

FREE-TO-PLAY MARKET DATA & TRENDS, 2013

Prepared for
GDC Next
November 5, 2013
Los Angeles

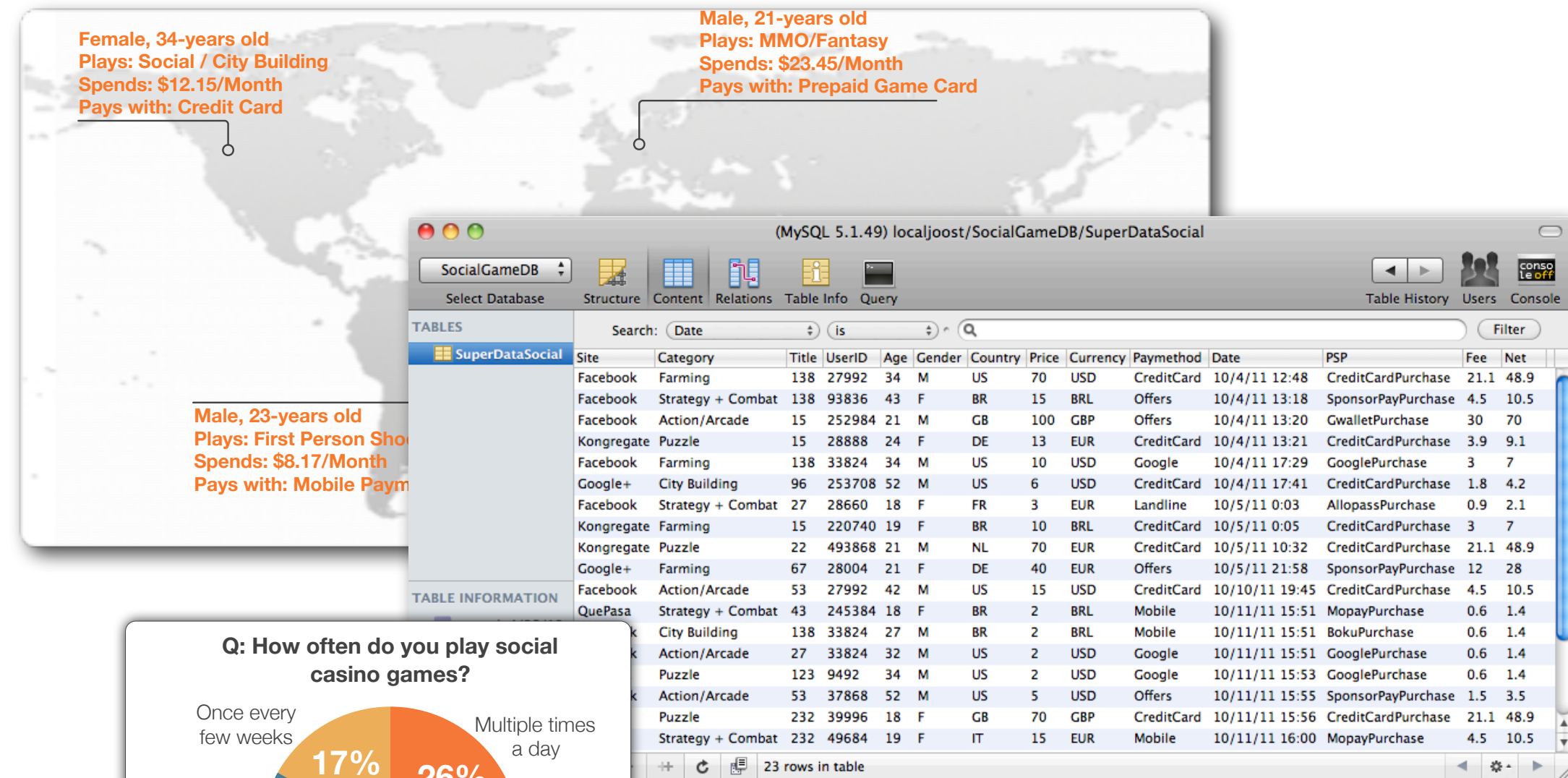




SuperData specializes in the digital games market

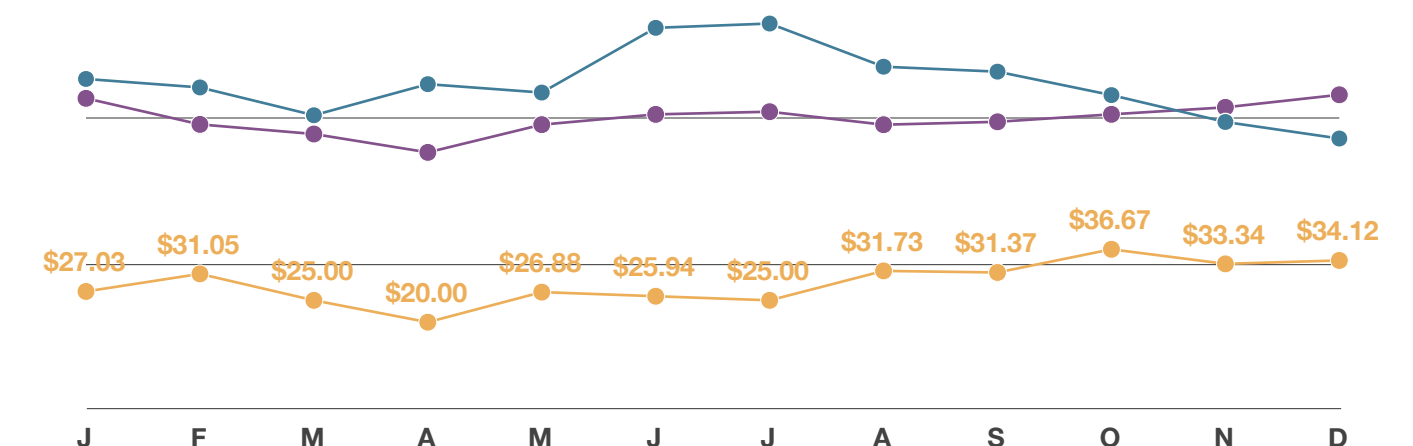
We combine digital point-of-sale data with qualitative consumer insight.

450+ unique titles
50 contributing publishers
2.8MM online gamers
110+ payment options
10 years of data
4 key metrics
Global coverage

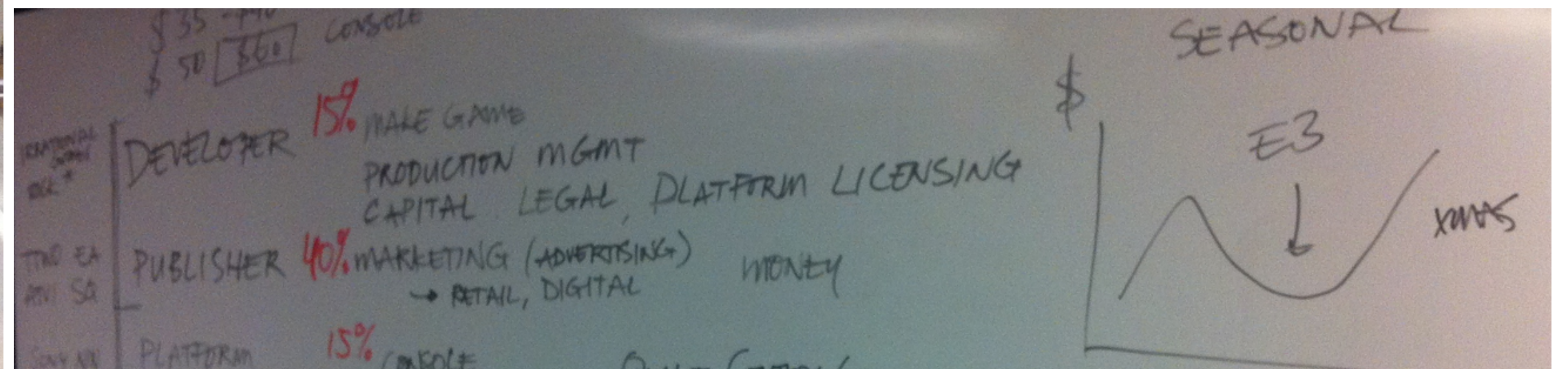


1.7x
Lifetime value for top MMO games vs average title.

Monthly ARPPU across MMO genres in US market (\$)









What

What next

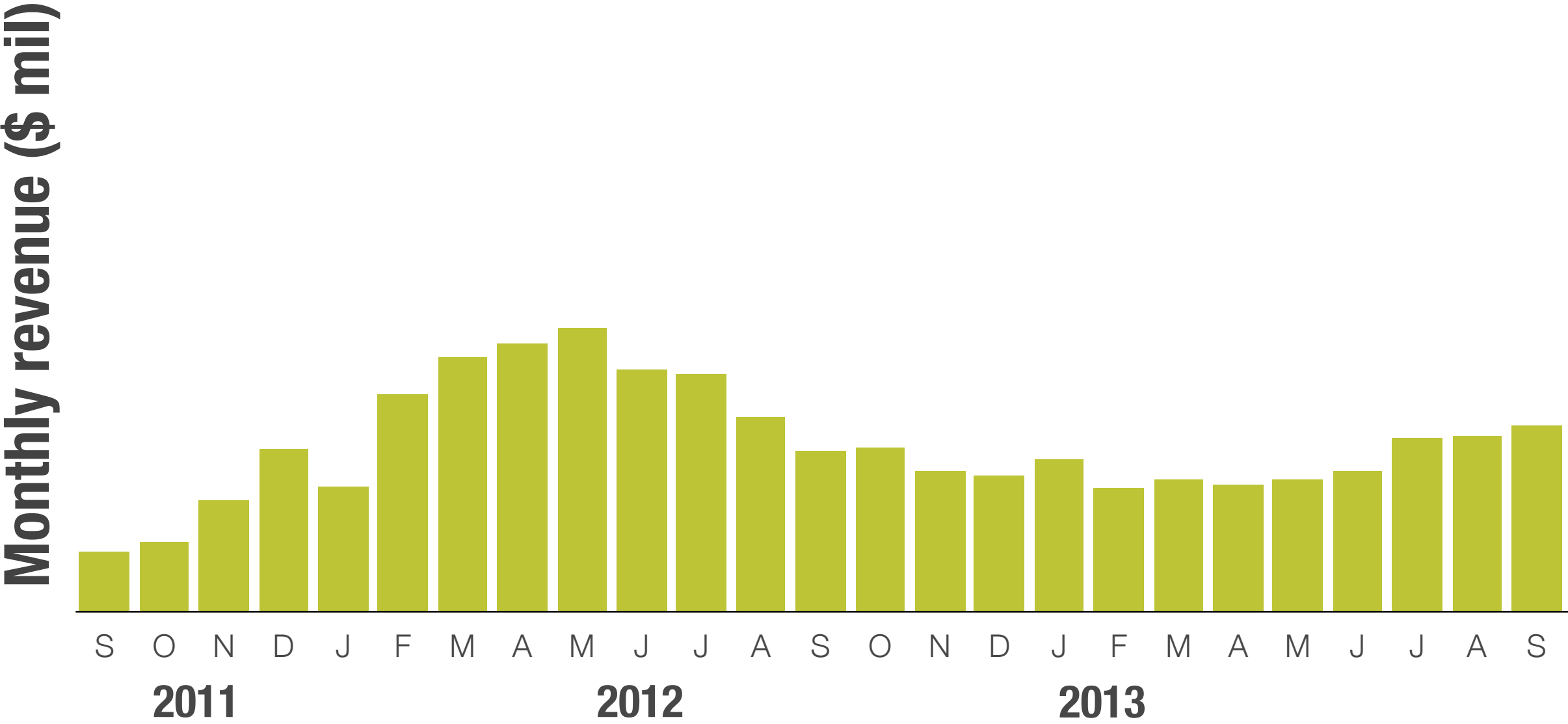
Now what

What

What next

Now what

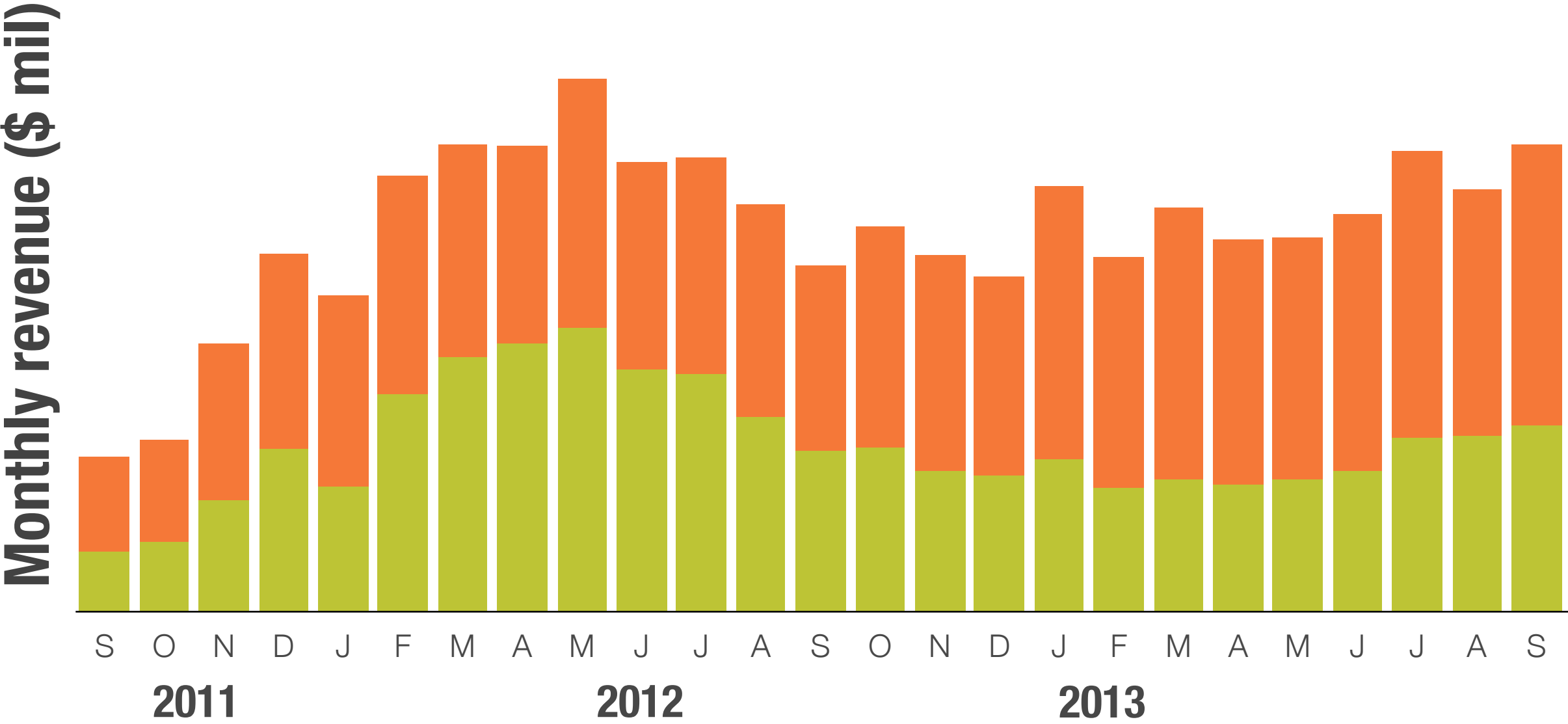
US digital games market (\$ mil)



Digital category	Last month total (millions USD)	M-o-M growth %
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Social (all platforms)	\$176	+6%
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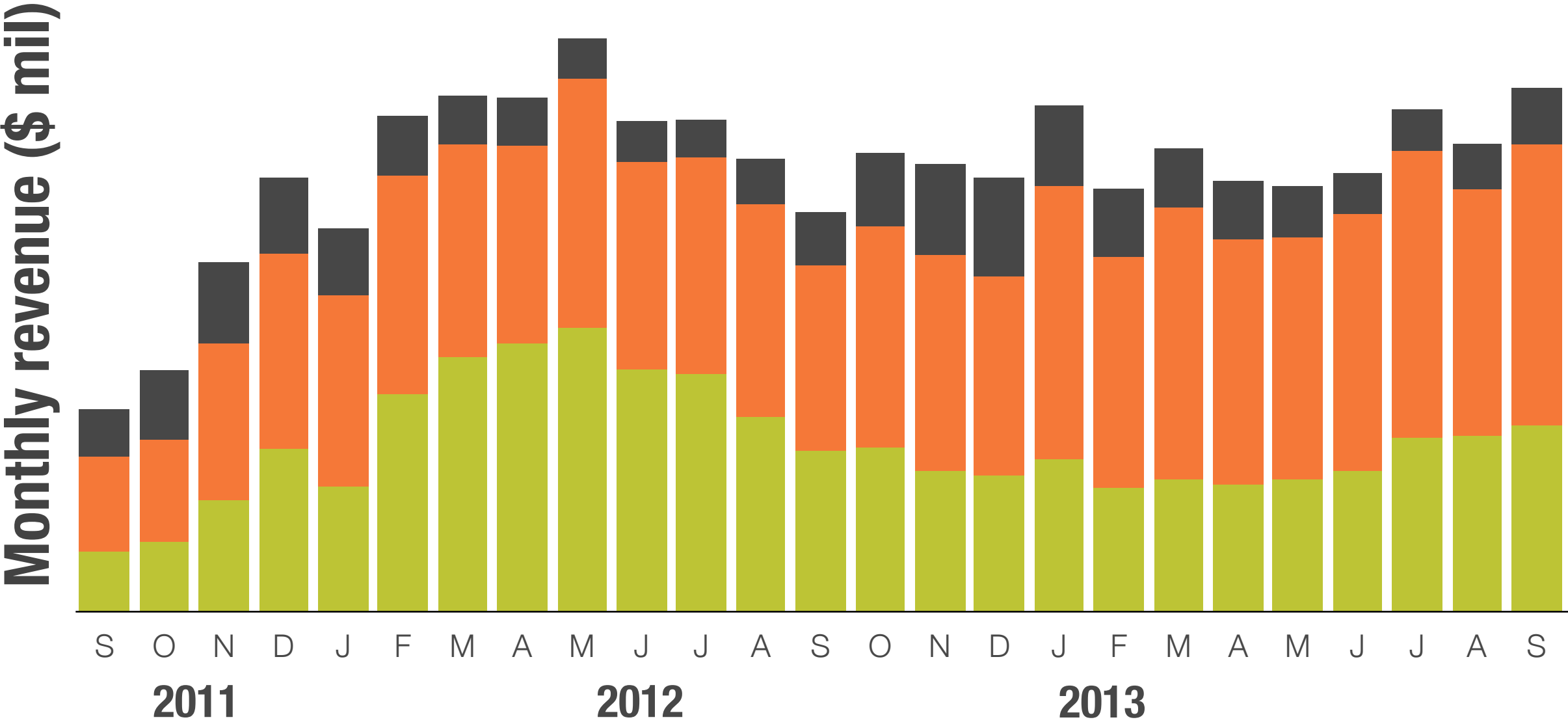
US digital games market (\$ mil)



Digital category	Last month total (millions USD)	M-o-M growth %
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Mobile (iOS + Android)	\$266	+14%
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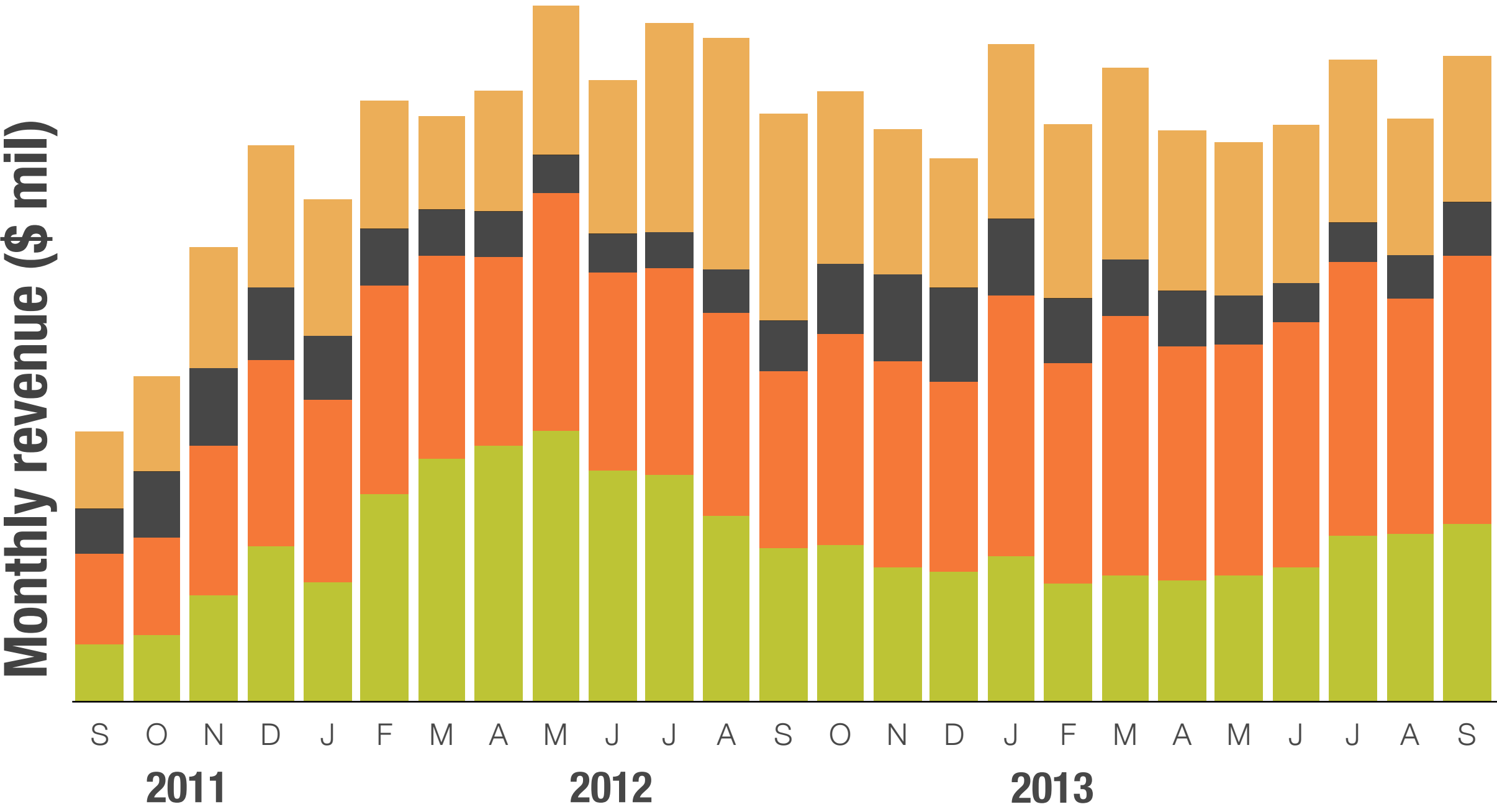
US digital games market (\$ mil)



Digital category	Last month total (millions USD)	M-o-M growth %
------------------	------------------------------------	-------------------

PC DLC (games, expansions, Mtx)	\$53	+24%
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US digital games market (\$ mil)



Digital category	Last month total (millions USD)	M-o-M growth %
------------------	------------------------------------	-------------------

Console DLC (games, expansions, Mtx)

\$145 +7%

PC DLC (games, expansions, Mtx)

\$53 +24%

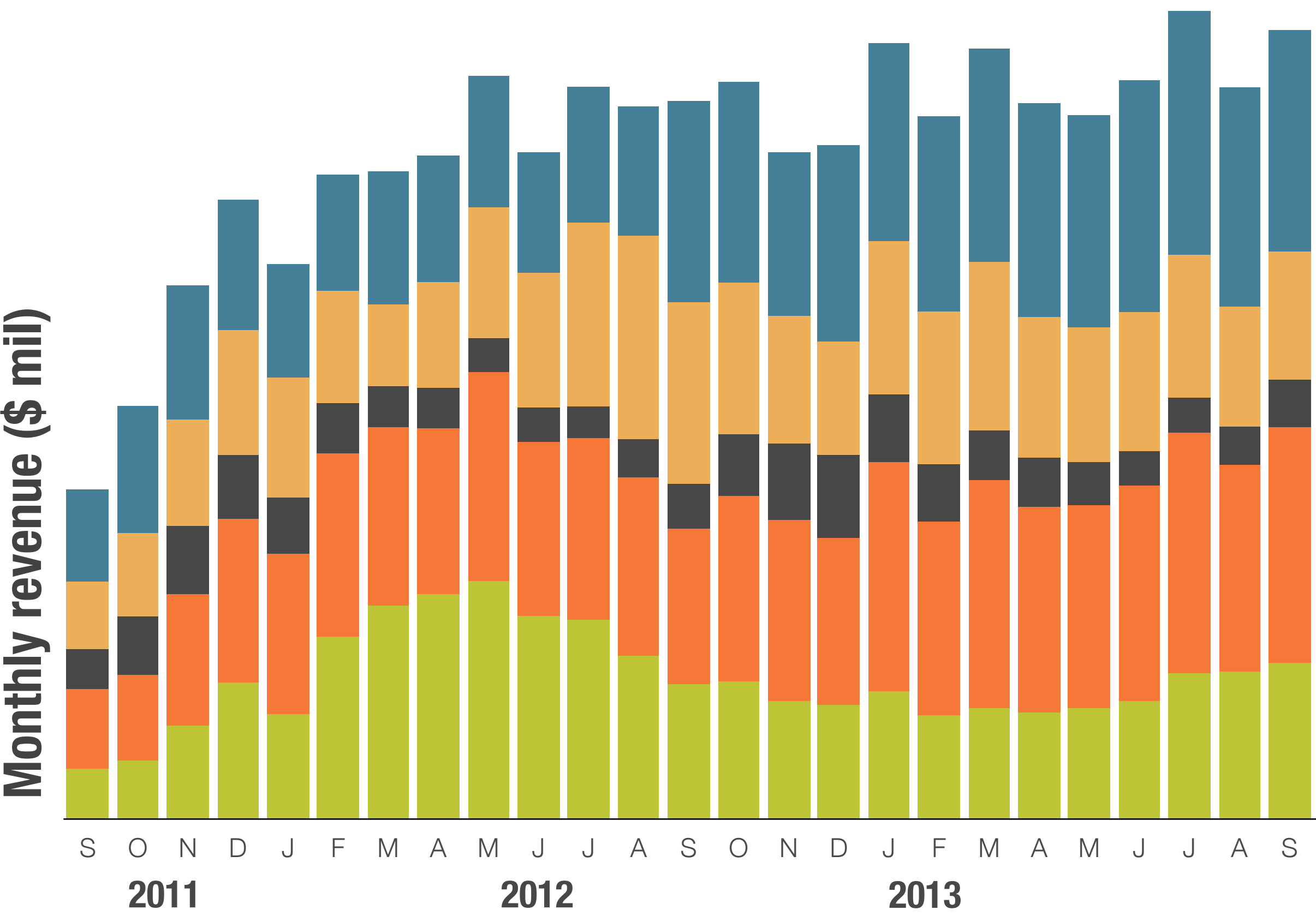
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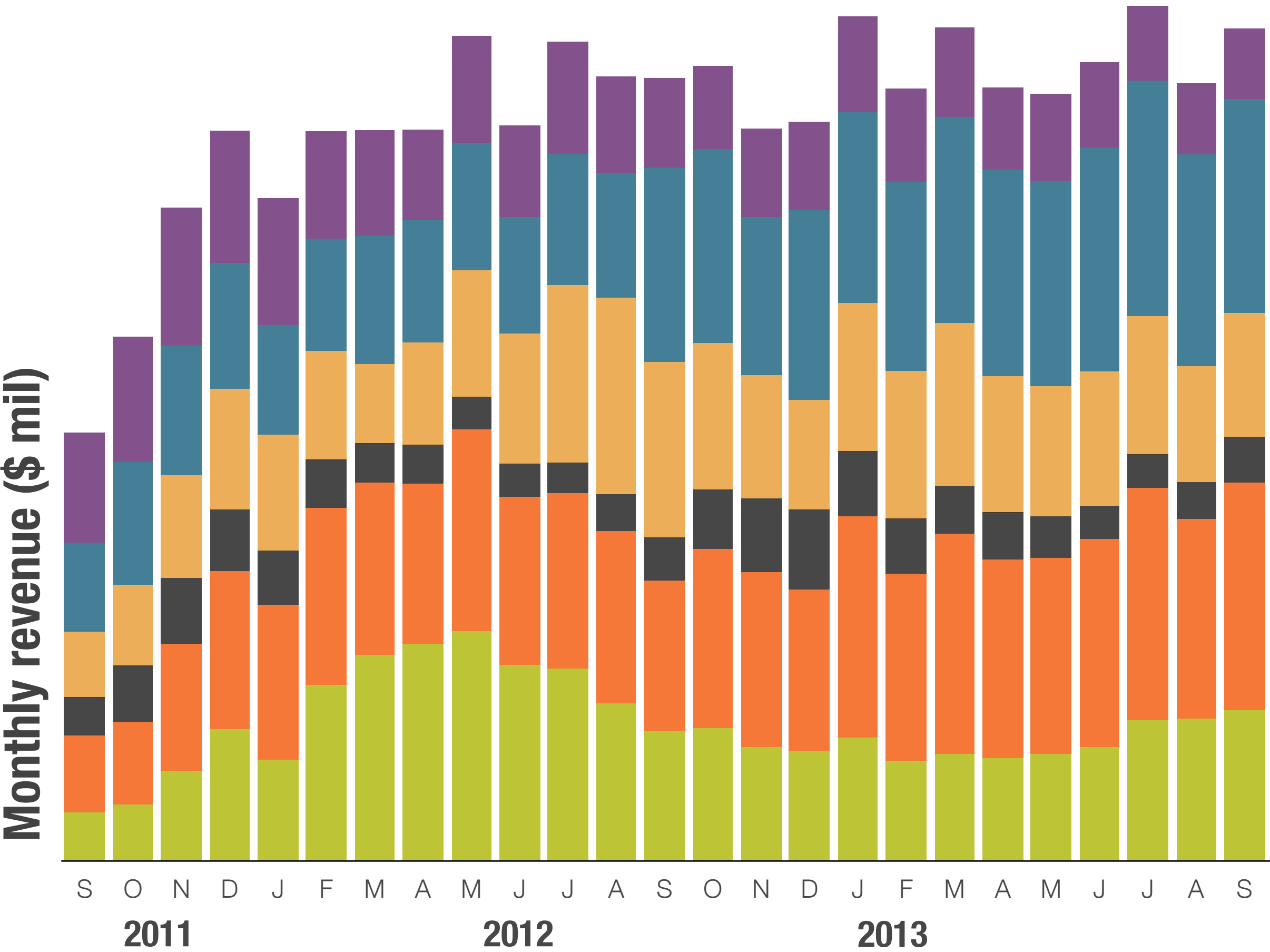
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US digital games market (\$ mil)



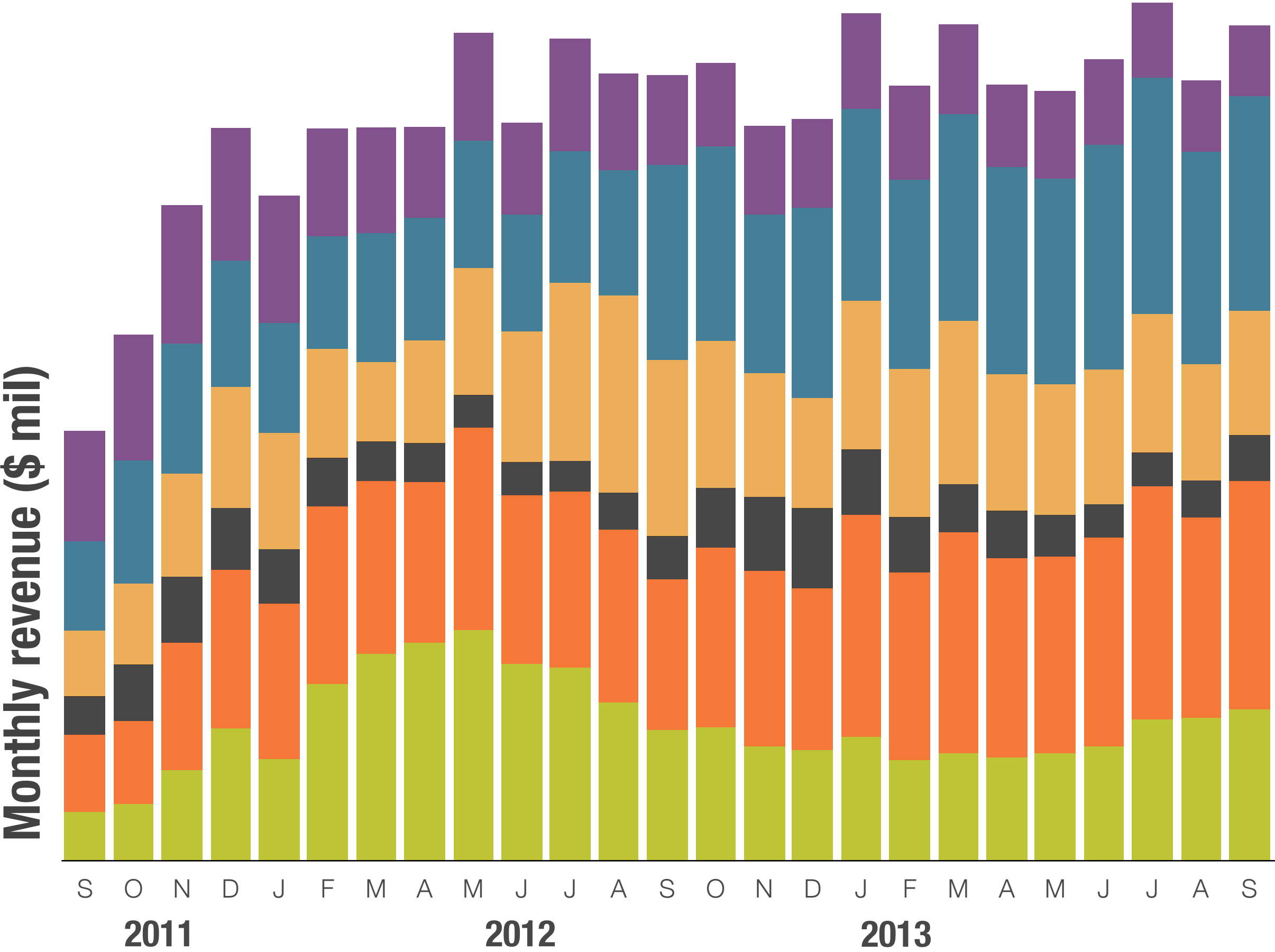
Digital category	Last month total (millions USD)	M-o-M growth %
Free-to-play online games	\$249	+1%
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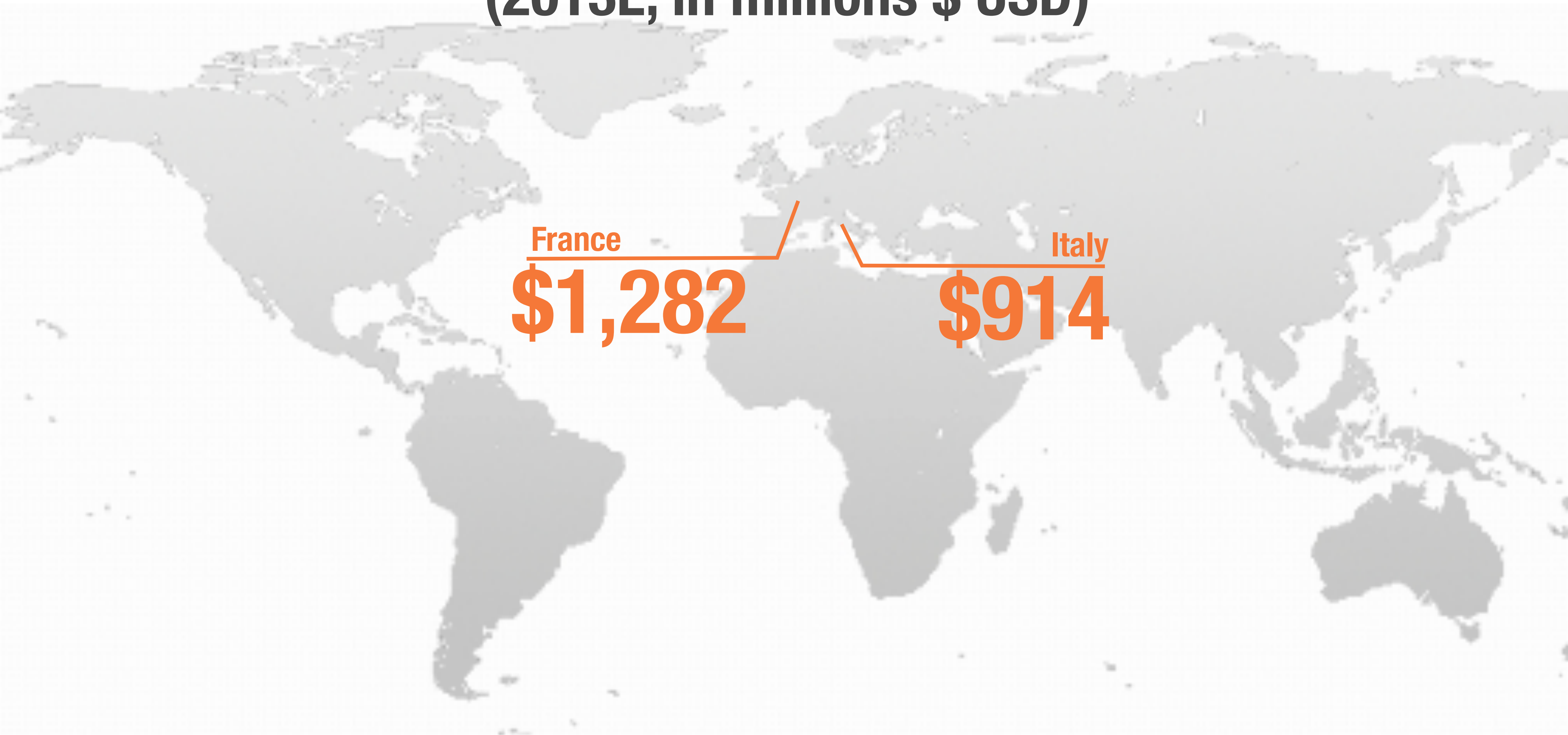


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Overall	\$972	+7%

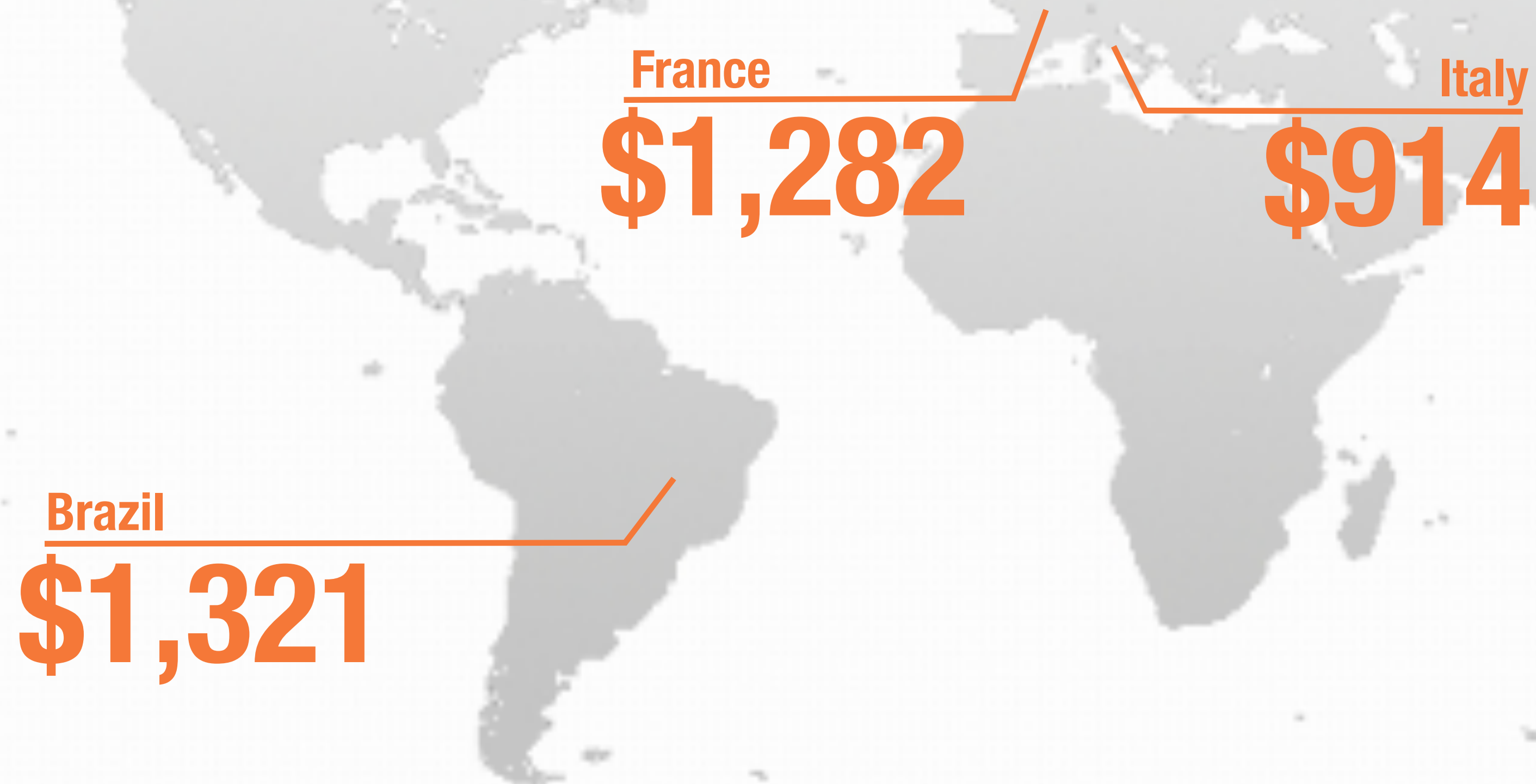
Total digital games in key markets (2013E, in millions \$ USD)



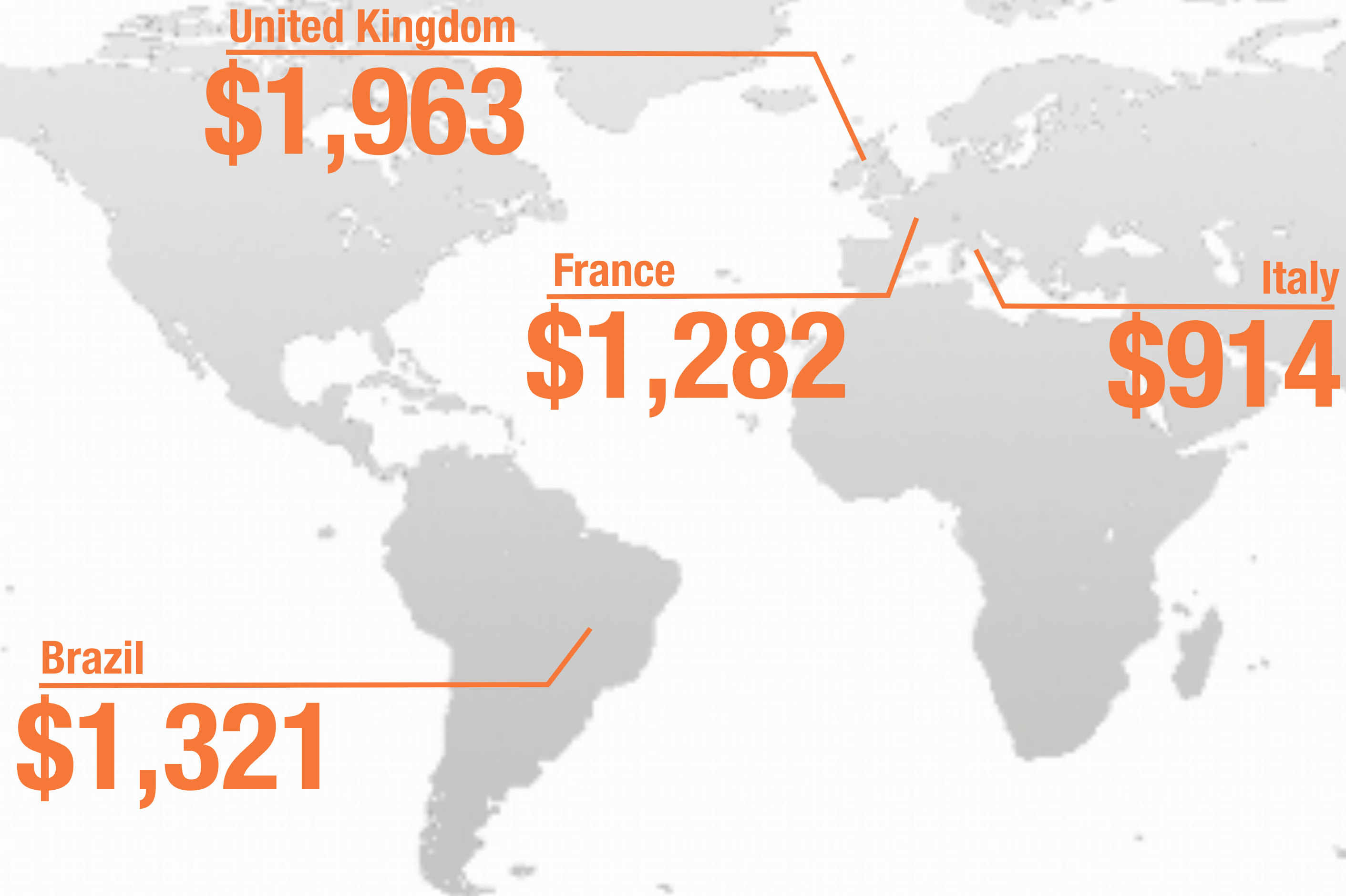
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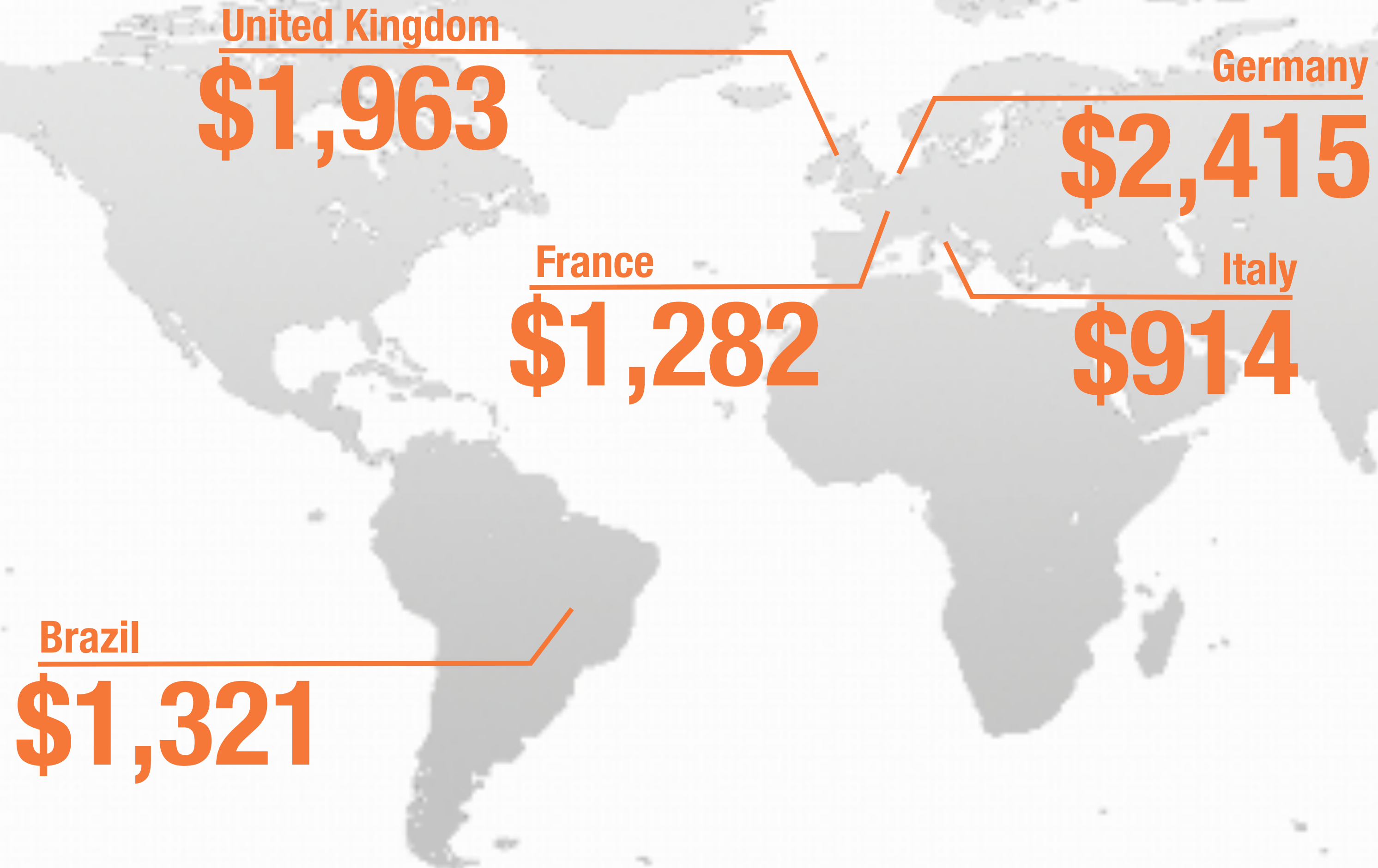
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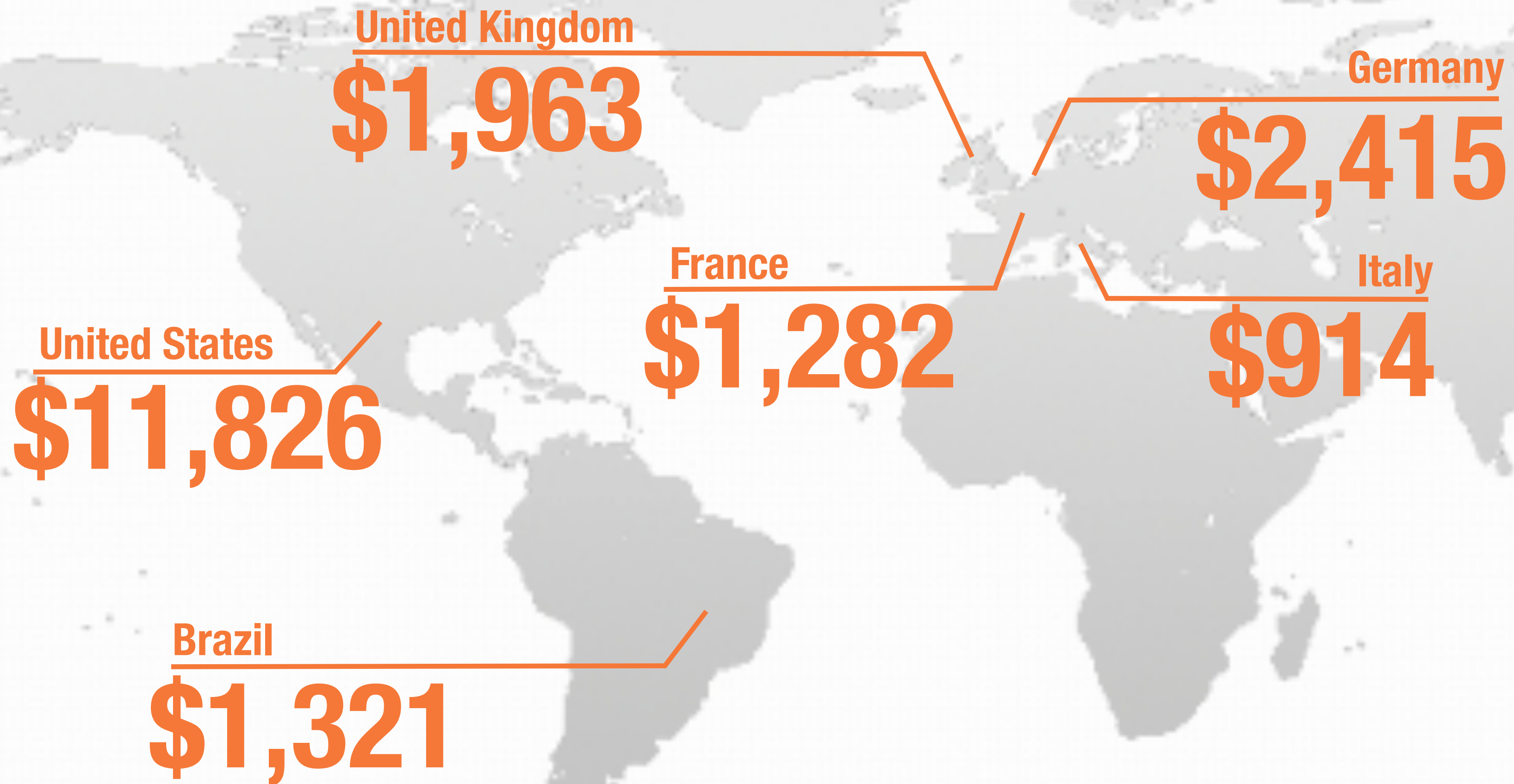
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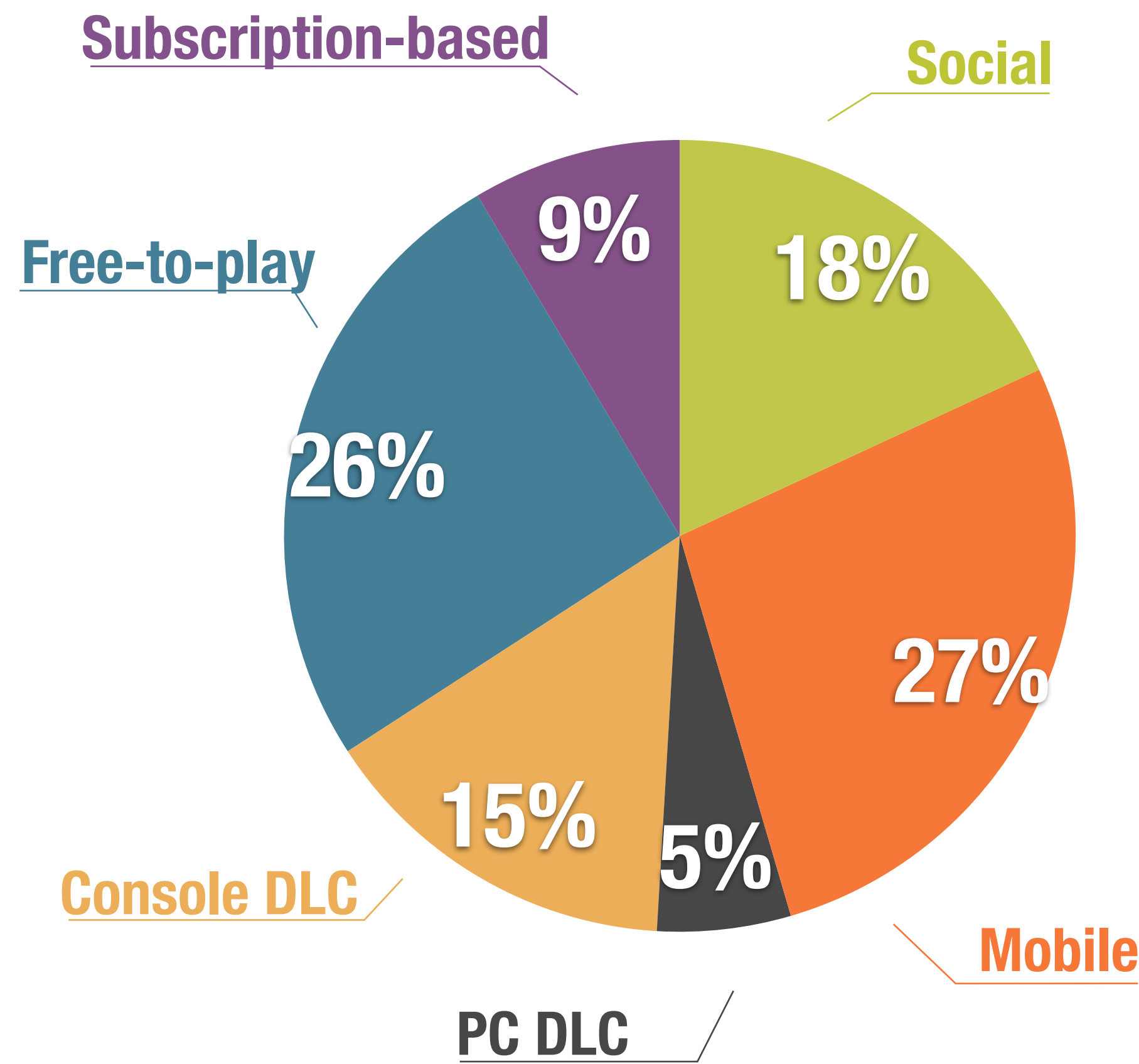


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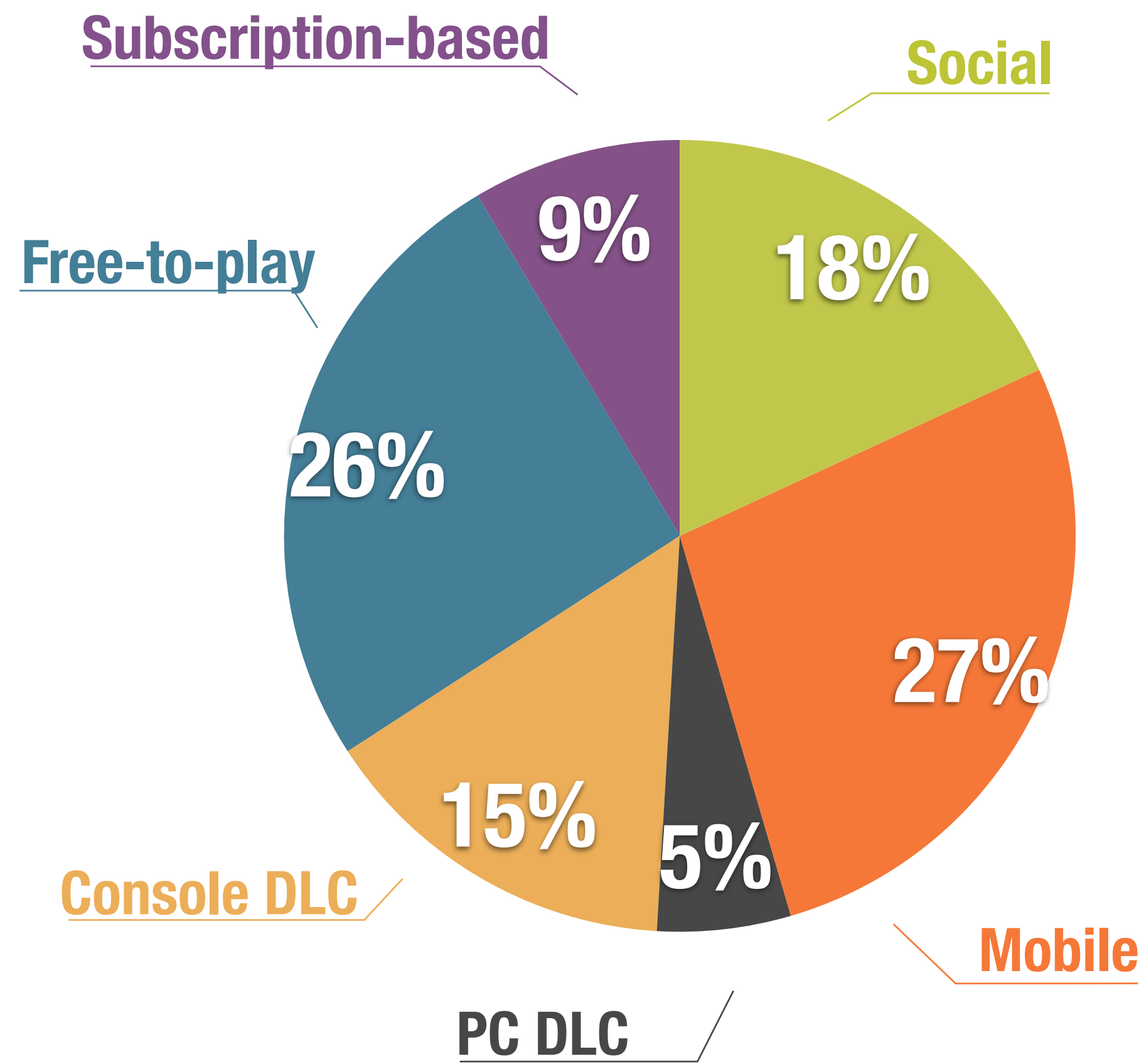
Category share for US digital games market

September 2013

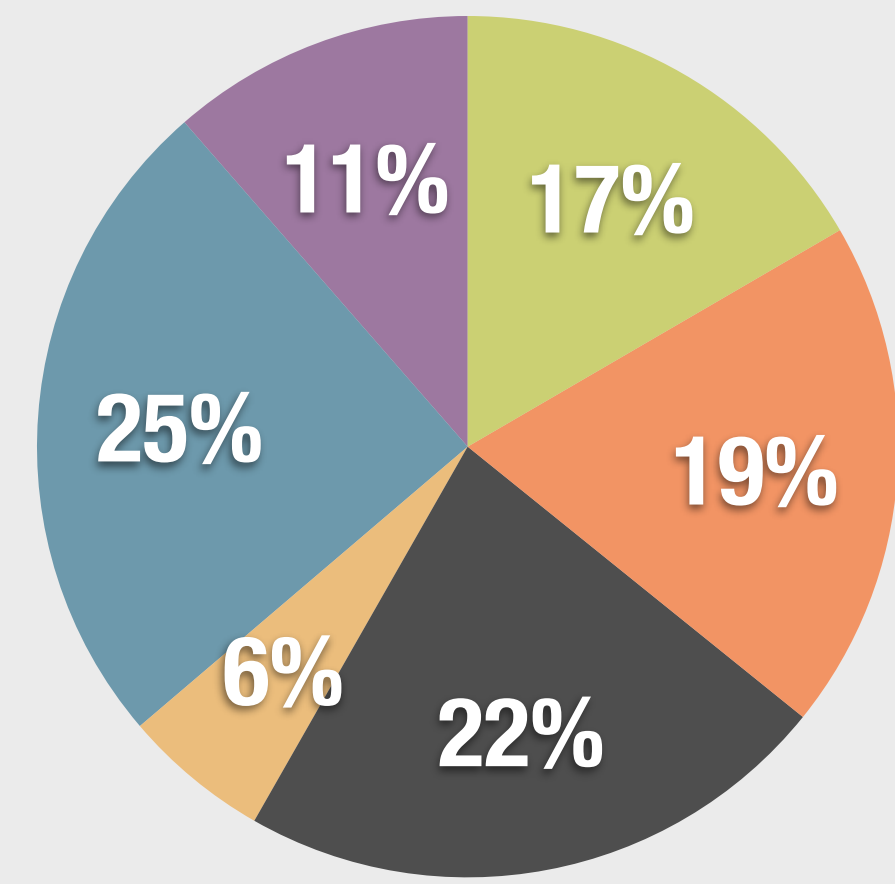


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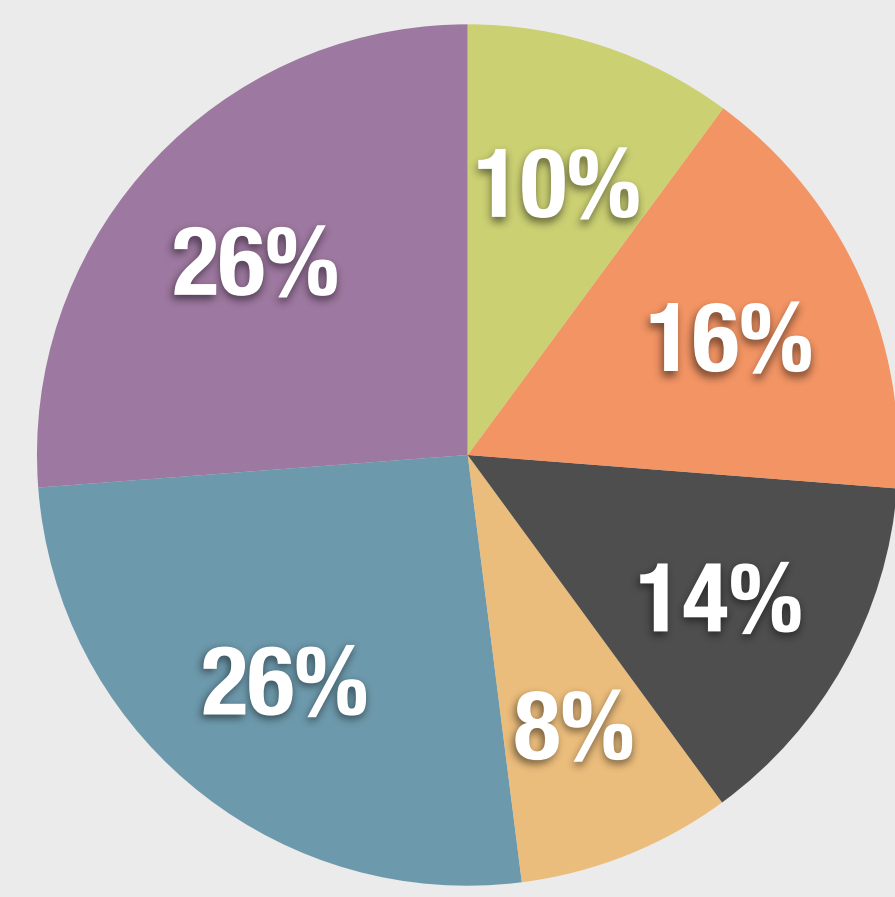
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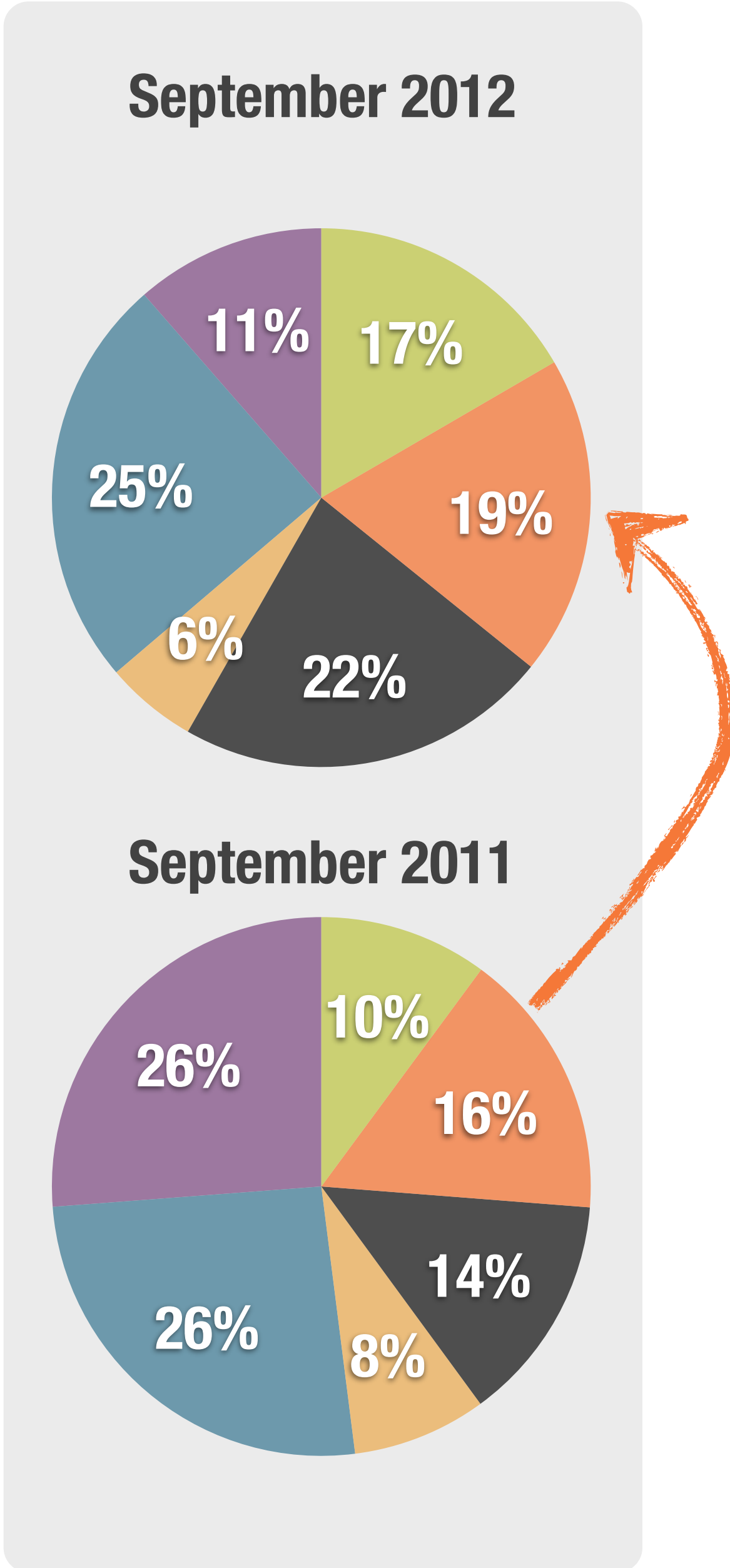
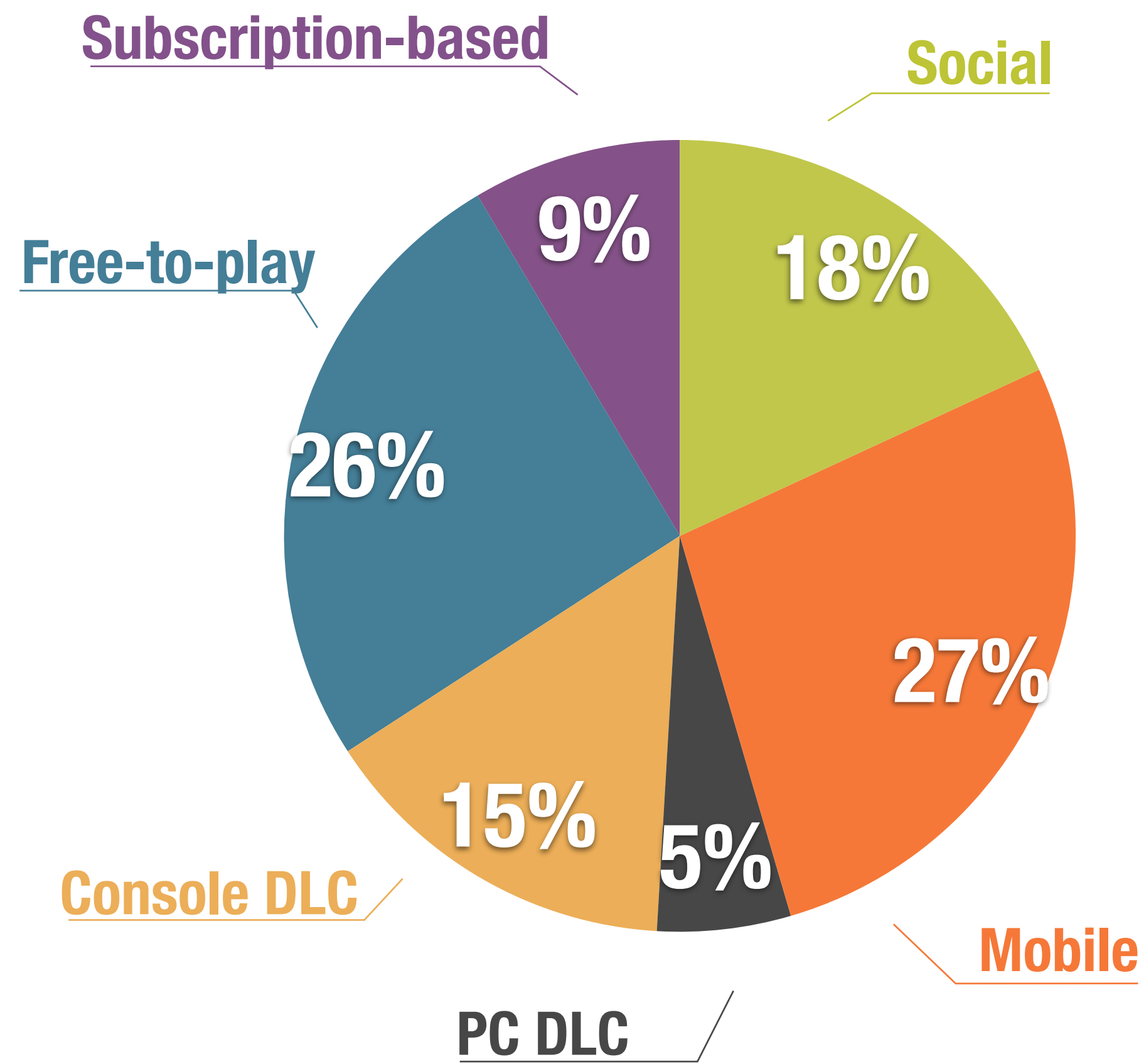


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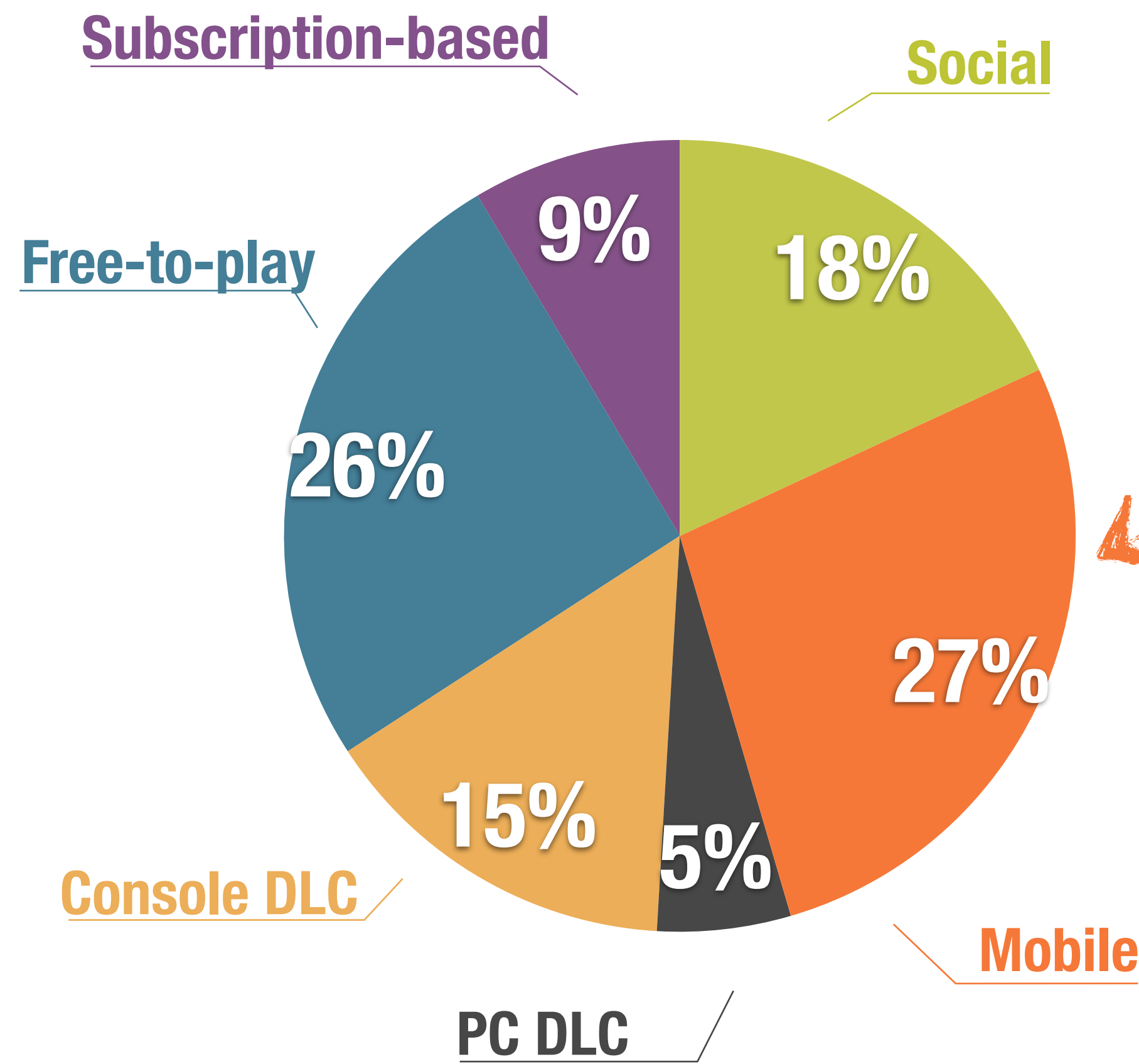
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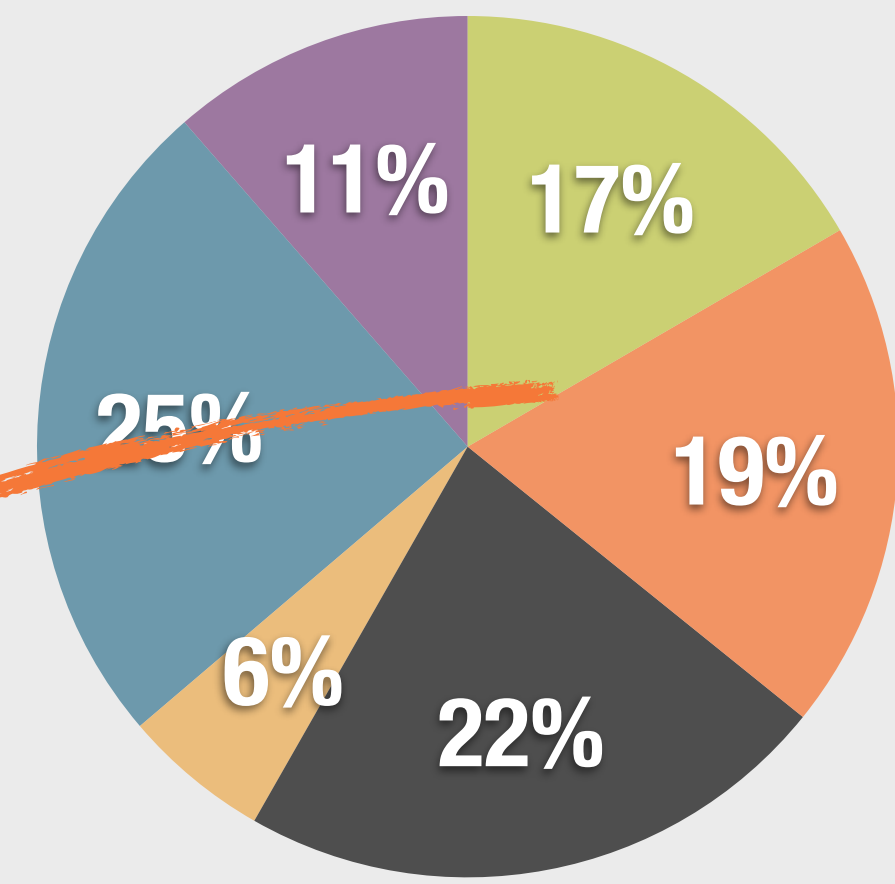


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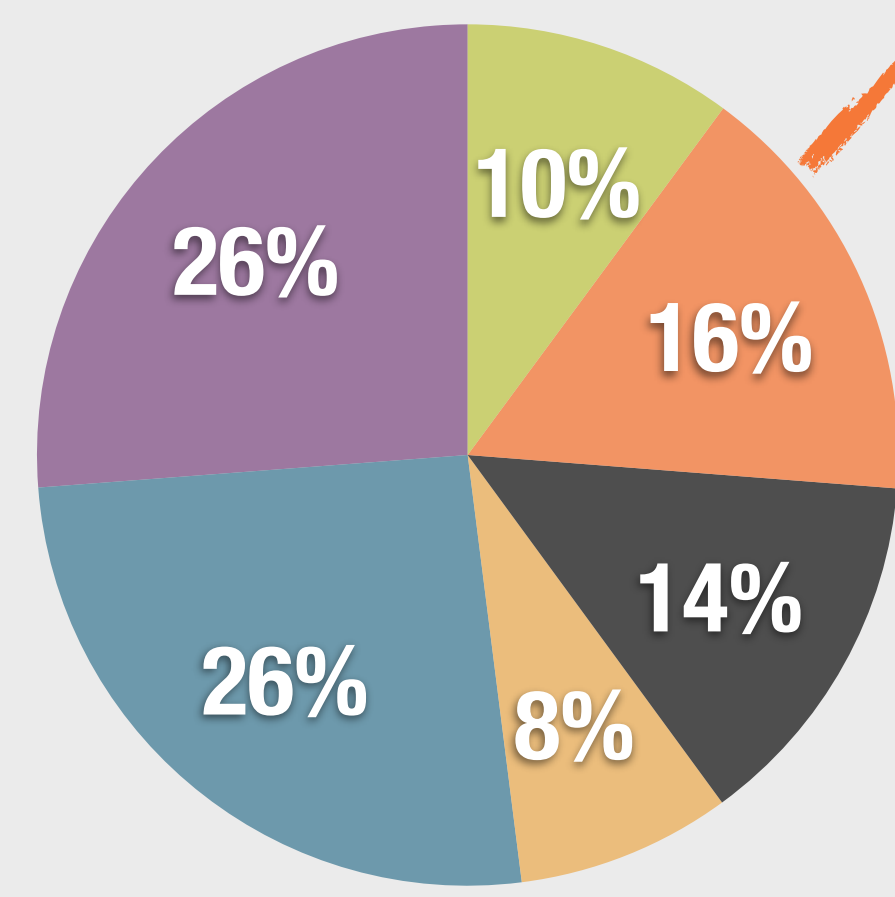
September 2013



September 2012

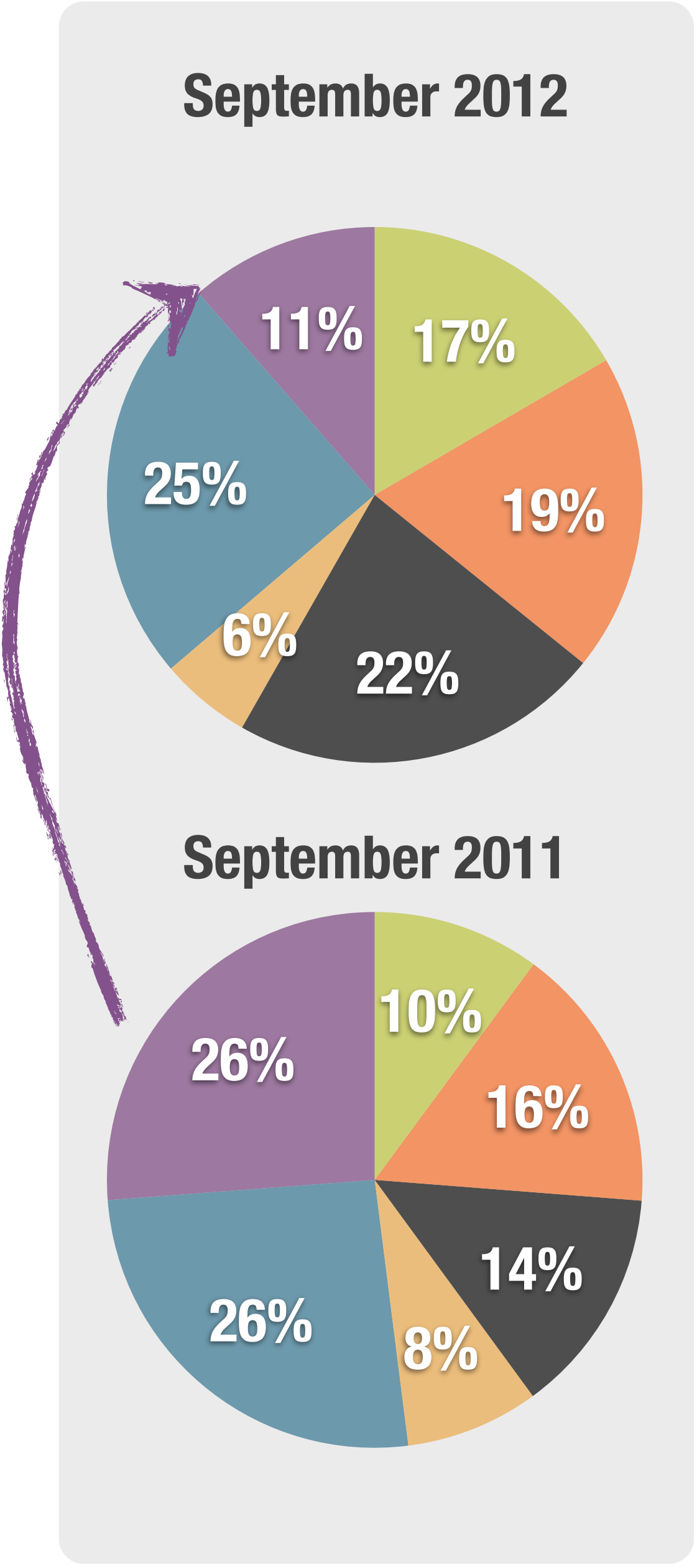
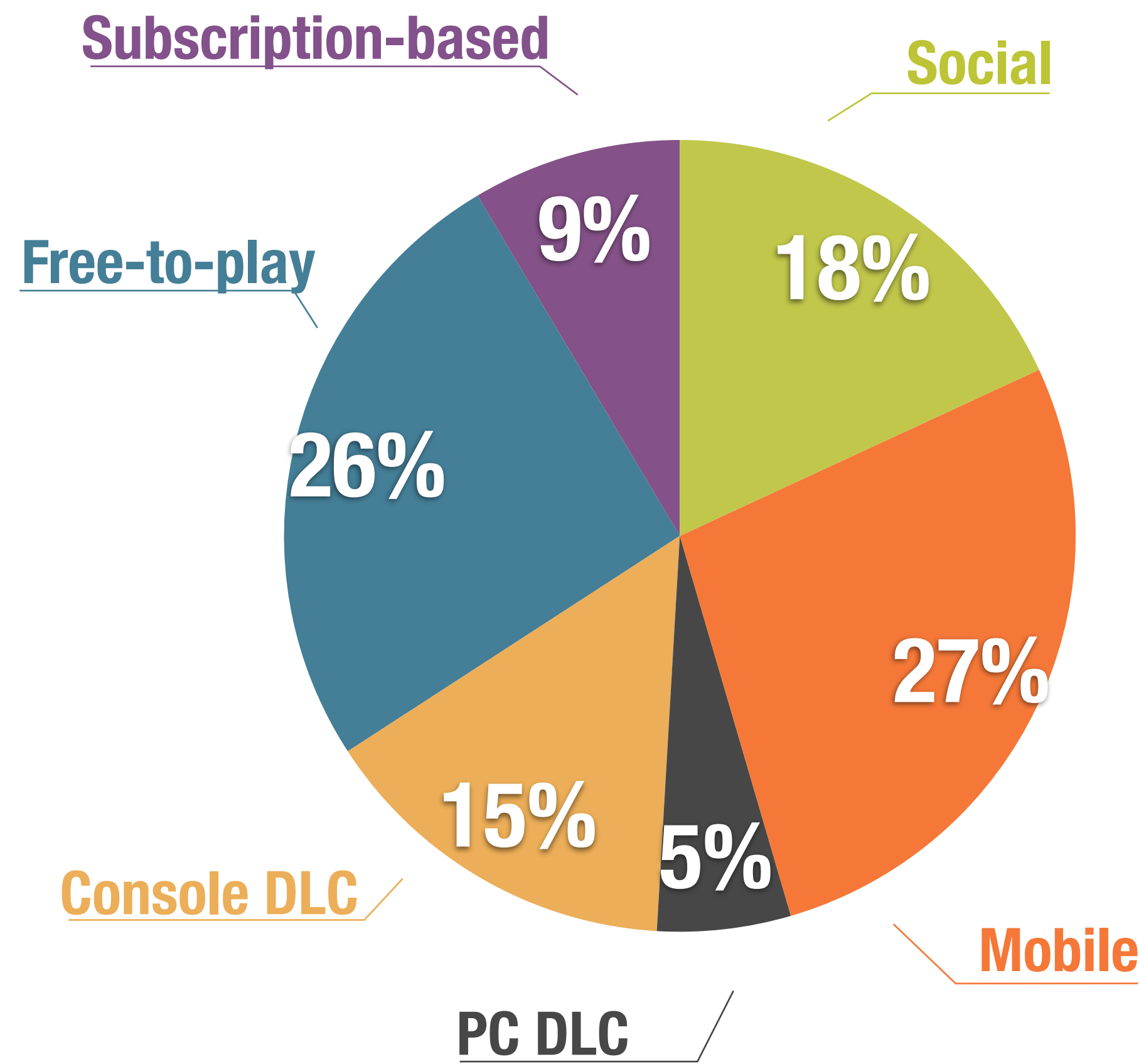


September 2011



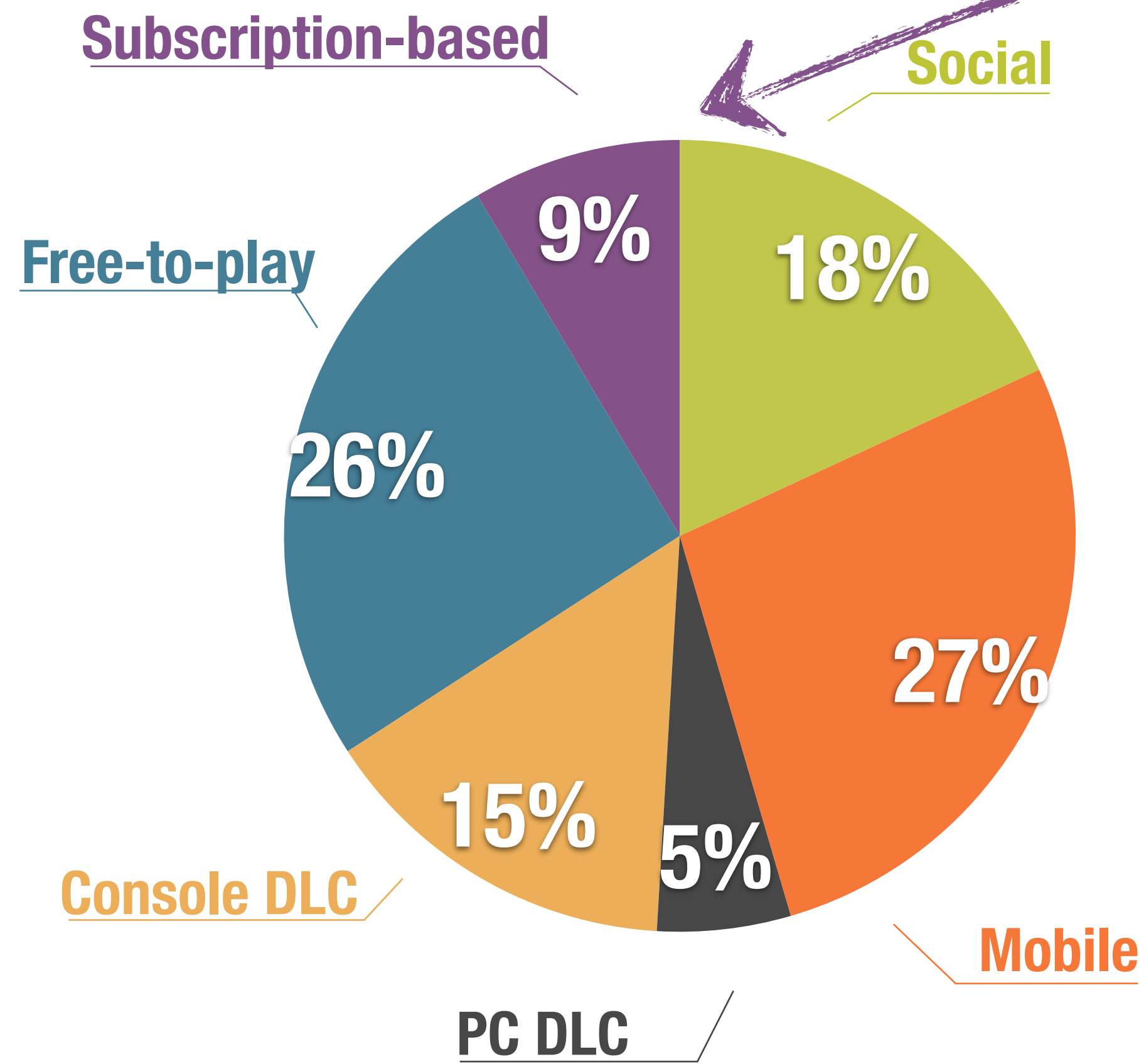
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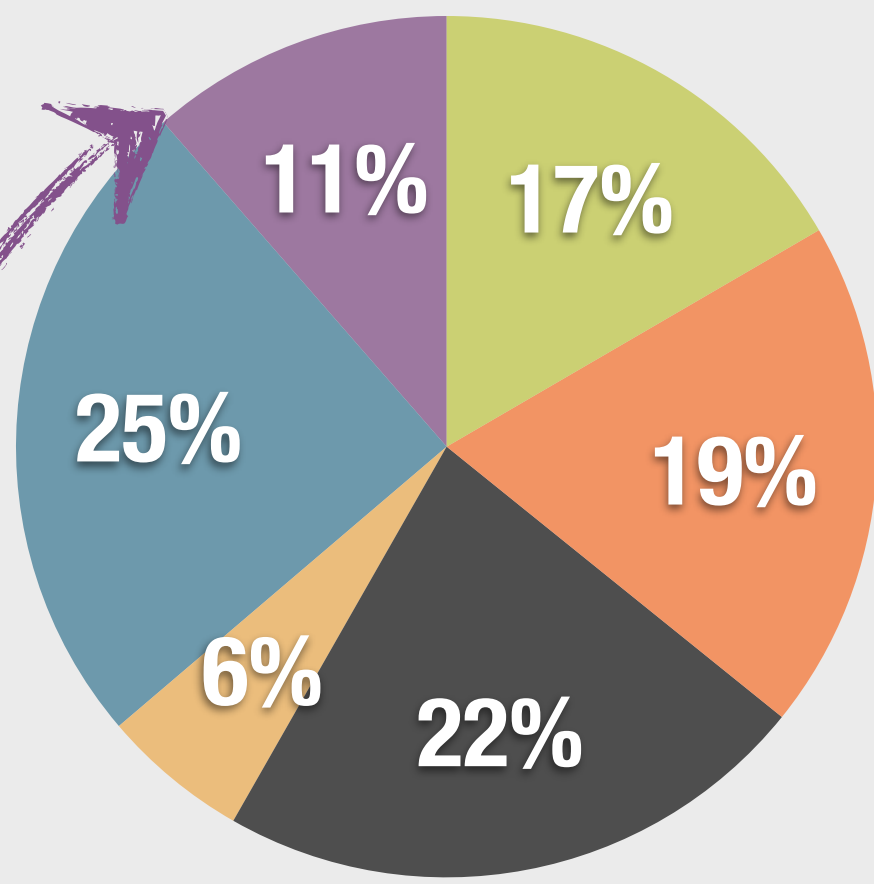


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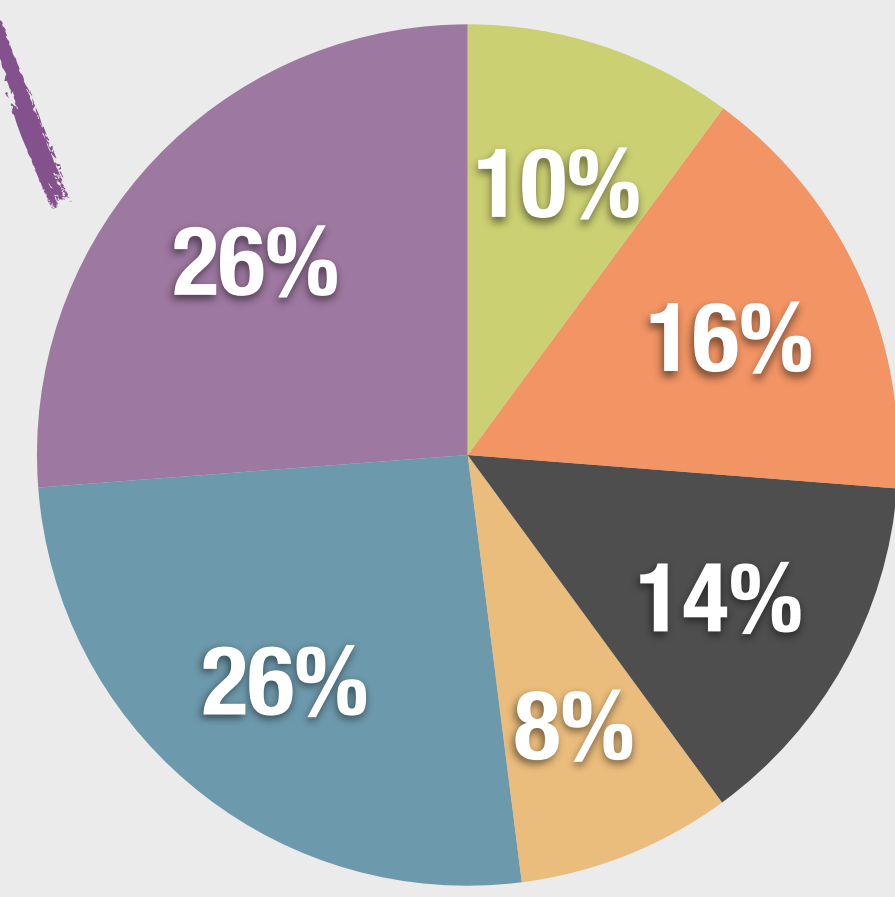
September 2013



September 2012

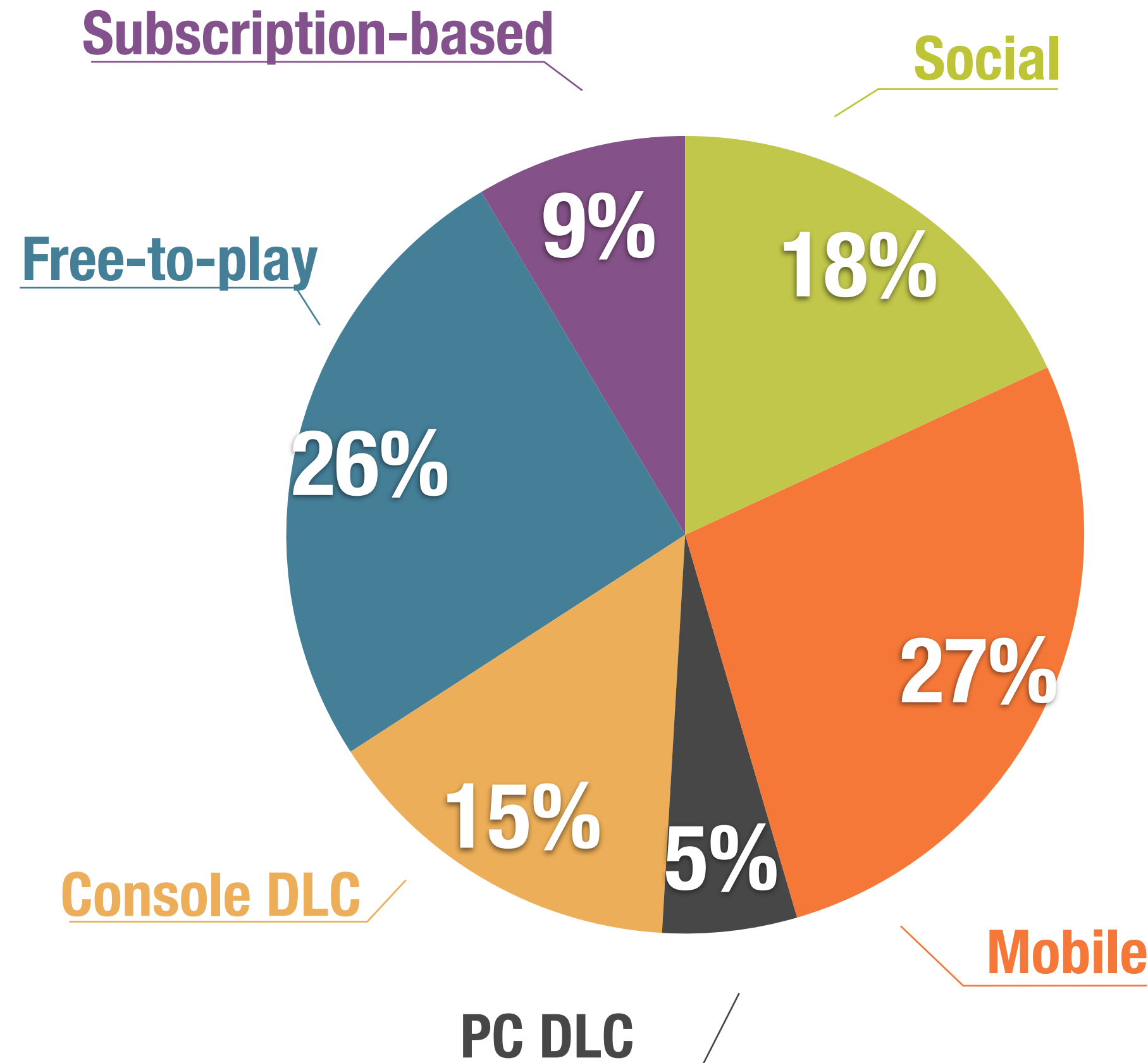


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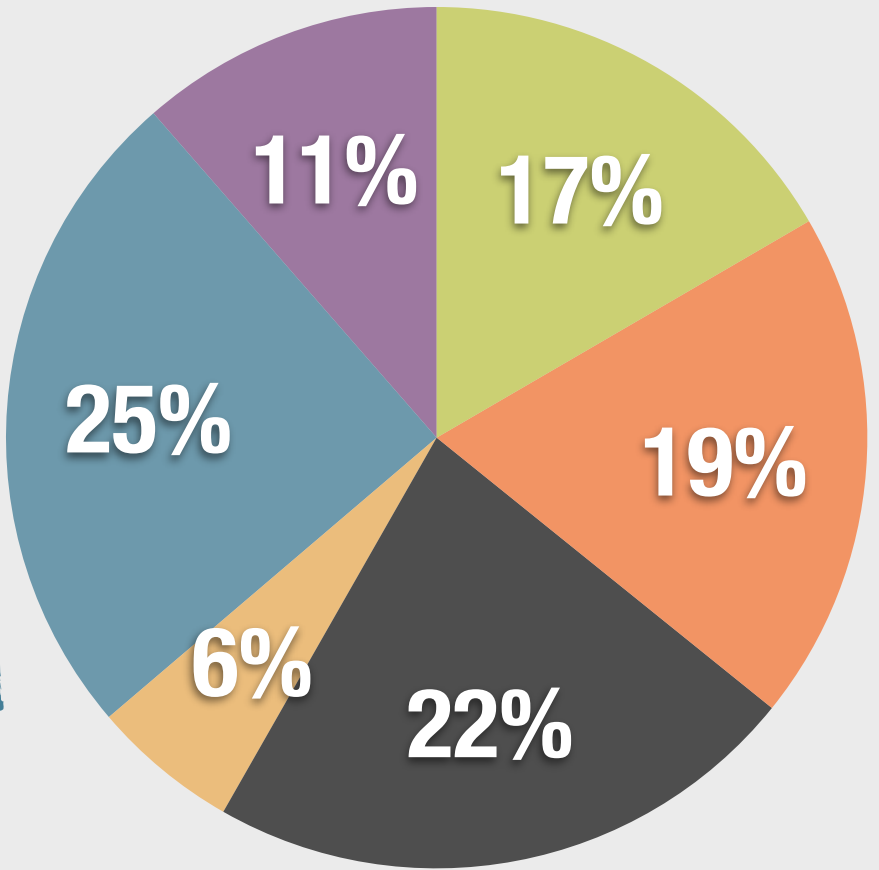


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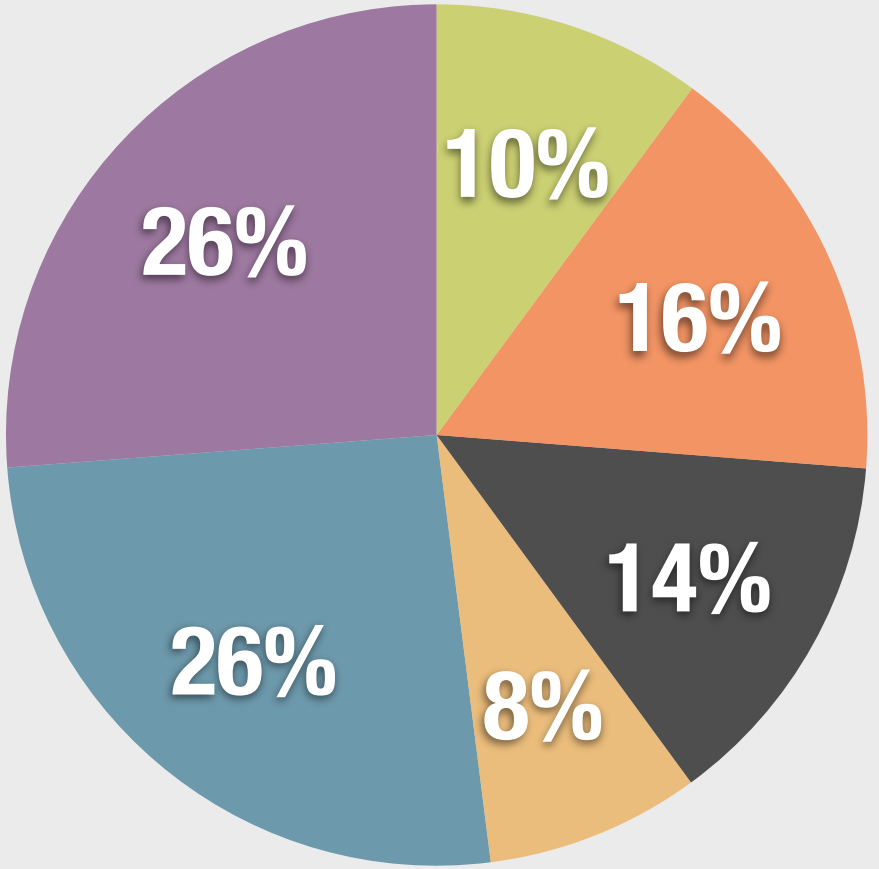
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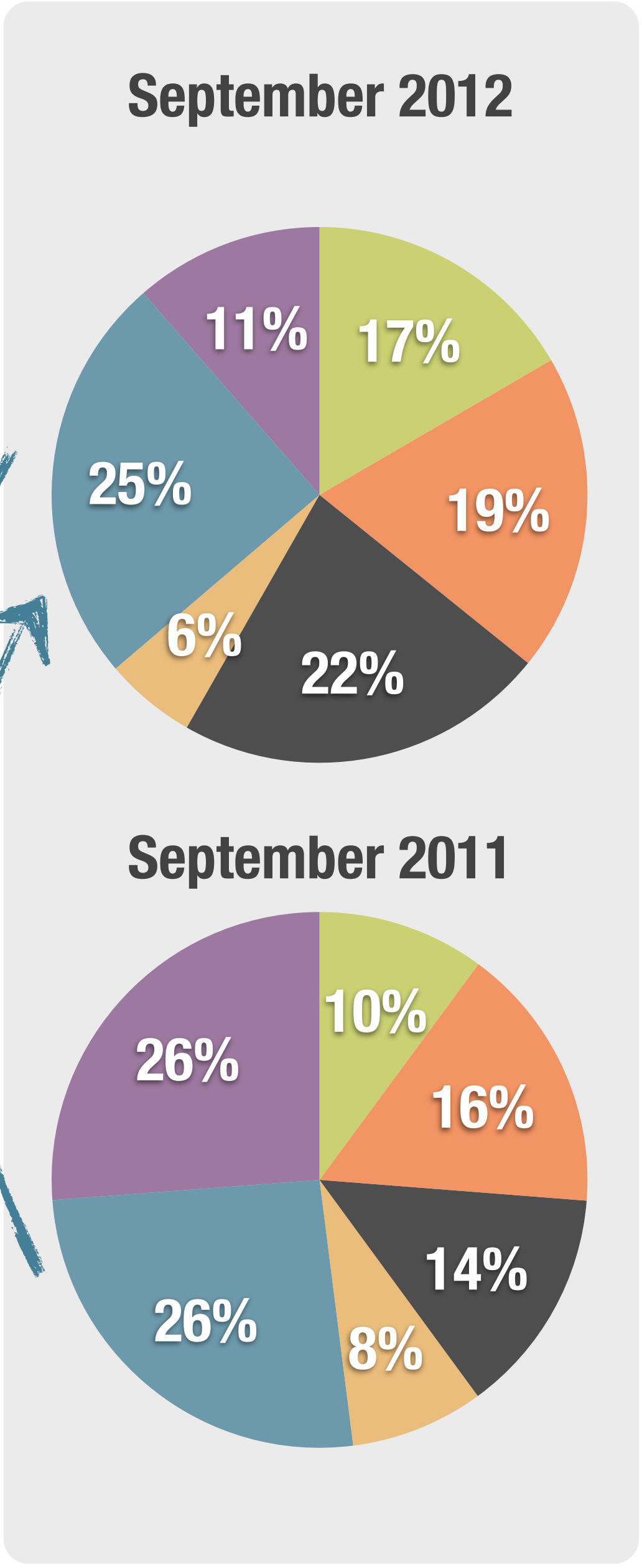
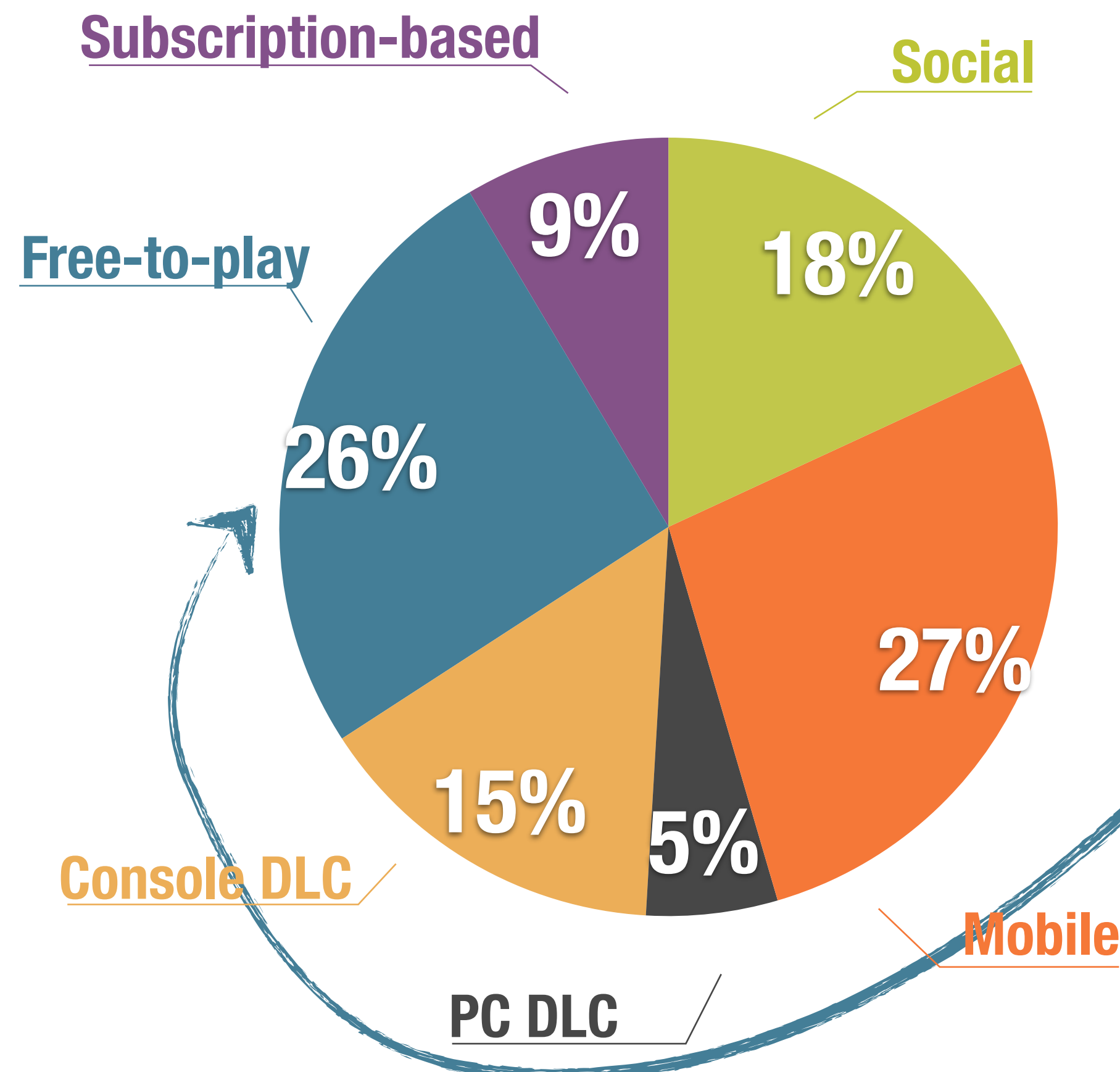


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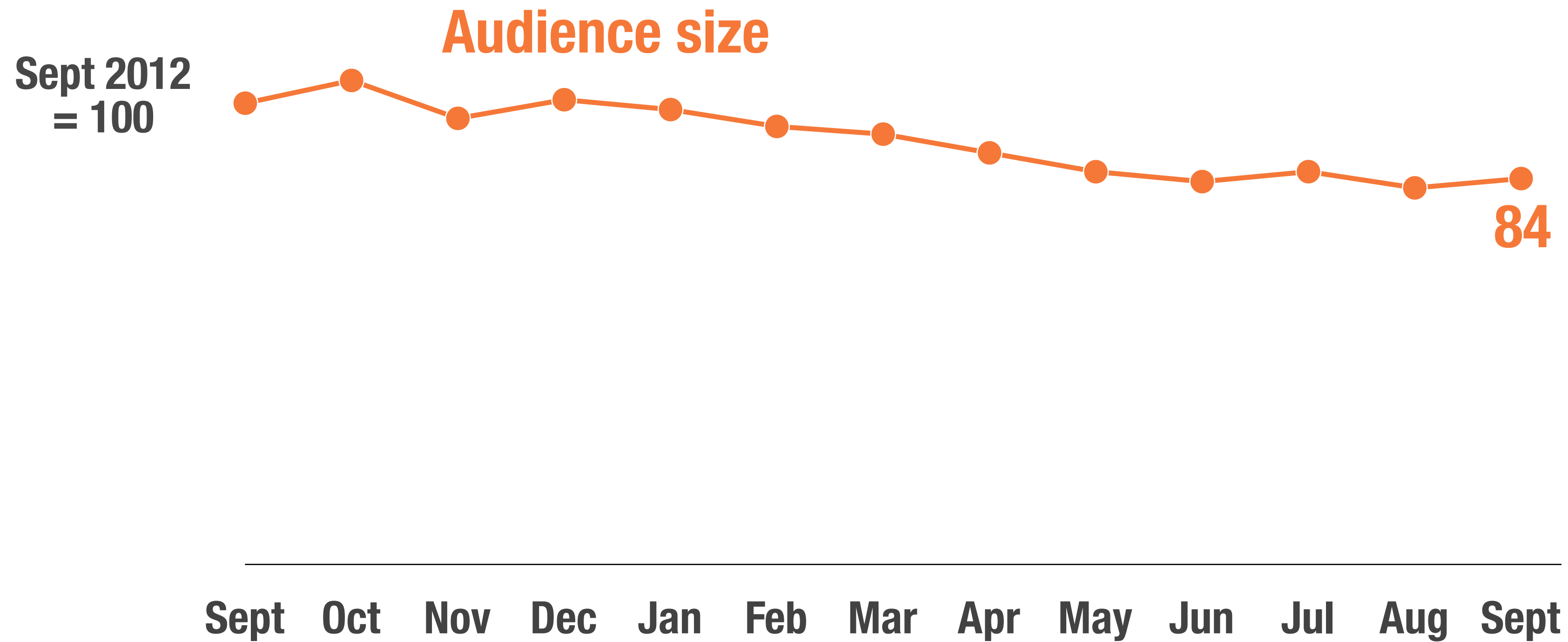


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What next

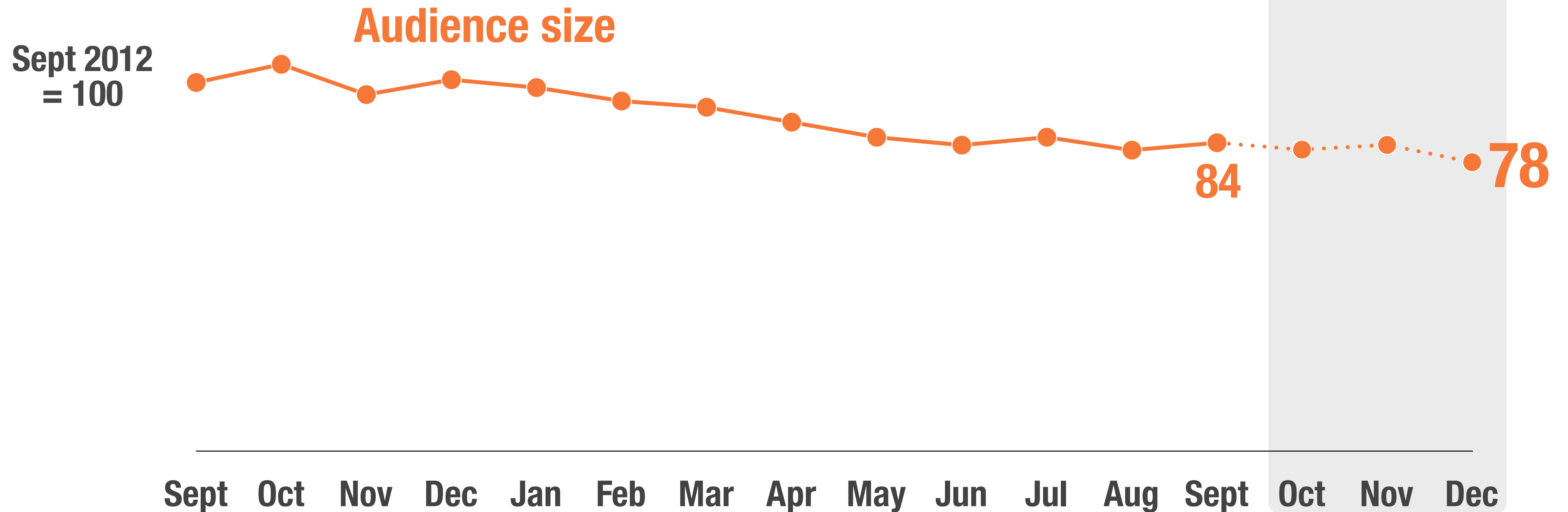
Now what

Top free-to-play online shooters

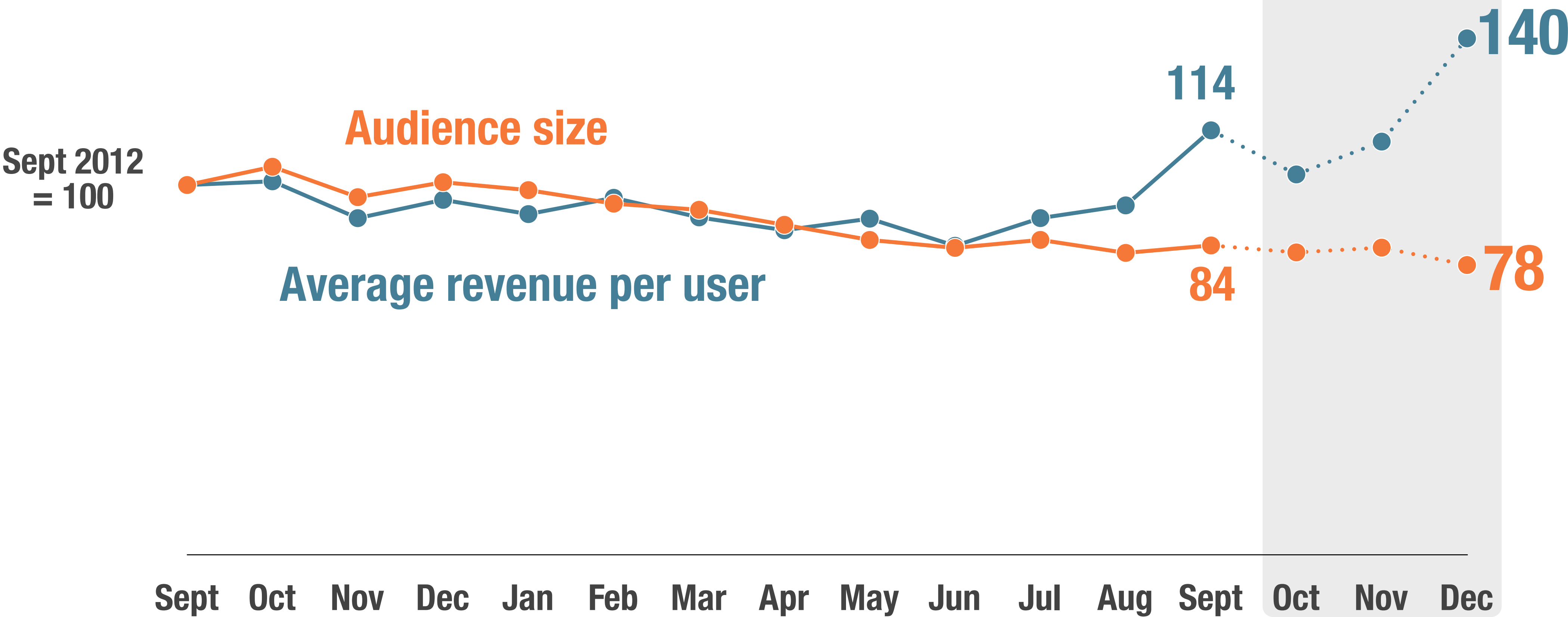


Top free-to-play online shooters

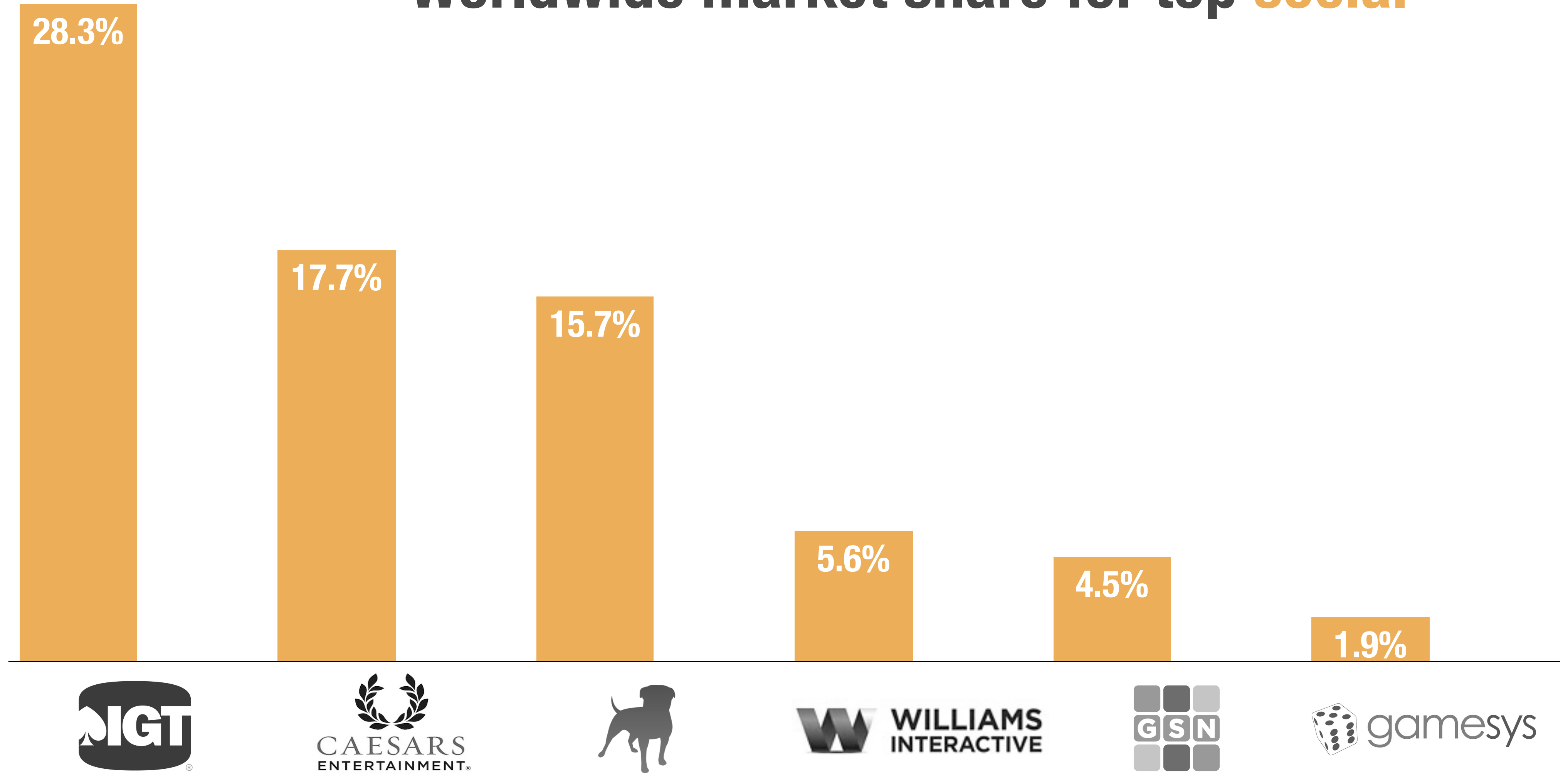
FORECAST



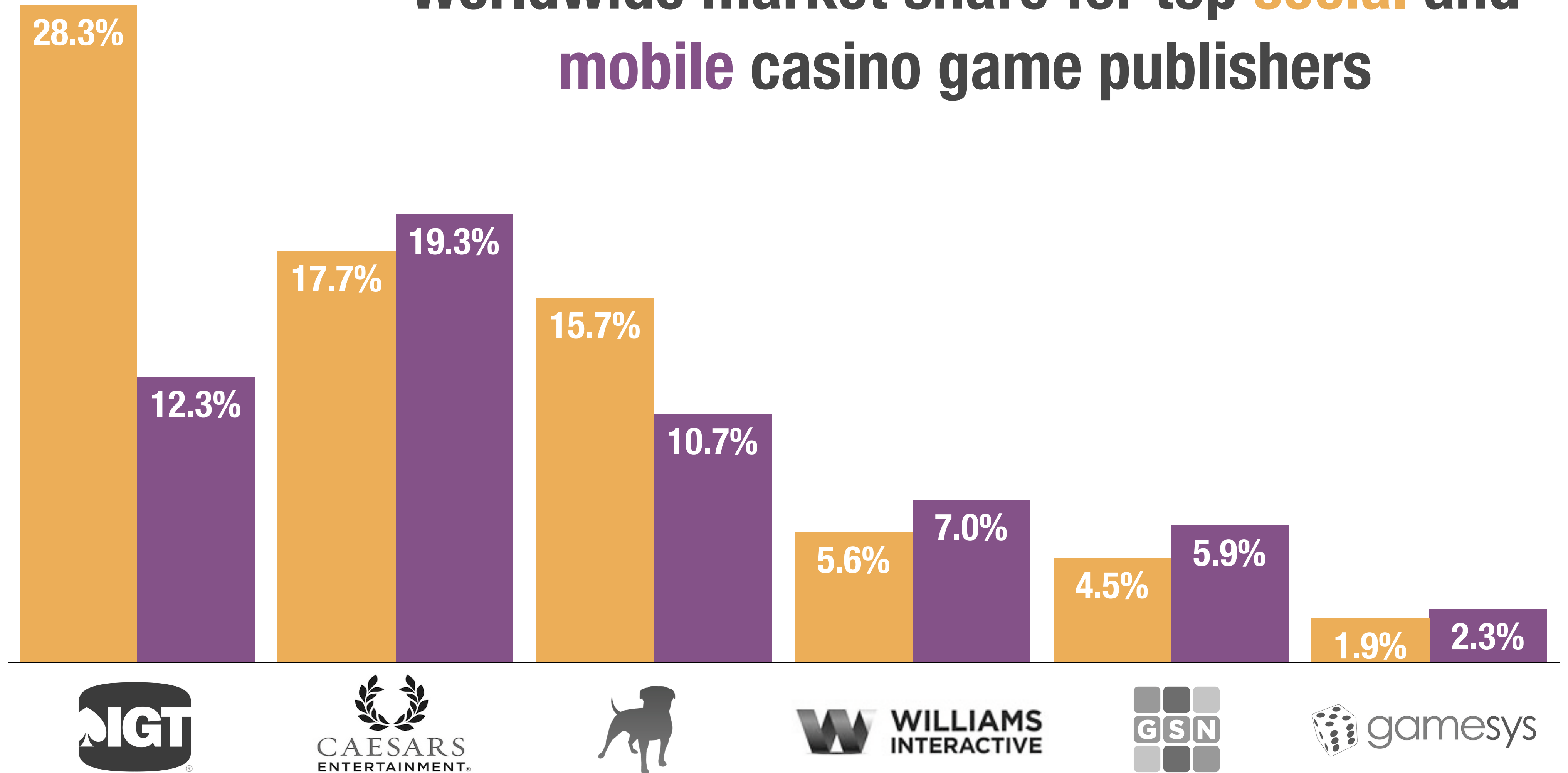
Top free-to-play online shooters: audience size vs average revenue per user



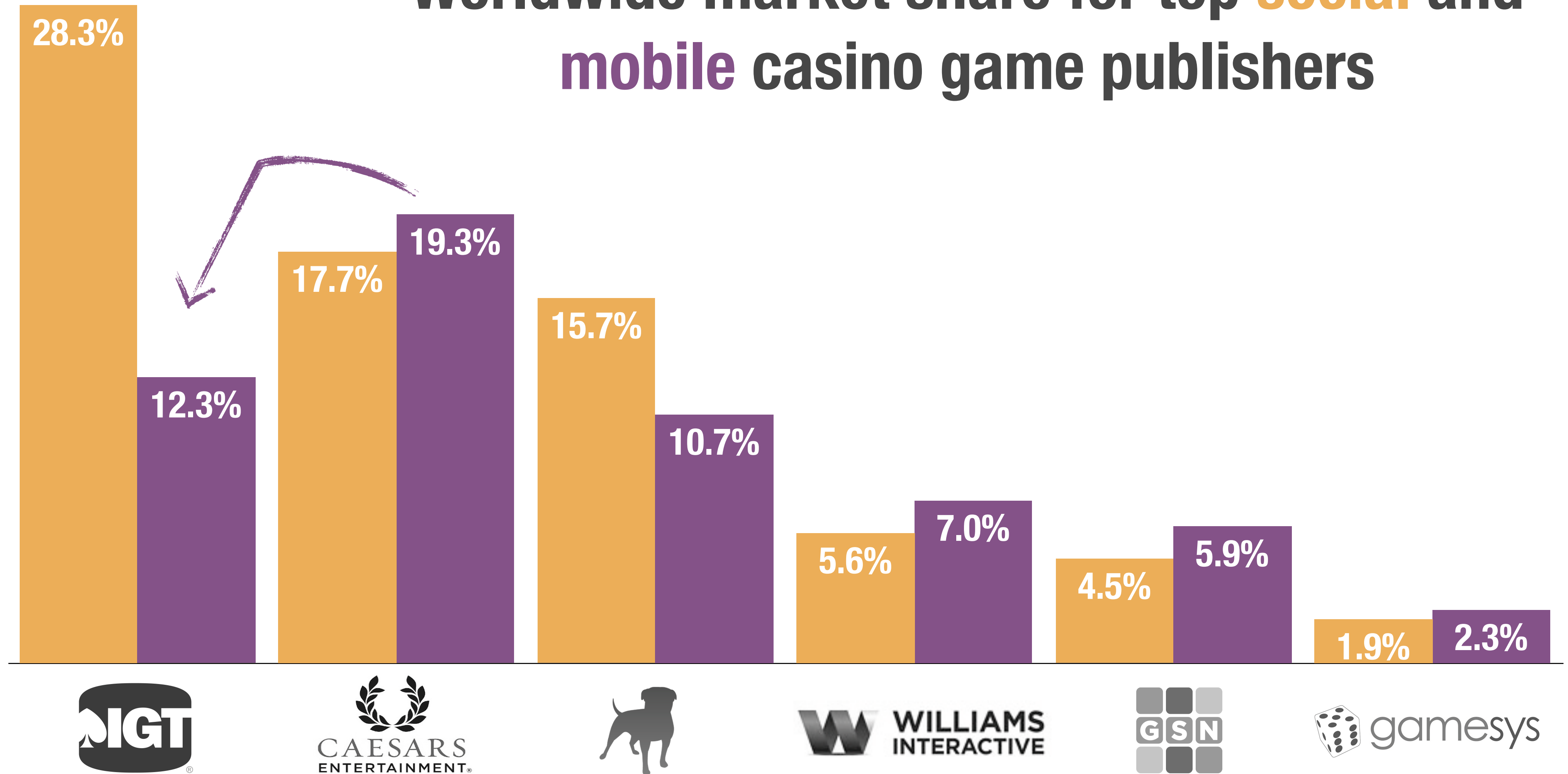
Worldwide market share for top **social**



Worldwide market share for top **social** and **mobile** casino game publishers



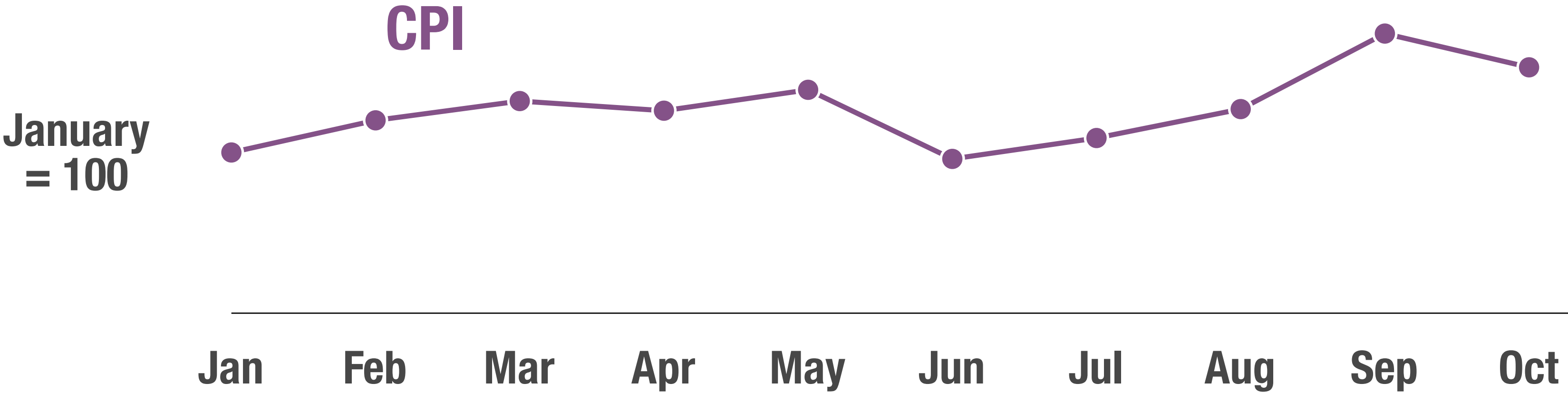
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Mobile: cost of acquisition

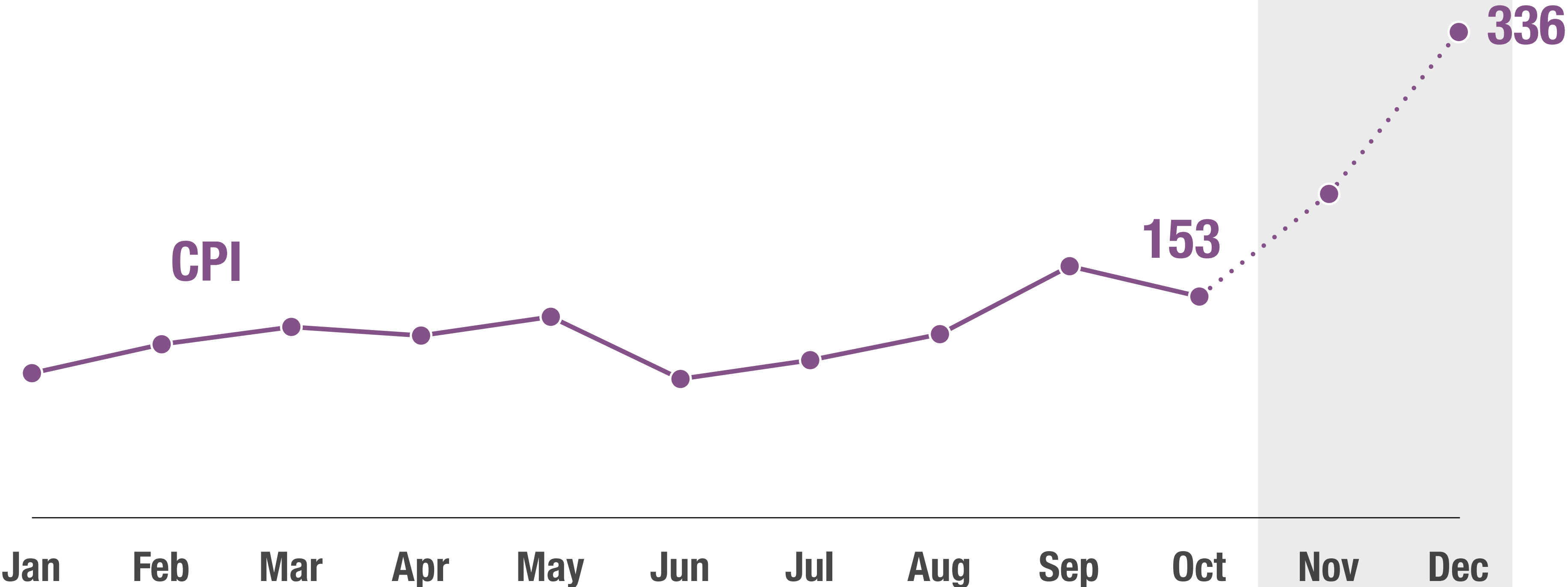


Mobile: cost of acquisition

FORECAST

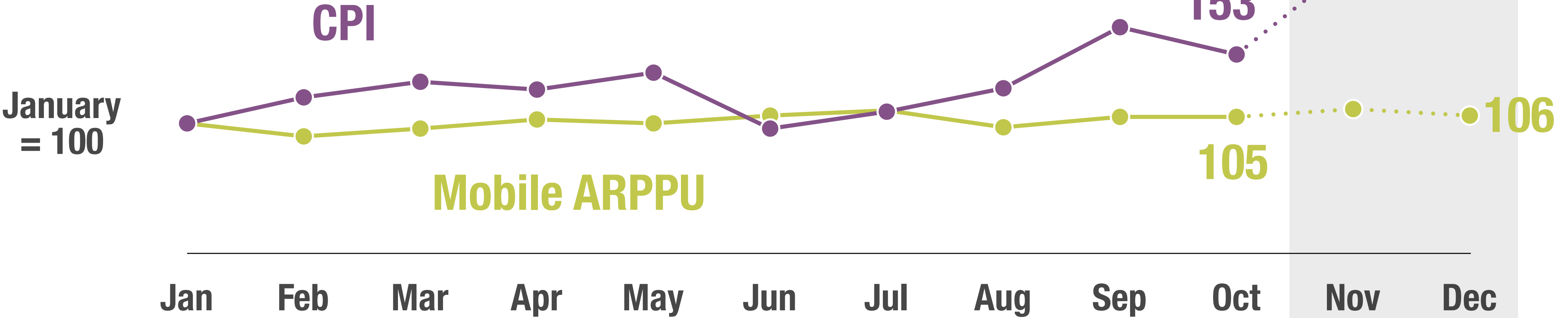
CPI

January
= 100

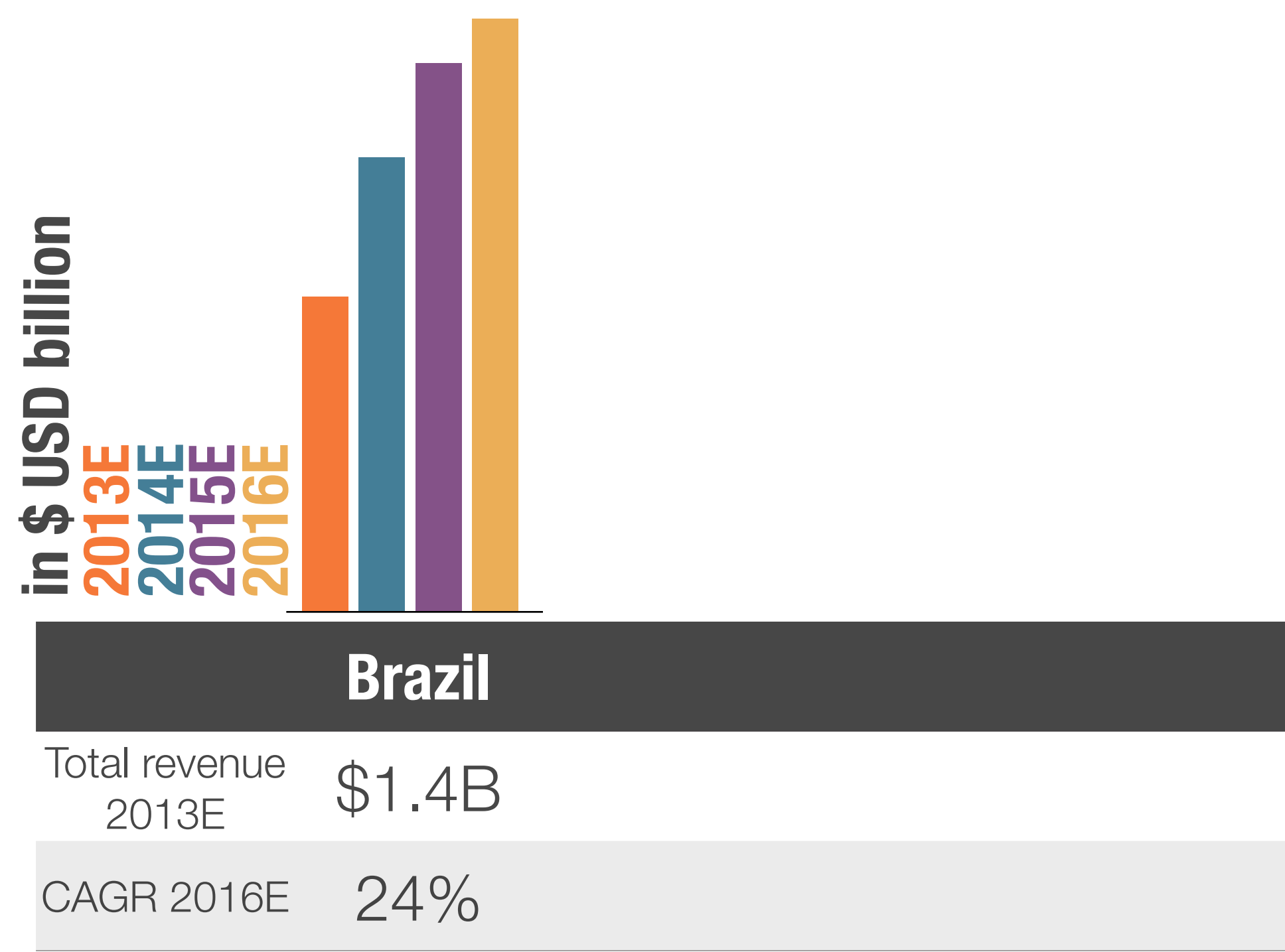


Mobile: cost of acquisition vs. average revenue per paying user

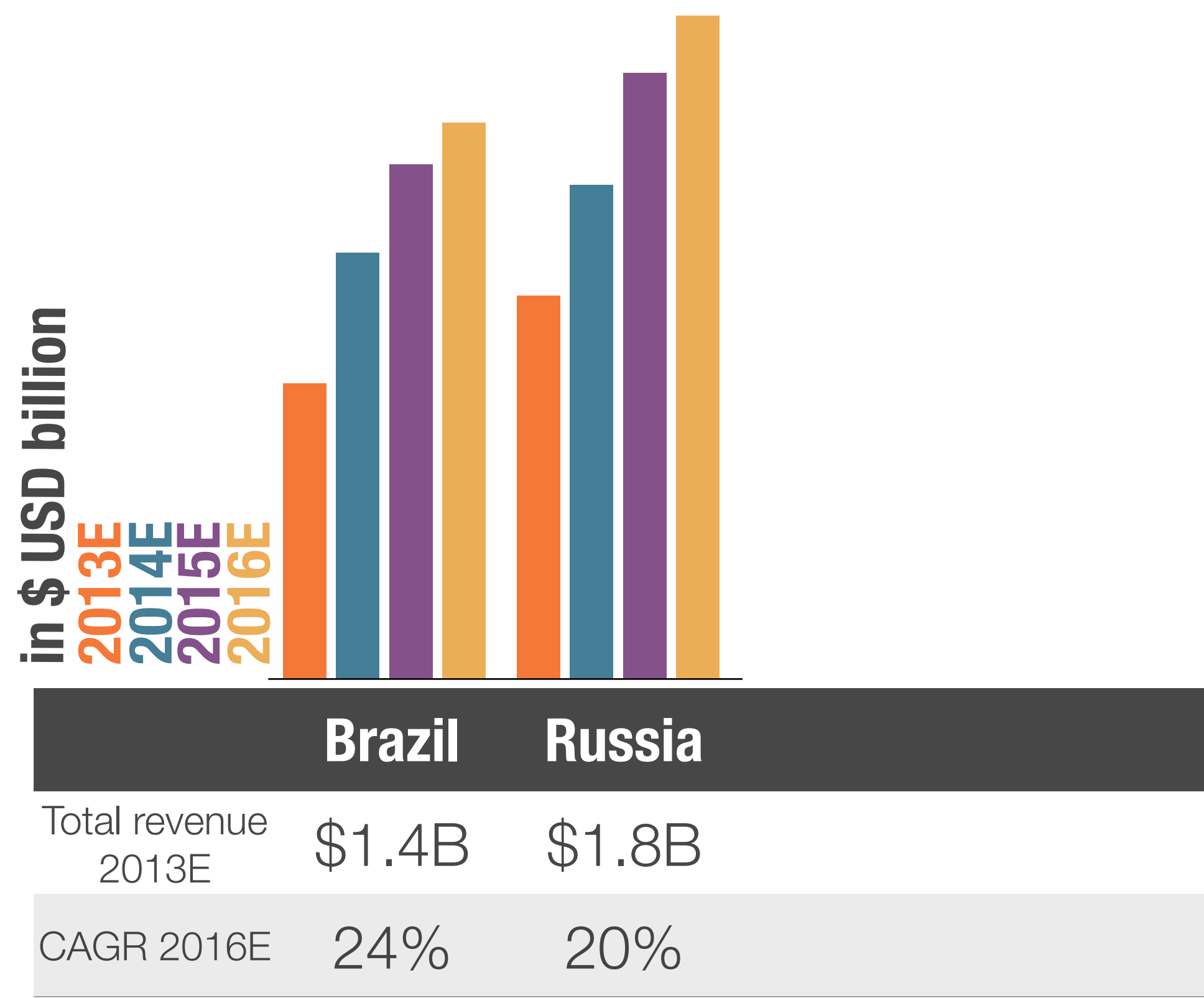
FORECAST



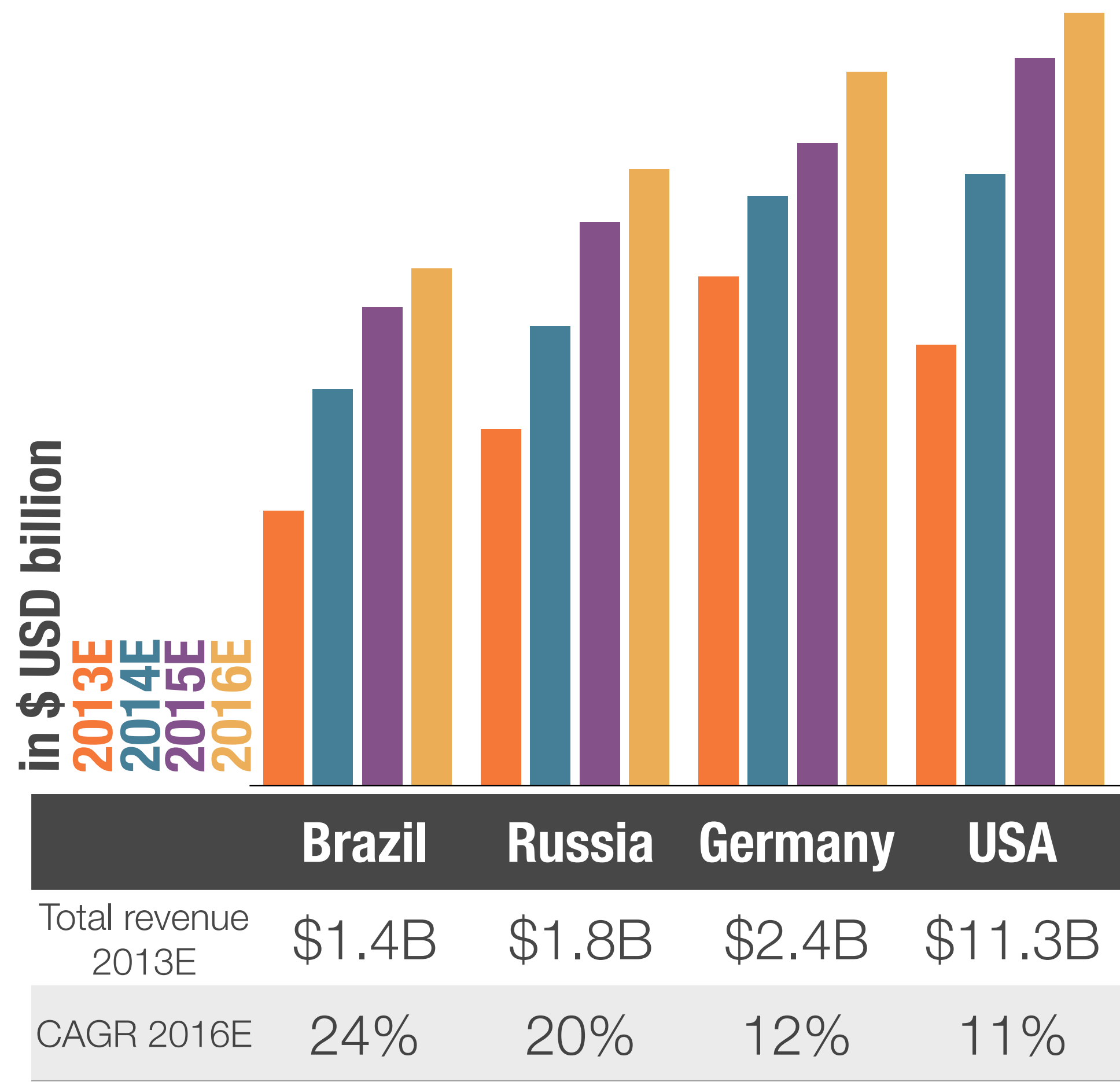
Digital games market size and forecast



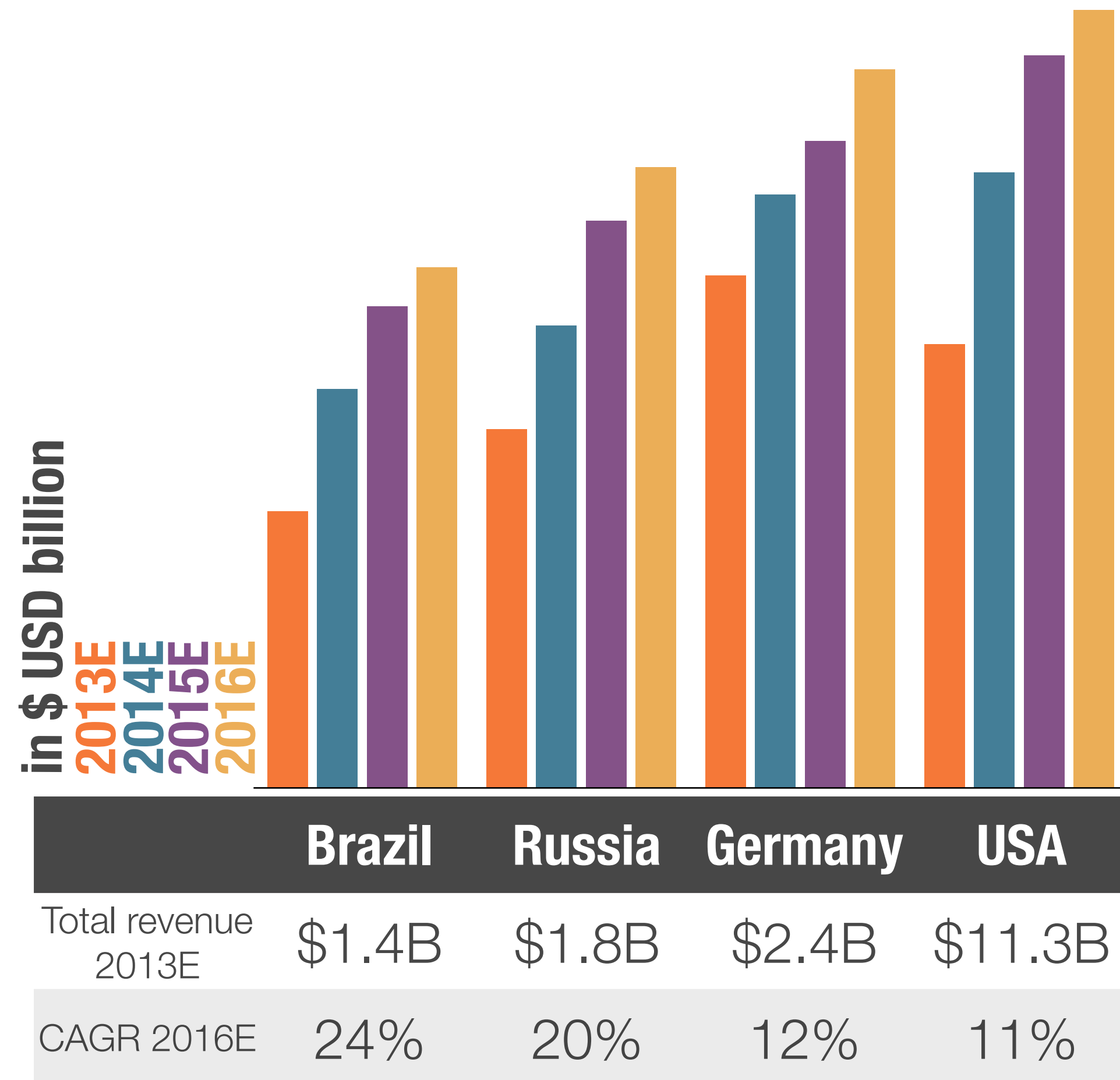
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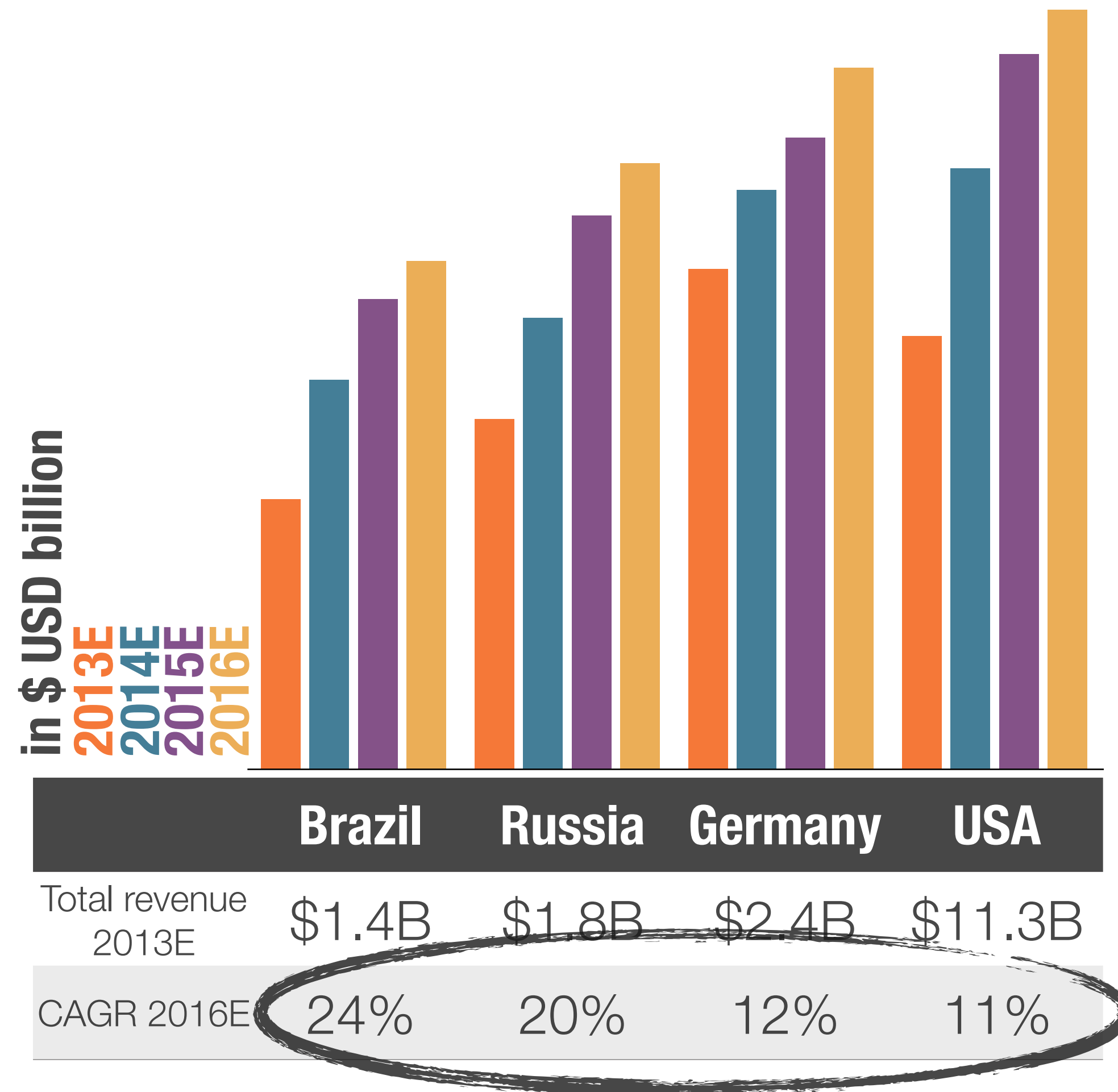


Digital games market size and forecast



- ▶ **Brazil and Russia CAGR over 20% through 2016E**, compared to 10.6% for the US and 12.0% for Germany.
- ▶ As the free-to-play MMO market matures, **opportunities for growth emerge from traditionally unsustainable markets** like Russia and Brazil.

Digital games market size and forecast



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\$3.9M



\$3.9M



\$1.9M



\$3.9M



\$1.9M



\$1M



\$3.9M



\$1.9M

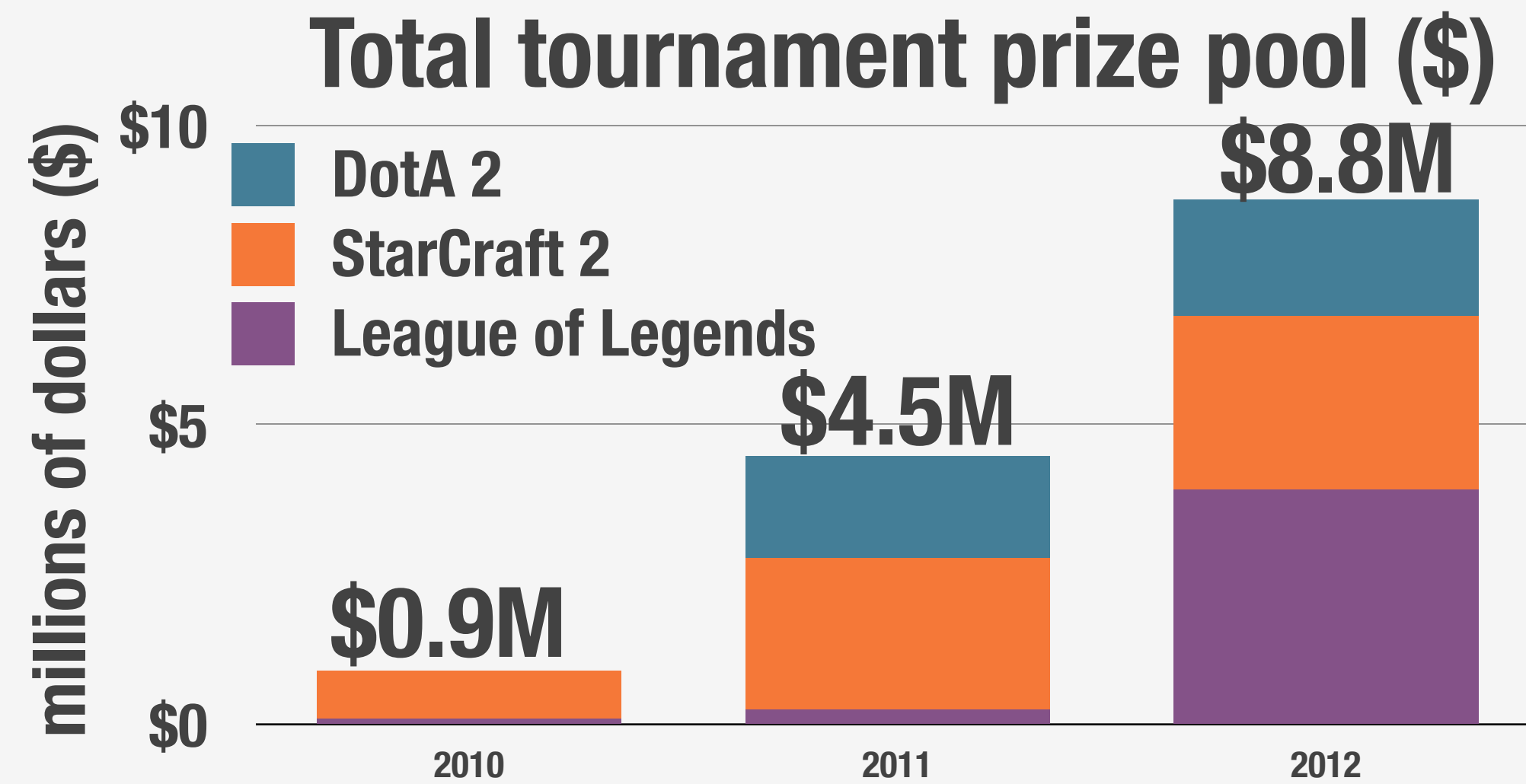


\$1M



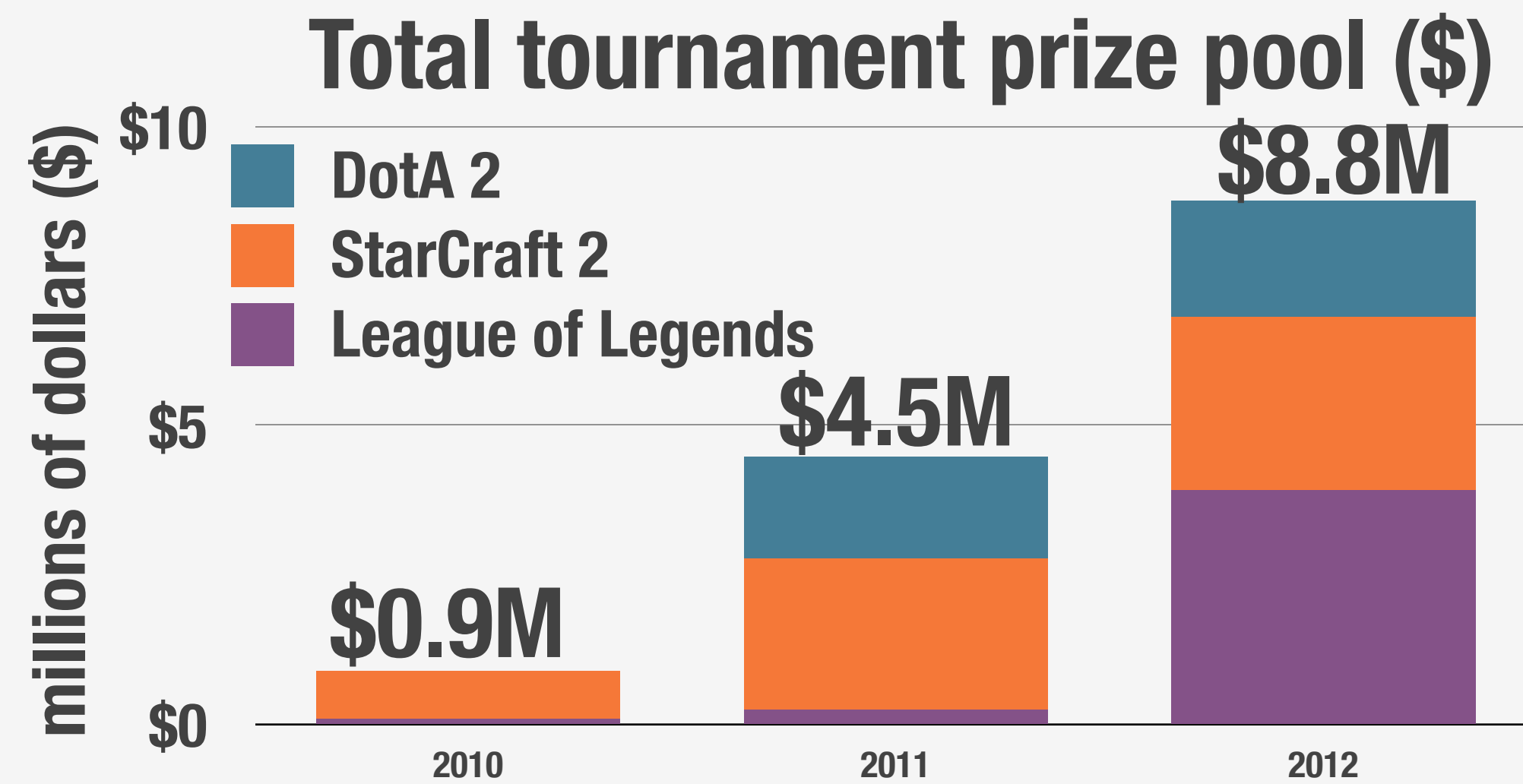
\$2.9M





\$8.8M

Total prize money for top three online game titles in 2012.



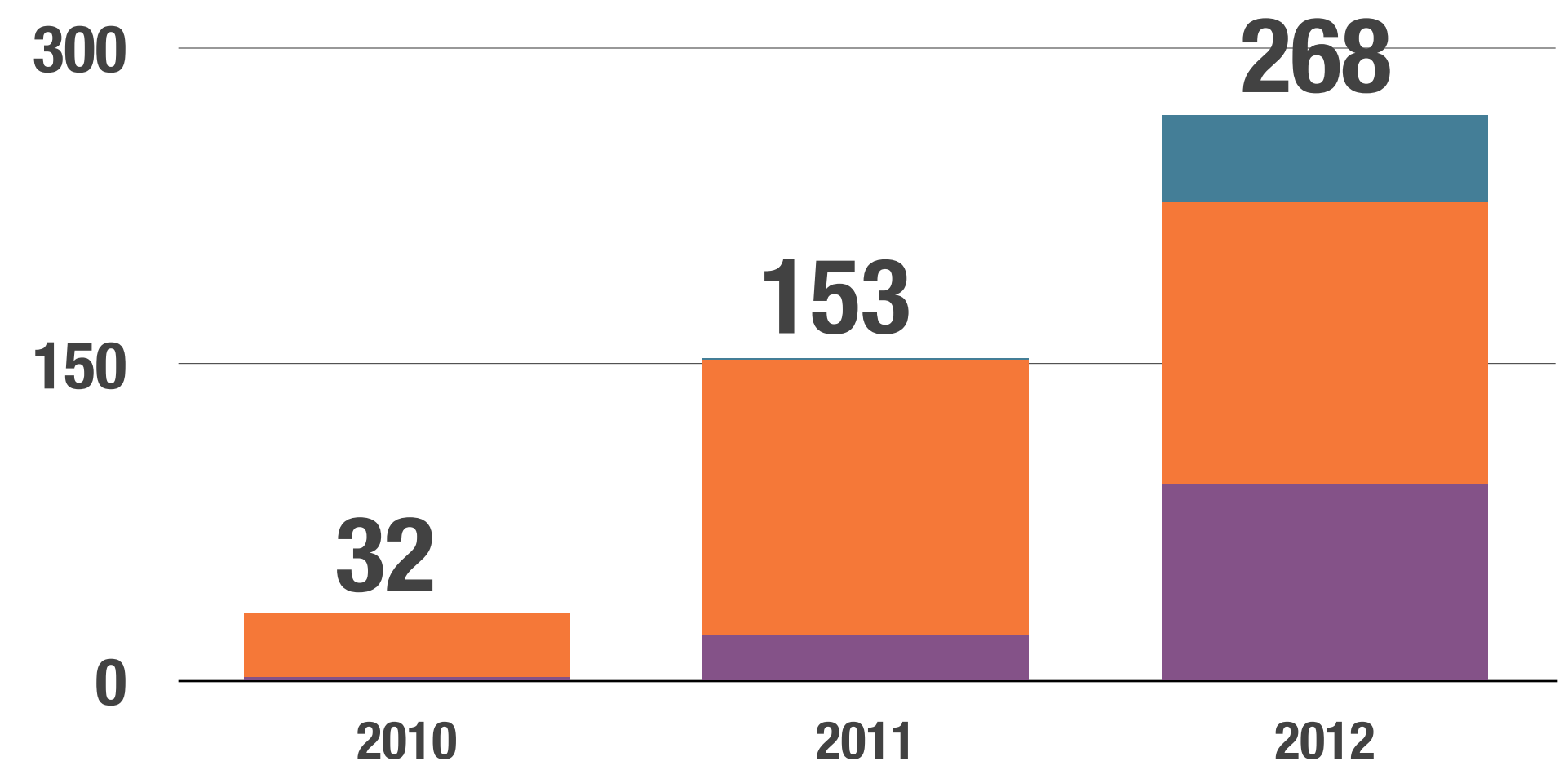
\$8.8M

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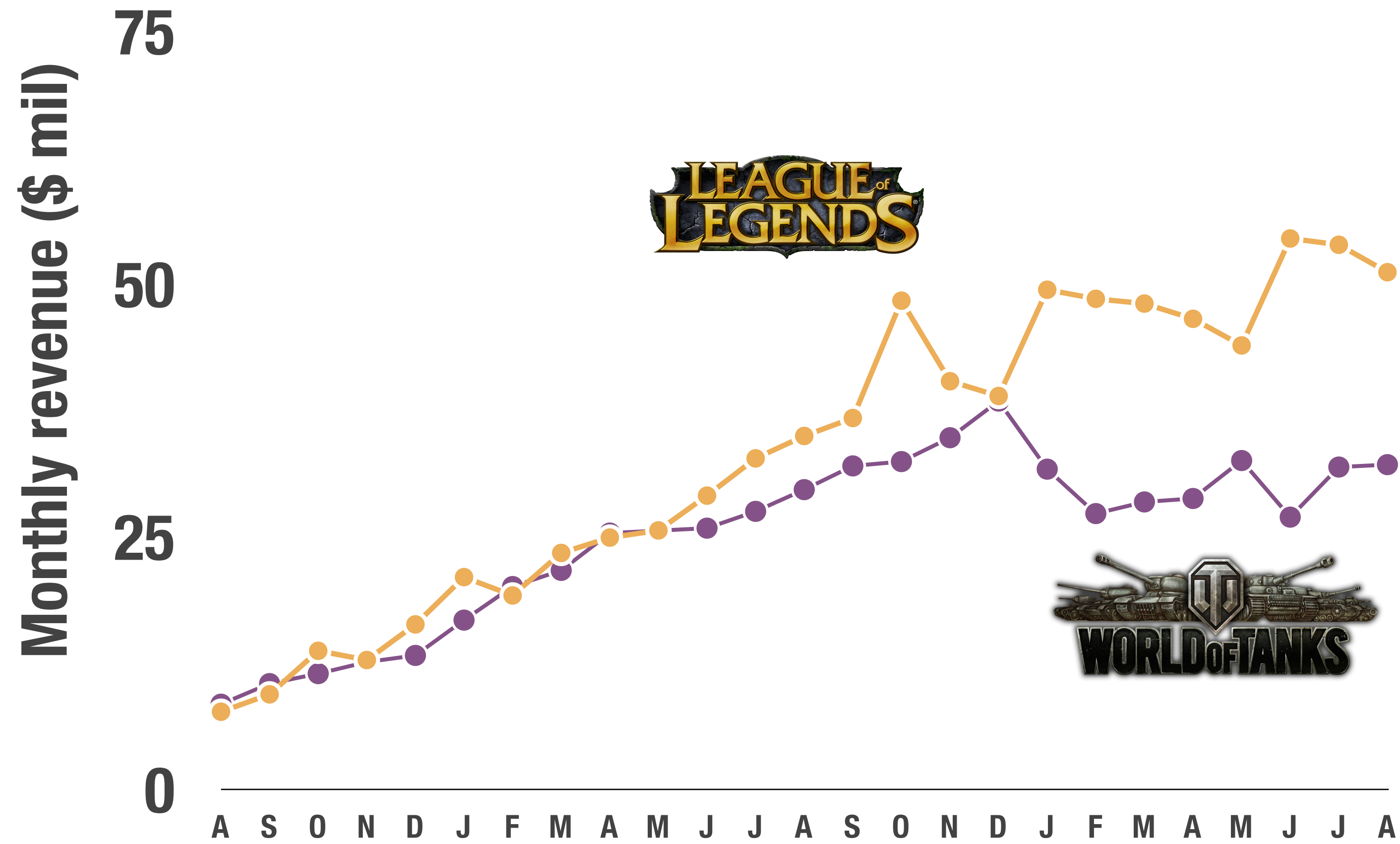
268

Combined number of tournaments **with more than \$1,000 in prize money.**

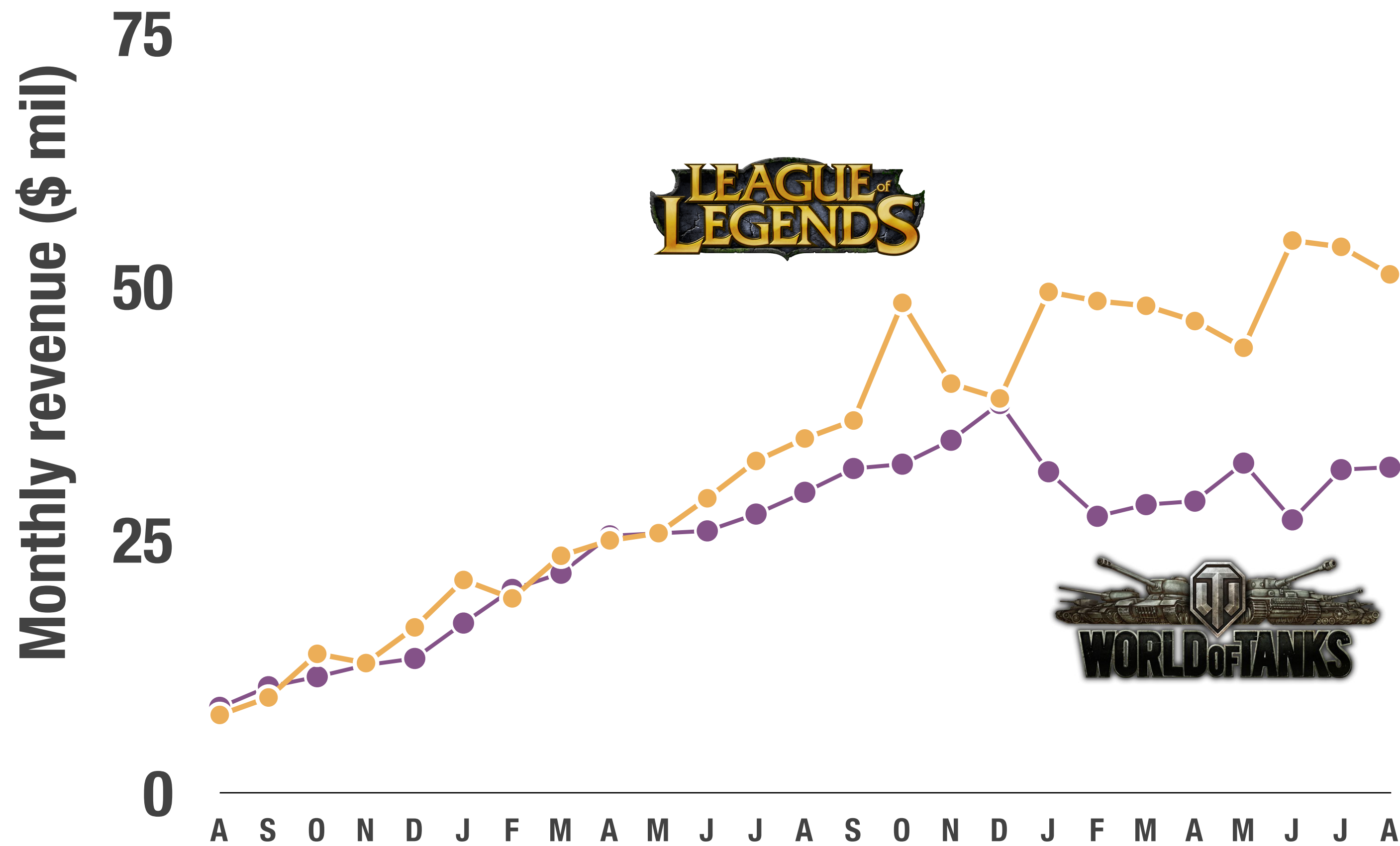
Tournaments with > \$1,000 in prize money



Monthly est. revenue for League of Legends and World of Tanks



Monthly est. revenue for League of Legends and World of Tanks



Projected
2013
revenues

\$628M

\$320M





PLANESWALKER



HUNTER'S STRENGTH

CREATURE SIZE
★★★★★
DECK SPEED
★★★★★
DECK FLEXIBILITY
★★★★★
CARD SYNERGY
★★★★★

0/30 cards unlocked

△ ○ BACK
□ × START DUEL

VS



CHANDRA NALAAR



FIREWAVE

CREATURE SIZE
★★★★★
DECK SPEED
★★★★★
DECK FLEXIBILITY
★★★★★
CARD SYNERGY
★★★★★





The logo for 'Hearthstone: Heroes of Warcraft' is centered in the image. The word 'HEARTHSTONE' is rendered in large, 3D, gold-colored block letters with a blue glow on the 'O'. Below it, 'HEROES OF WARCRAFT' is written in a smaller, white, serif font on a dark, stone-like banner. The background features three circular frames containing illustrations of the characters Murloc, Pandaren, and Demon Hunter. The entire scene is set against a parchment-like background with various numbers and symbols.

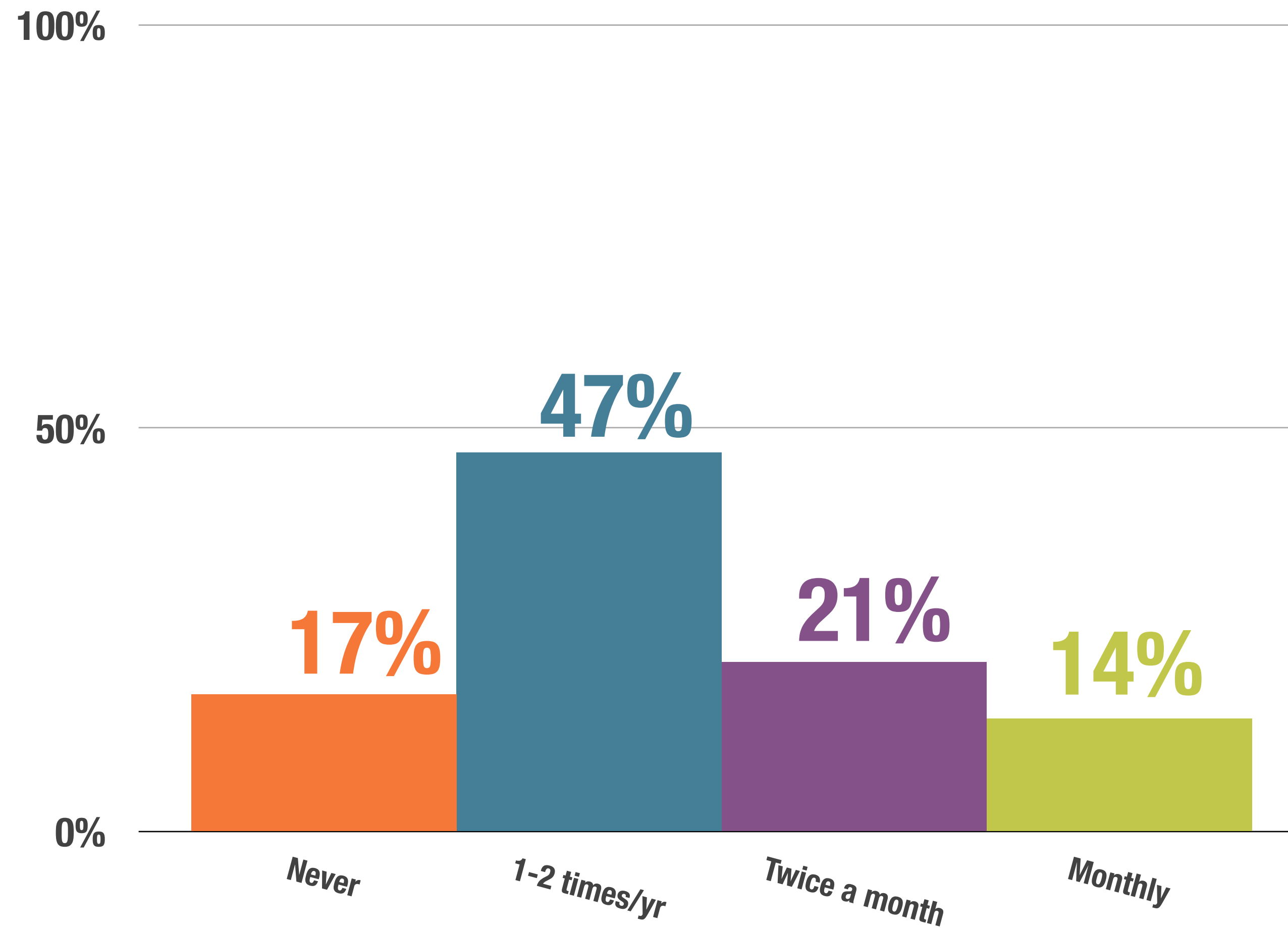
HEARTHSTONE™

HEROES OF WARCRAFT™

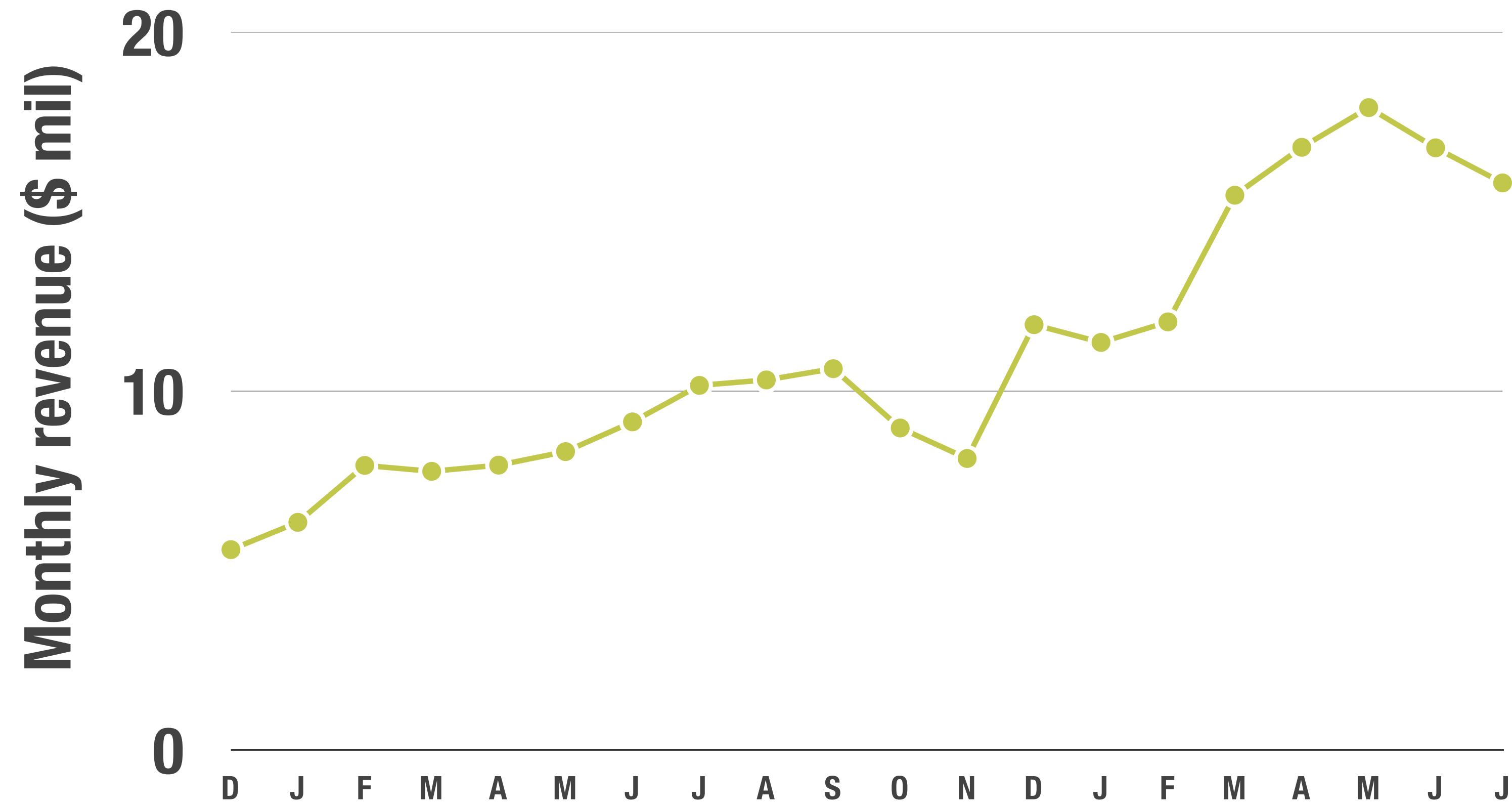




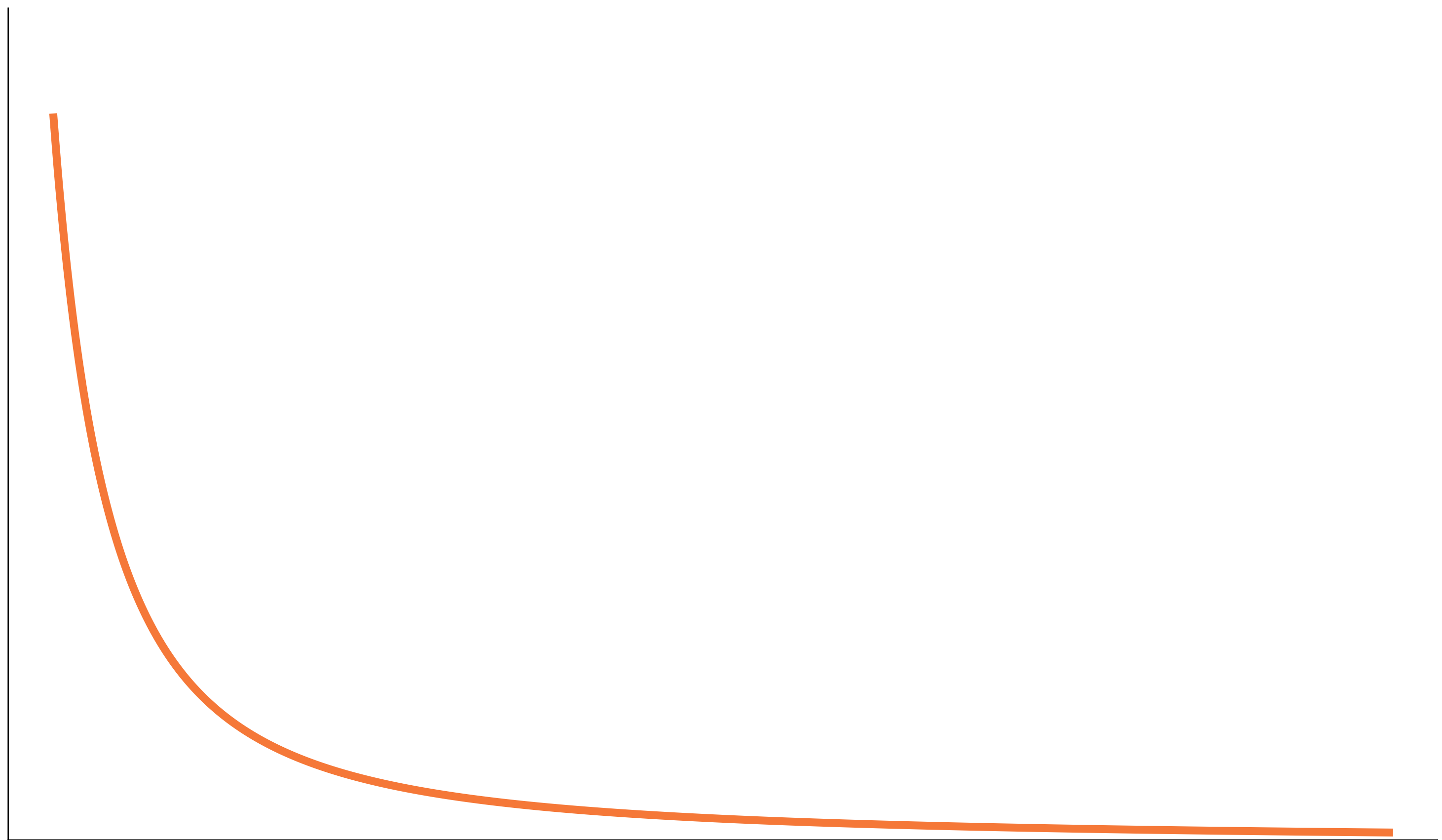
Q: How **often** do you visit land-based casinos?



Monthly performance for DoubleDown Casino



Projected
2013
revenues
\$182M





“we have people who are using the Steam workshop who are making \$500,000 per year **building items for other customers.**”



\$8,000





50

CHECKPOINTS

Add Checkpoint

Cycle Between Checkpoints

Warp the camera between the placed Checkpoints and Starting Grid.



RACE LENGTH 0.0 m

CHECKPOINTS 0/68

Zoom L2 R2 Rotate L1 R1 Switch Camera Delete Back Edit

Conclusion

- ★ Digital games market continues to grow, reaching \$22B in 2013E.

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- ★ Platform transition to mobile shuffles publishing incumbents.
- ★ Cost of (mobile) user acquisition continues to increase.
- ★ Emerging markets like Brazil and Russia offer growth opportunity.
- ★ Sure, don't make shitty games, but mostly **connect** people.



@_SuperData
joost@superdataresearch.com