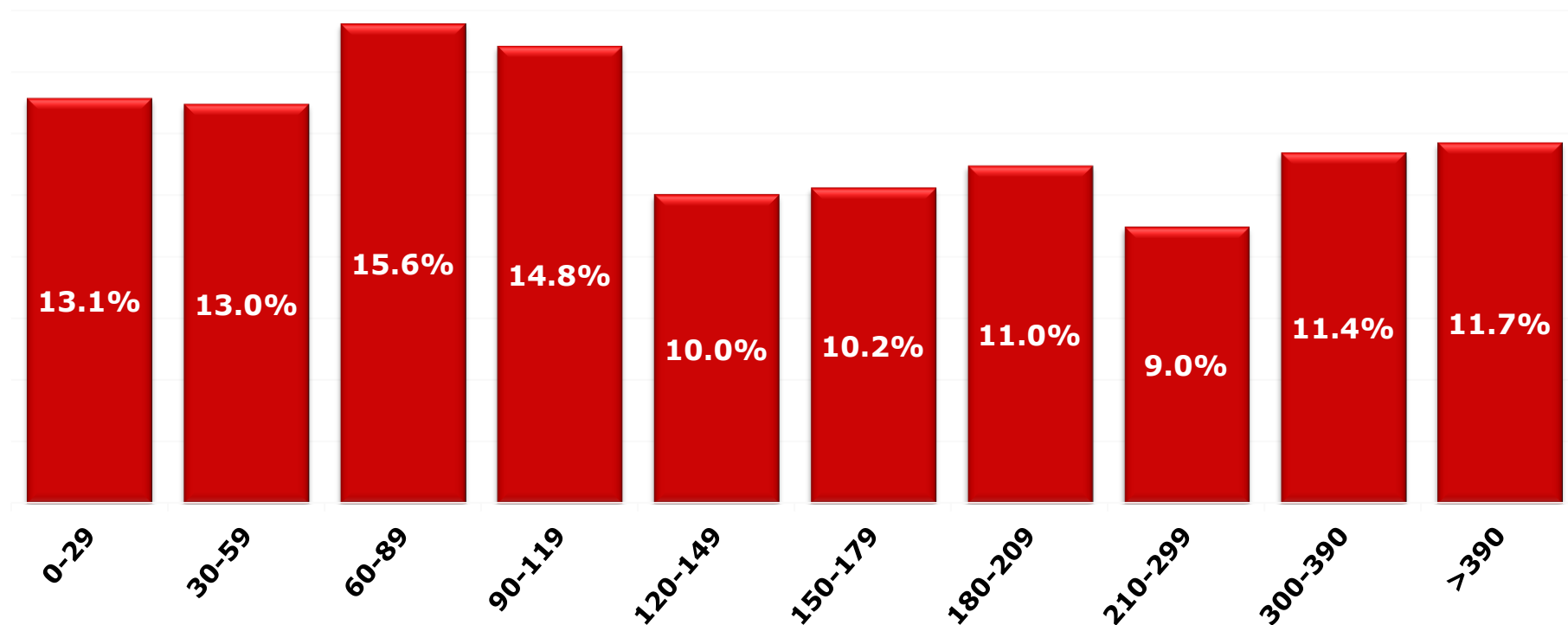


Chart: Time to Market Among Tracked DLC

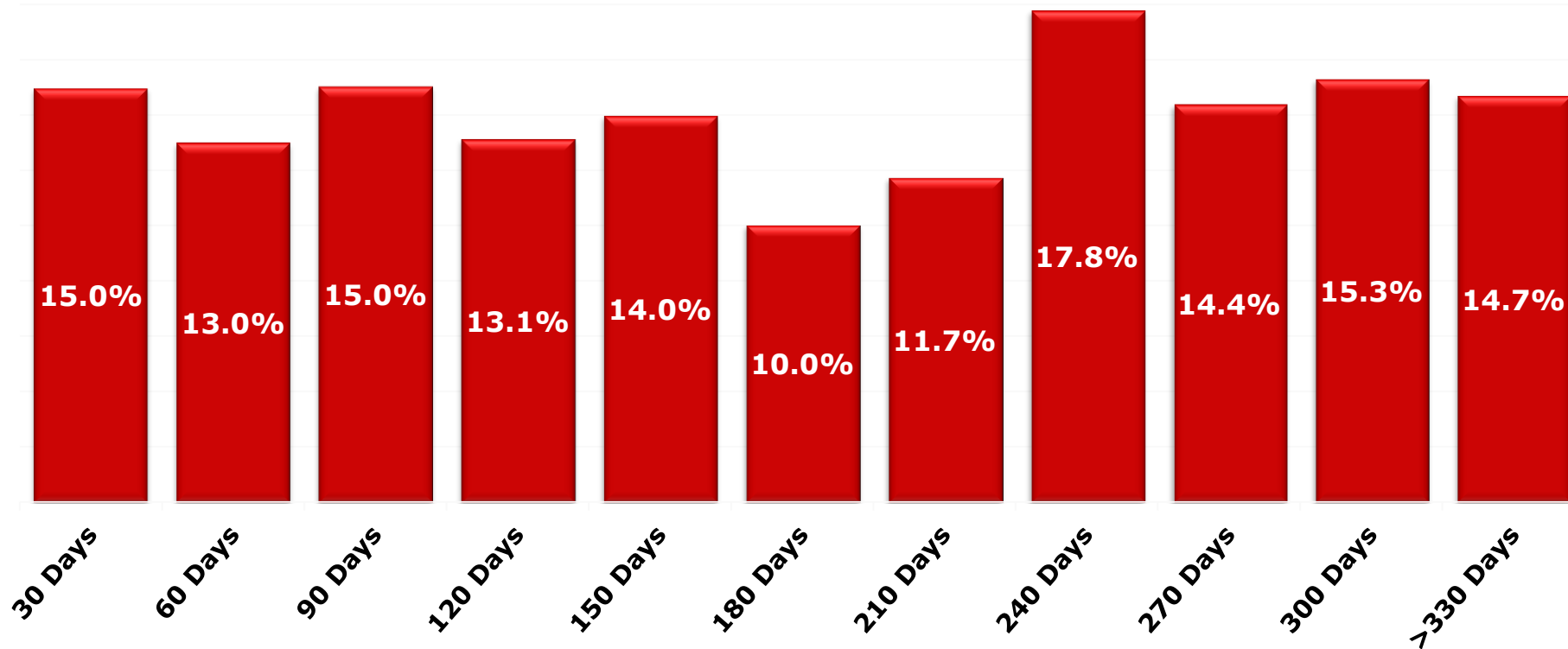
163 Days to Market



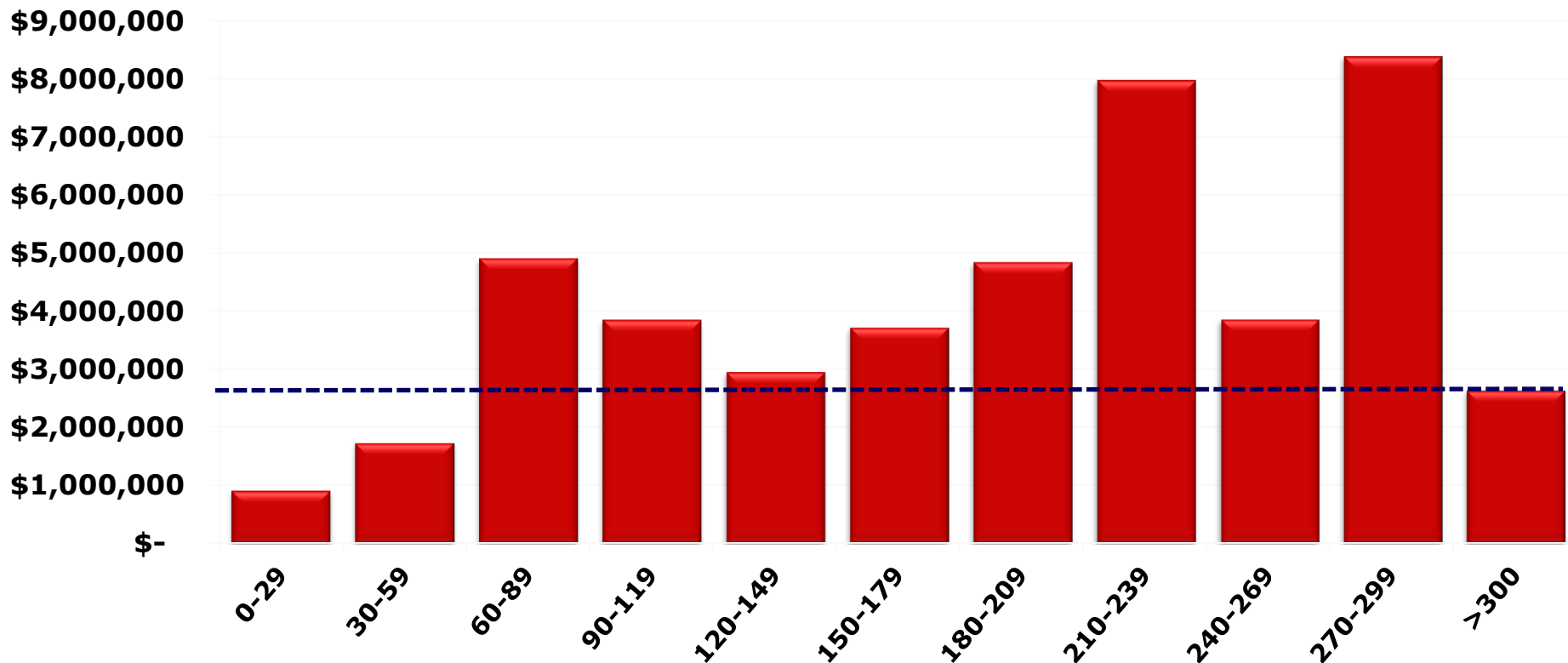
Attach Rate by Time to Market – 1st Release



Attach Rate by Time to Market



\$2.7 Million Average Revenue



Best Practices for DLC

- ❑ Make a Good Product

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Best Practices for DLC

- ❑ Make a Good Product
- ❑ Greenlight Content Early
- ❑ More Content, More Money
- ❑ Release Content Early, Often