Tweet questions to @SteveSwink / wrap-up room

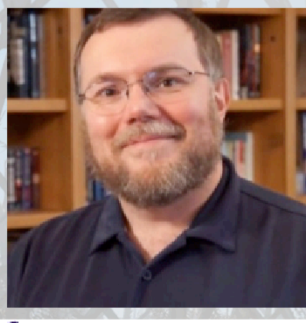
Range of

- Success to not-so-success
- Platforms
- Market approach
- Background in indie

Elevate discussion with hard data = from our own businesses, or researched from the internet
Subjective = speculation

We agree this word sucks: Button pushing, reductionist, implies things no one believes in.
Market behavior – slump, downturn, etc..
Talk about these things

Jeff Vogel



- **Spiderweb Software**
- **President**

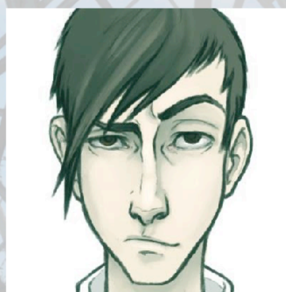
- Turn-based, isometric RPGs since 1994
- Over 20 releases
- High profile "Indiepocalypse" blogger

Rebekah Saltsman

- **Finji**
- **CEO**
- Small publisher and developer of recognized indie games
- Panoramical, Feist
- Overland, Night in the Woods

Stretches back to Canabalt

Armin Ibrisagic



- **Coffee Stain Studios**
- **Designer & PR Manager**

- Goat Simulator
- Sanctum

Jordan Thomas

question

- **Question**
- **Co-owner**

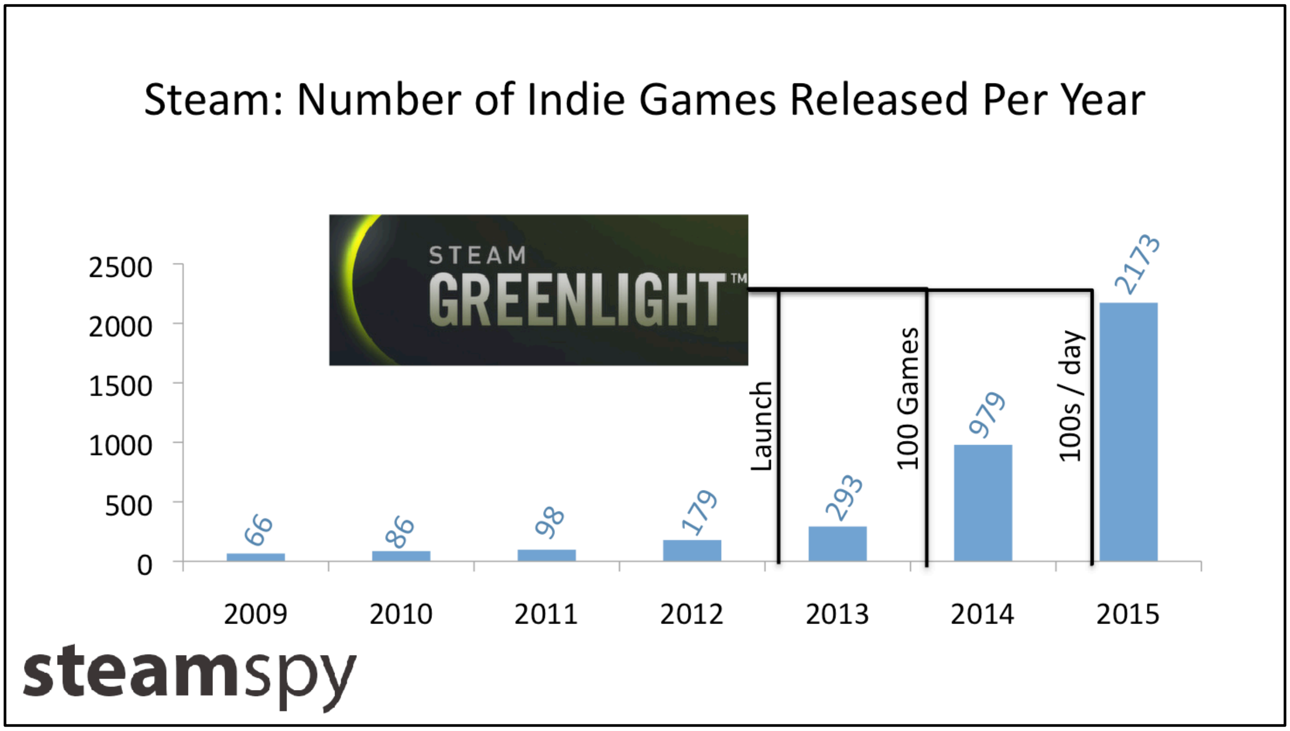
- Magic Circle
- Recent addition from mainstream industry
- Former Bioshock

Randy Smith

TIGER STYLE

- **Tiger Style**
- **Co-owner**

- iOS, plus Steam
- Spider: SoBM
- Waking Mars
- Spider: RotSM



So is the Indiepocalypse real?

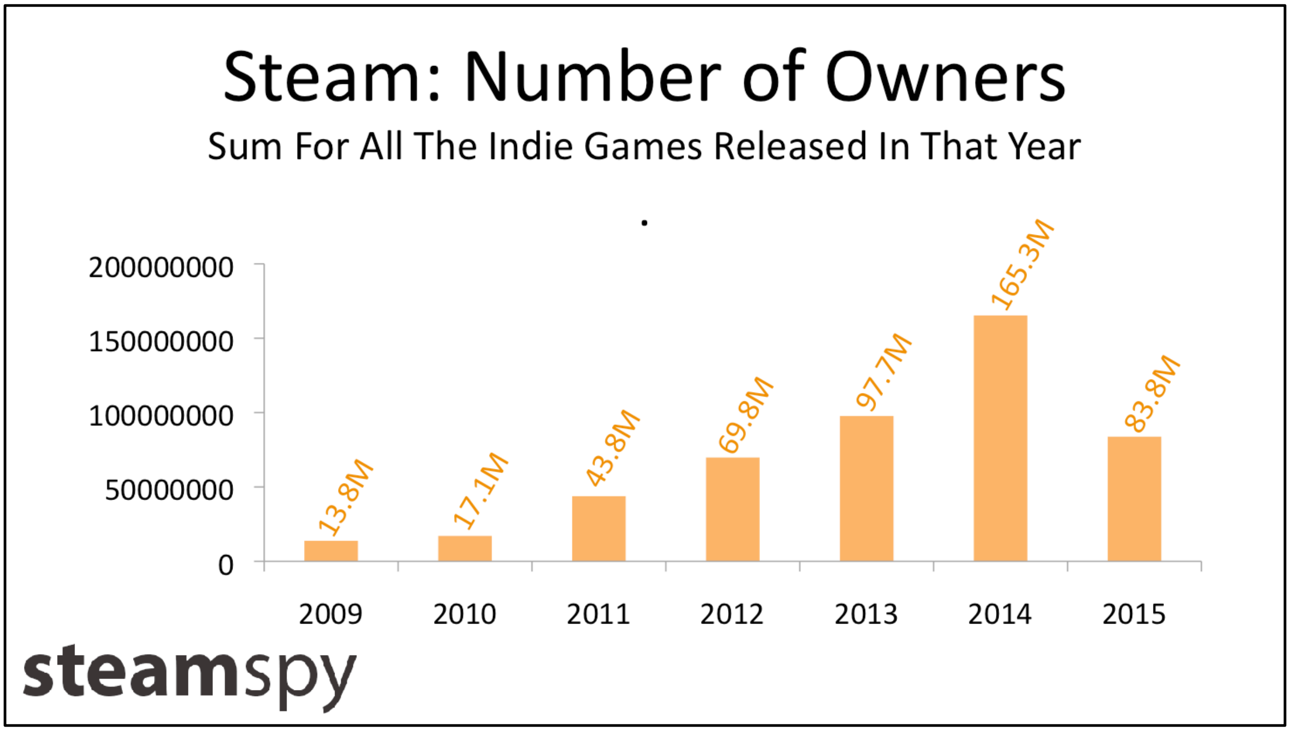
All read blog posts – indies not making as much money, sometimes MUCH less.

Heard scary tales of games that should have been successful – but weren't

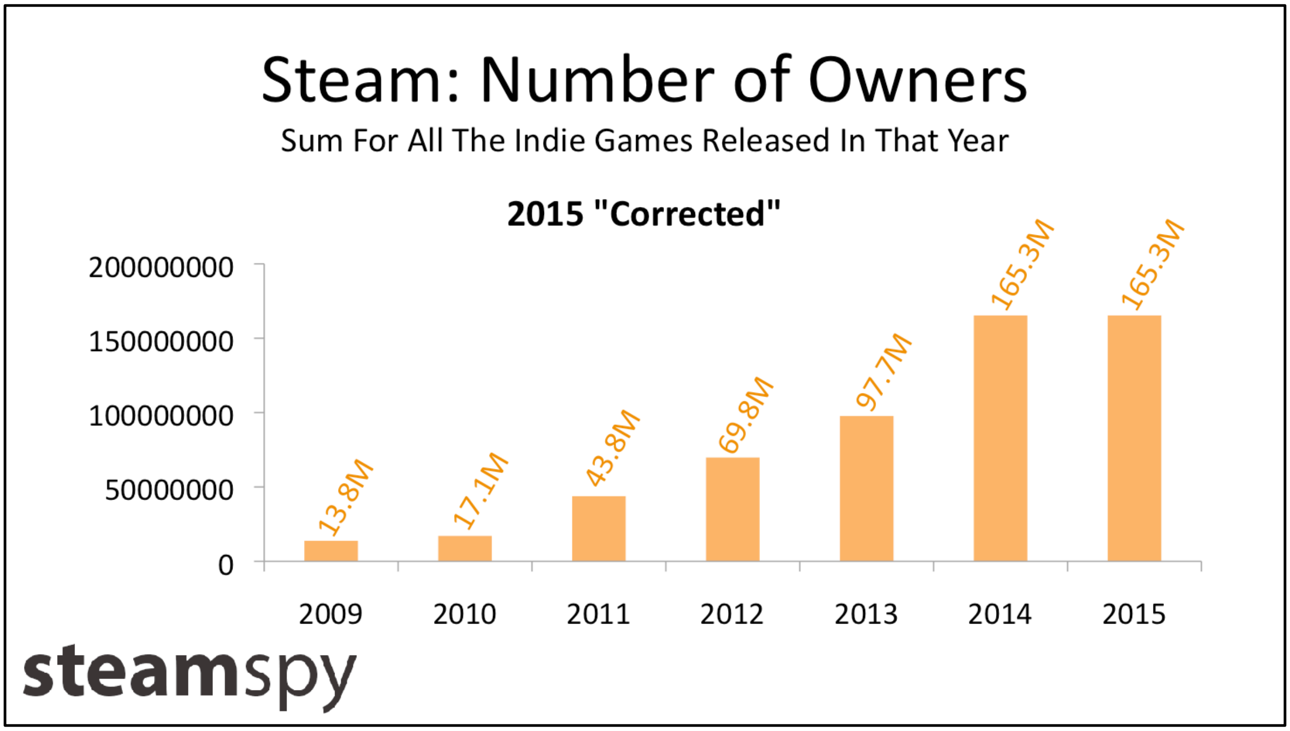
Supply vs demand – supply is going up, demand isn't keeping pace
Steam is one of our biggest marketplaces
Data credit to steamSpy / Sergey Galyonkin
This data - How many games were released each year into Steam

Horseman of the indiepocalypse
Key Greenlight dates –
Aug 30, 2012 = Greenlight launched
Aug 28, 2013 – first time a batch of 100 games was greenlit
Dec 29, 2014 – 268 in 3 days?

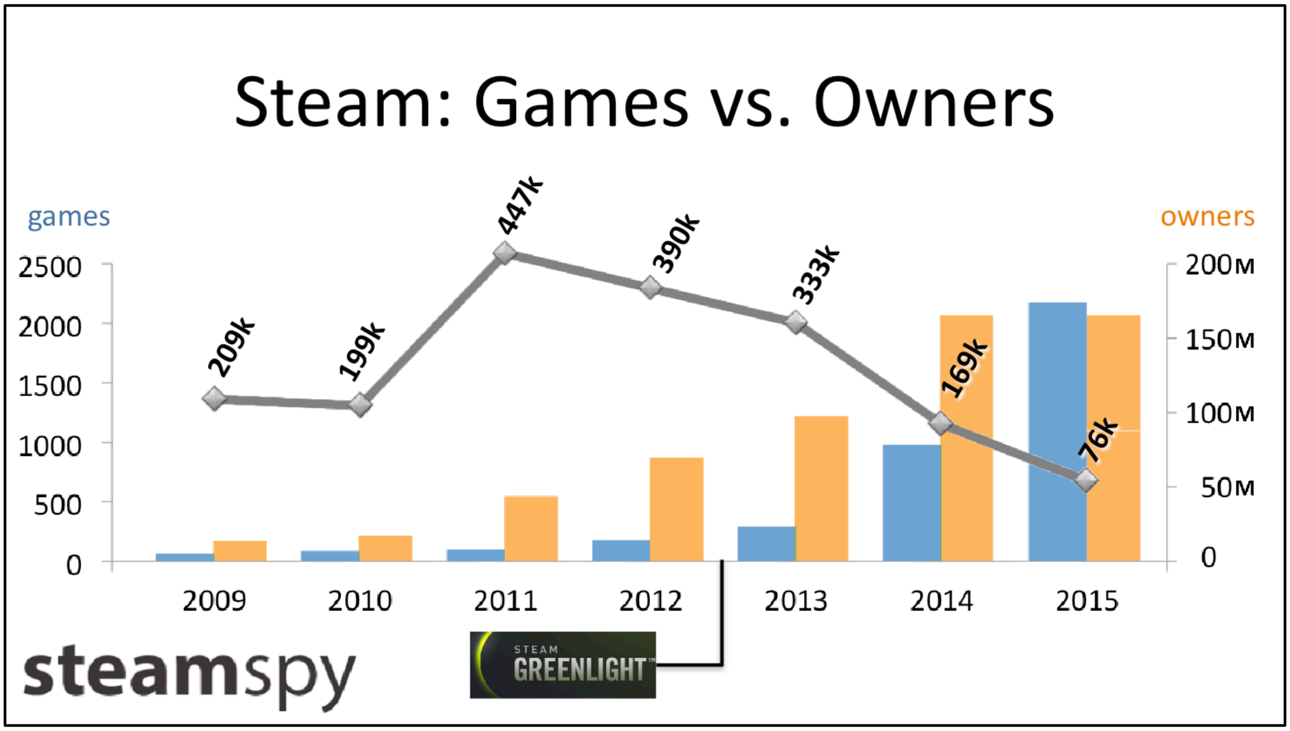
No surprise – open the floodgates, more supply in the market



For demand – owners
All 86 games released in 2010, if you add up all of their owners, it's 17.1M
Due to upward trend probably safe to assume 2015 at least as many owners as 2014



Important disclaimer:
Because of how the steam spy algorithms work: <1000 new owners per month, the margin of error is extremely high
So: lots of noise in this data



Can put both of those sets of data on the same graph, and we can even divide total owners by total games.

> The peak is in 2011 with 447k owners per game (but that's just really crude math; there is no mythical average game)

But we do see a general downward trend here

CUT:

Compared to 2009:

- 33x amount of games
- 12x amount of owners

Compared to 2012:

- 12x games
- 2.4x owners

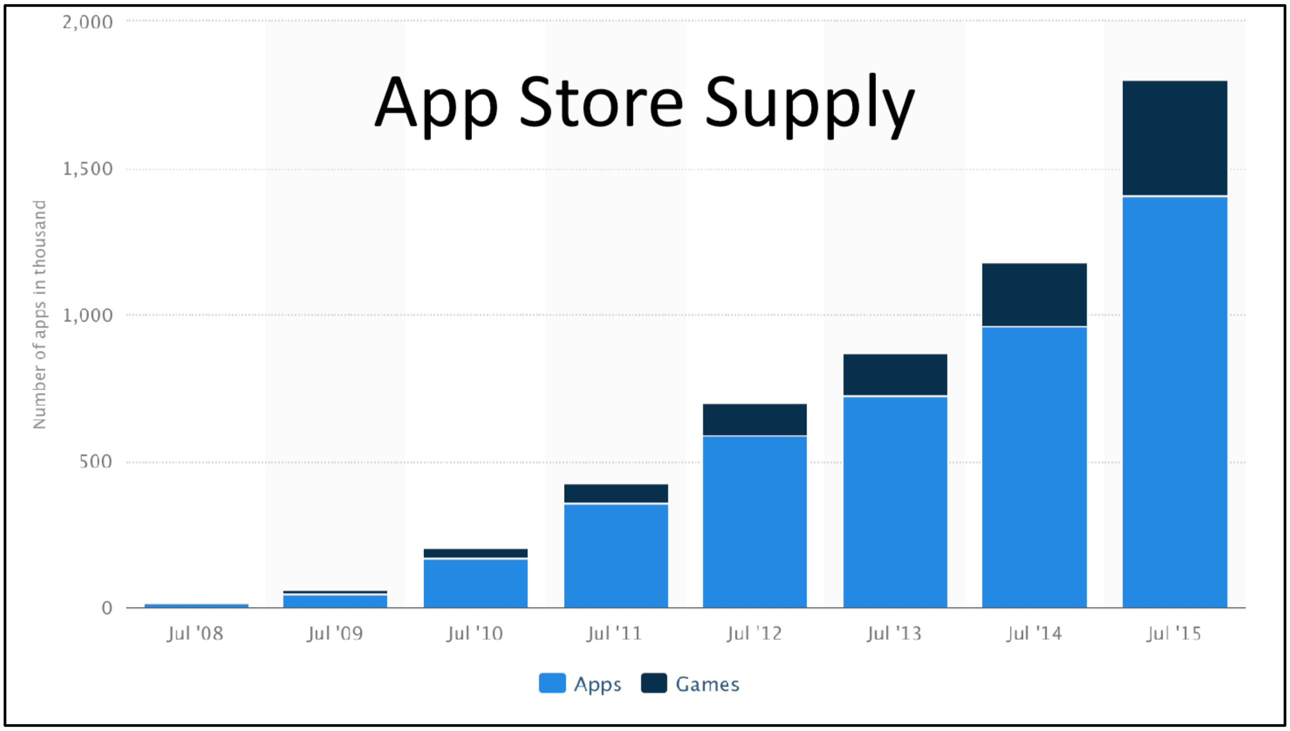
Size of Steam Market

	Copies	Revenue	Avg. Price	Avg. Discount
All Games	344,729,435	**$3,275,367,197**	$9.41	27.87%
Indie Games	149,489,526	**$1,085,778,462**	$7.79	27.41%

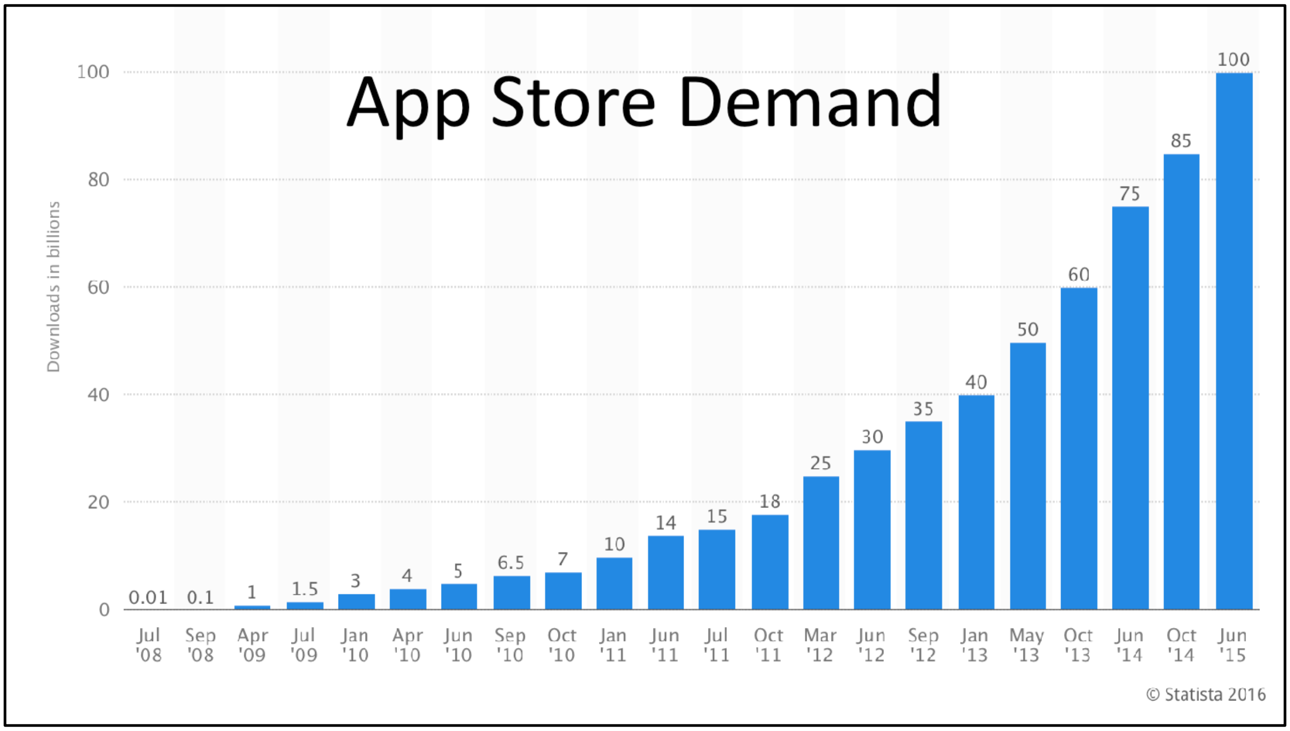
steamspy

- April 2015 – Jan 2016 (10 months)
- Sales over 1k / mo. only
- Paid games only

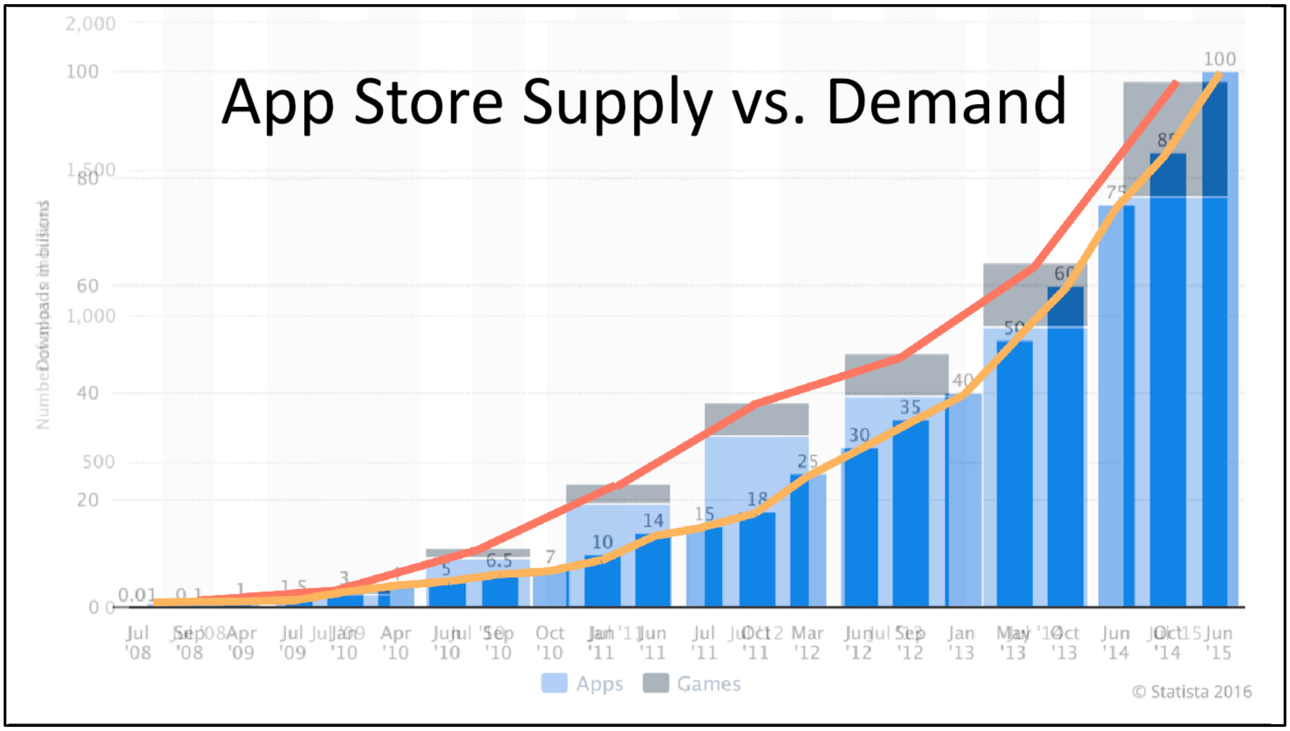
Why we use owners as a metric:
Vale doesn't make public Steam's total sales $$$ per year
But steamspy was recently able to estimate the size of the market,
and hot of the presses here for the first time ever, thanks to Sergey the Steam Spy guy, we have some numbers which estimate the size of the indie games market on Steam in particular.
Important disclaimers are listed below – most importantly, because Sergey is more rigorous than I am, no games that accrue less than 1k owners per month are listed, and that includes a lot of indie games. But basically: we see that Valve processes significantly more than ONE BILLION dollars of indie game sales every year and it's right around 1/3 of their overall games market.



Switching to the mobile market
This data published by Statista
Note: Just APPLE, also NOT indie games, all games
Approaching 2M apps in 2015



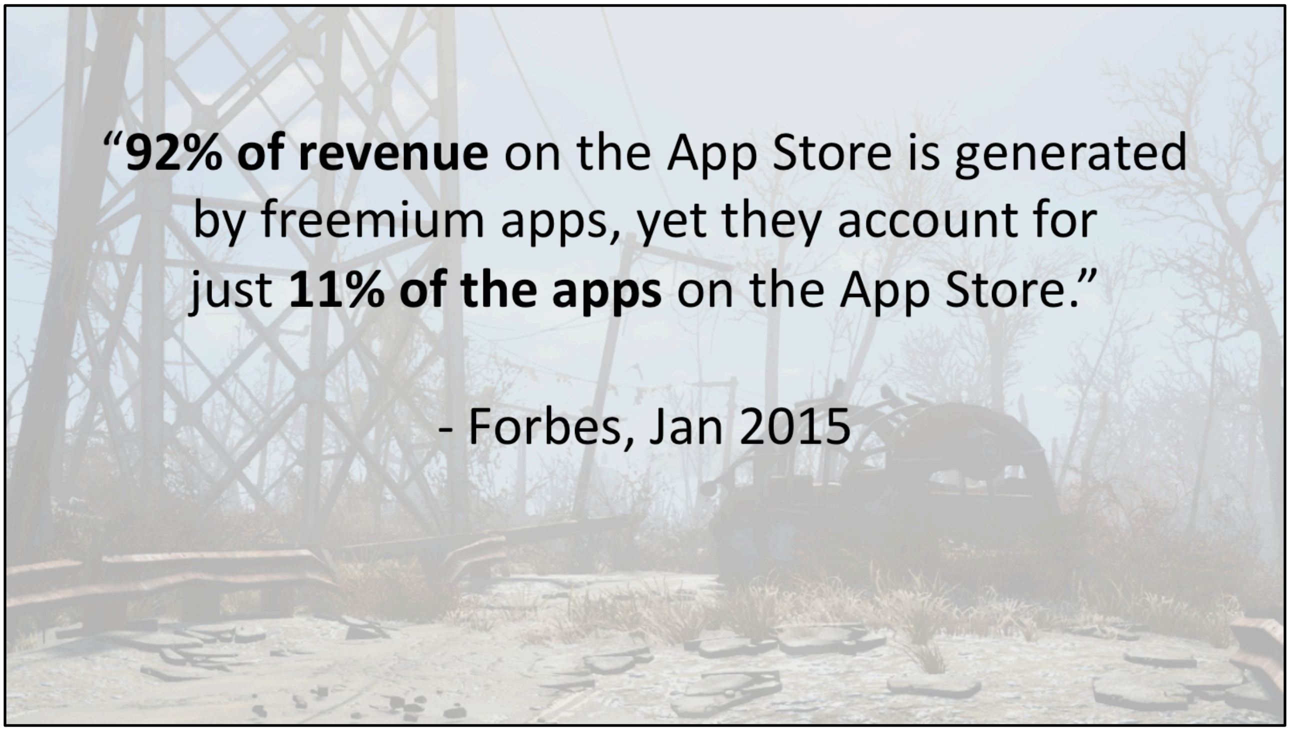
100Billion downloads by 2015



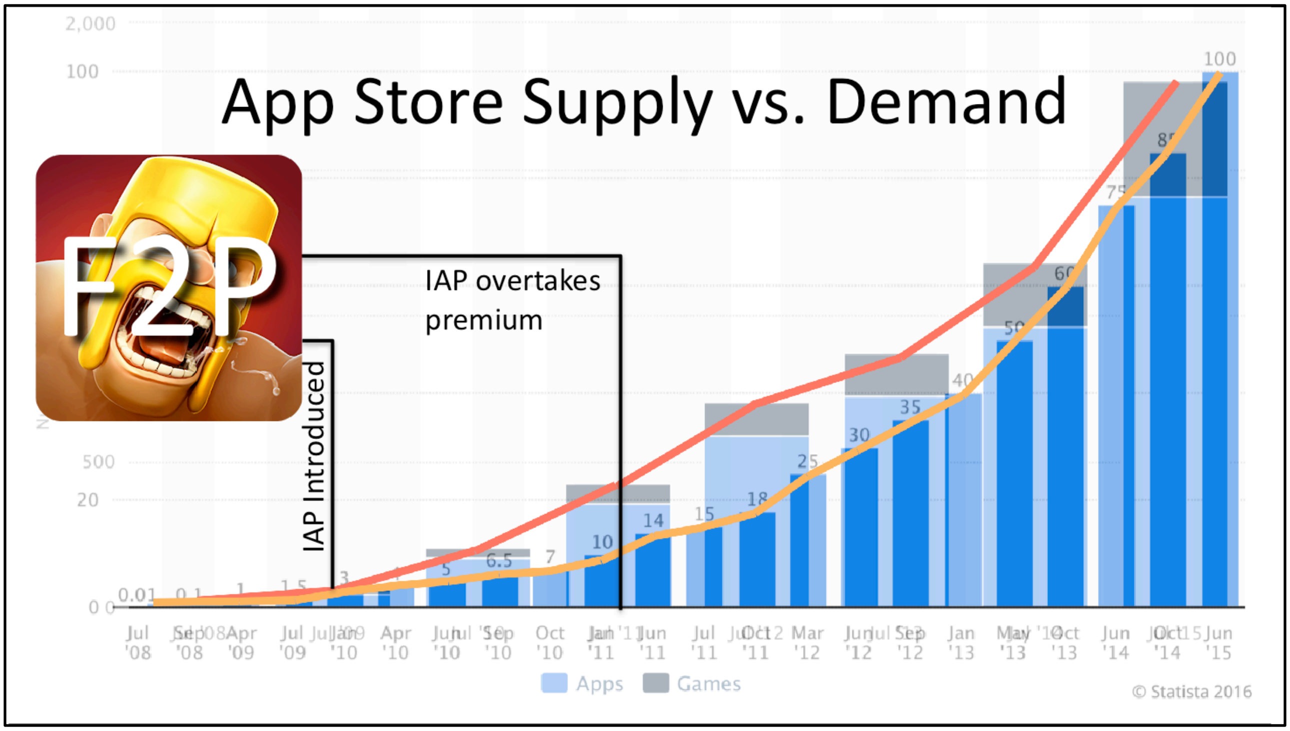
2011 and 2012 – supply seemed to be growing faster than demand, but catches back up by 2014

CUT:

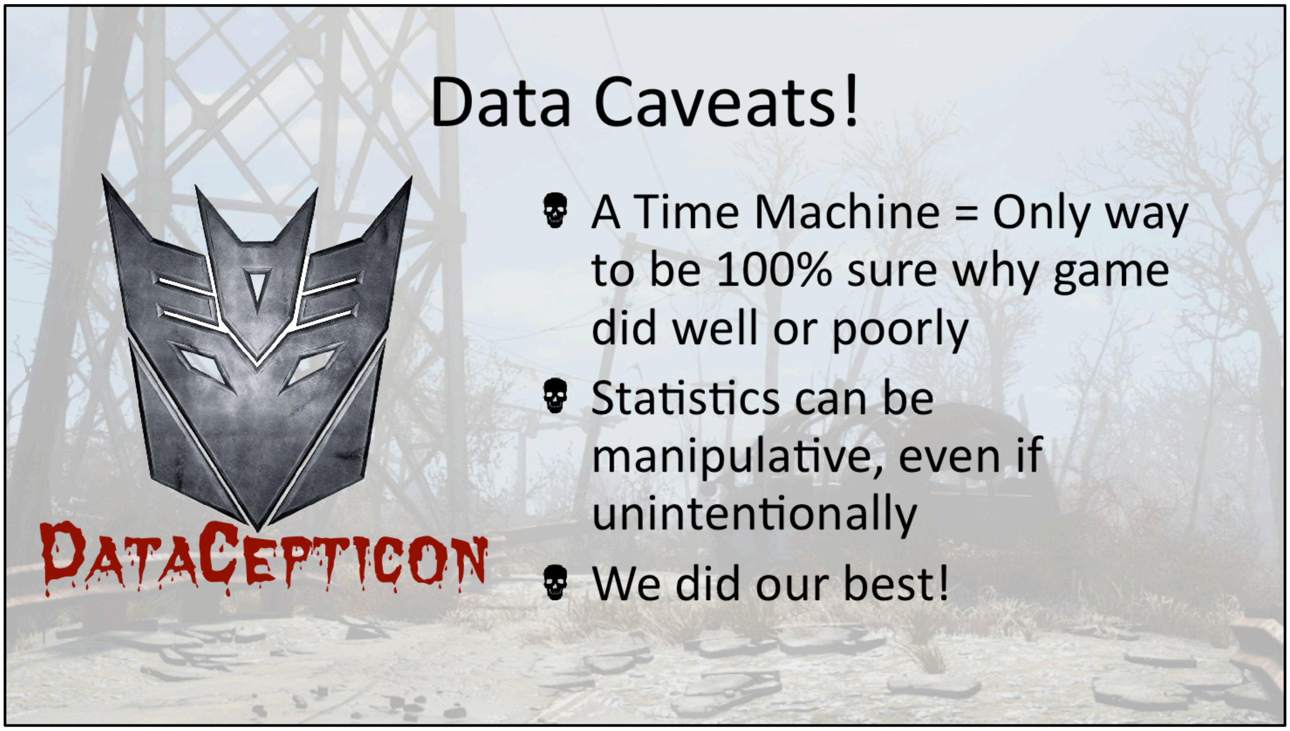
- Compared to 2009
  - 8x amount of games
  - 67x amount of downloads
- Compared to 2012
  - 3.3x amount of games
  - 3.2x amount of downloads



http://www.forbes.com/sites/anthonykosner/2015/01/11/apple-app-store-revenue-surge-and-the-rise-of-the-freemium/3/#1f9950a524f3



Horseman of the indiepocalypse
Freemium introduced Oct 15, 2009
Roughly March 2011 = Freemium revenue overtakes Premium revenue



It’s really easy to be misleading with data.

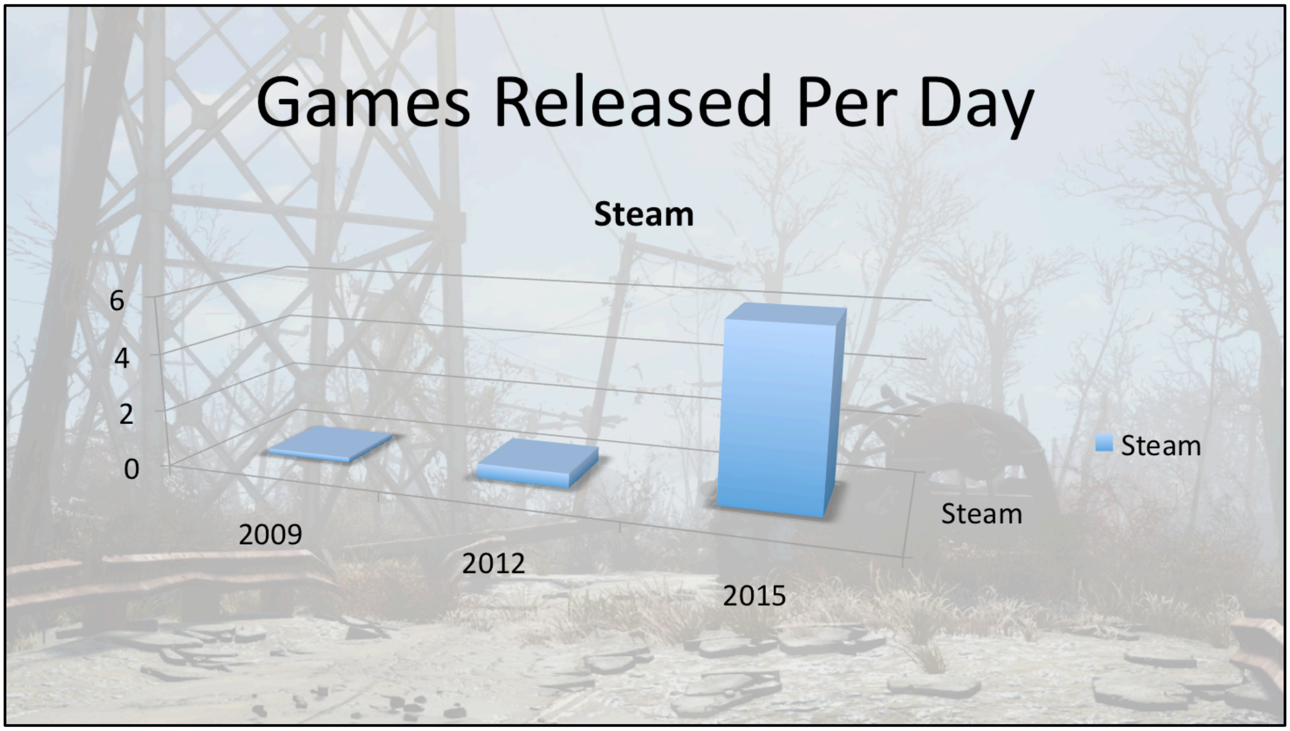
Eg – Prior slides don’t prove that it’s harder to succeed today than it was in 2012.

For example the newcomers to the markets might not be taking away more demand than they are bringing in, eg – hobbyists

We did our best

We didn’t research for months.


Here We Go!

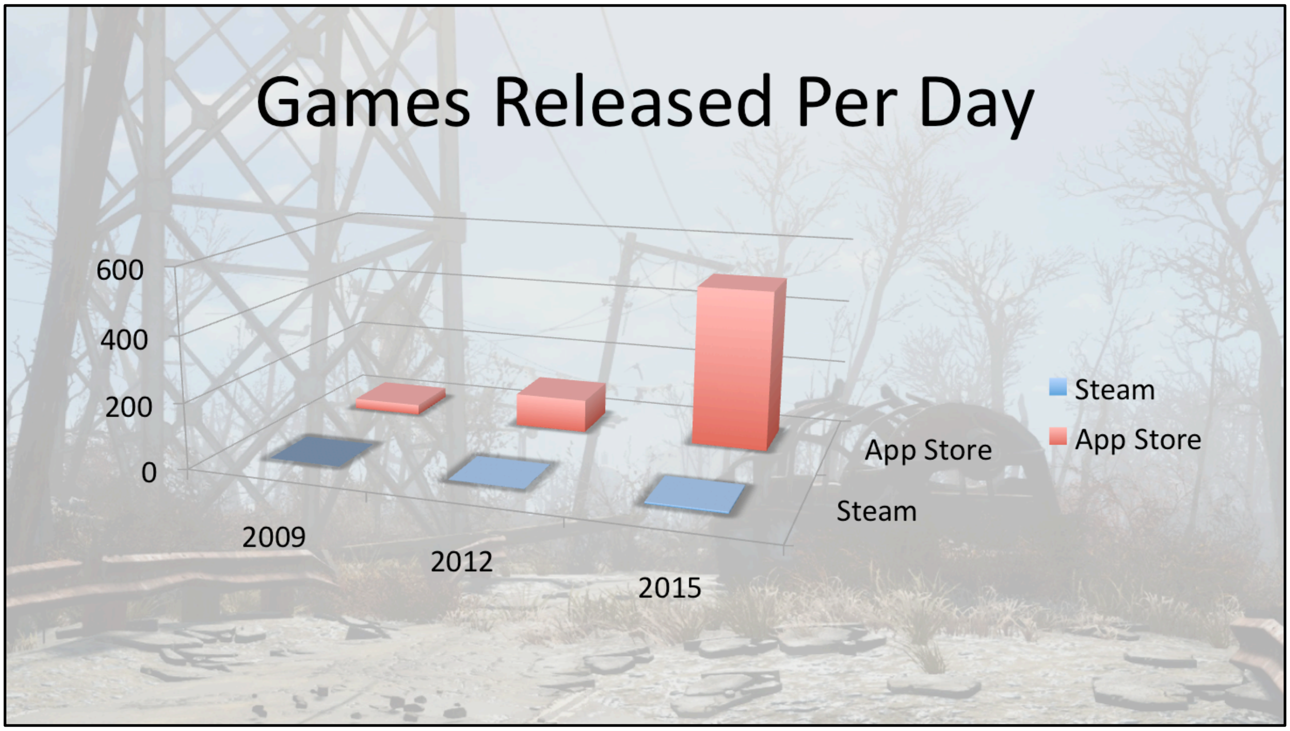


Steam

2009 - ~5.5 per month

2012 – 0.5 indie games per day

2015 – ~6 indie games per day



Steam

2009 - ~5.5 per month

2012 – 0.5 indie games per day

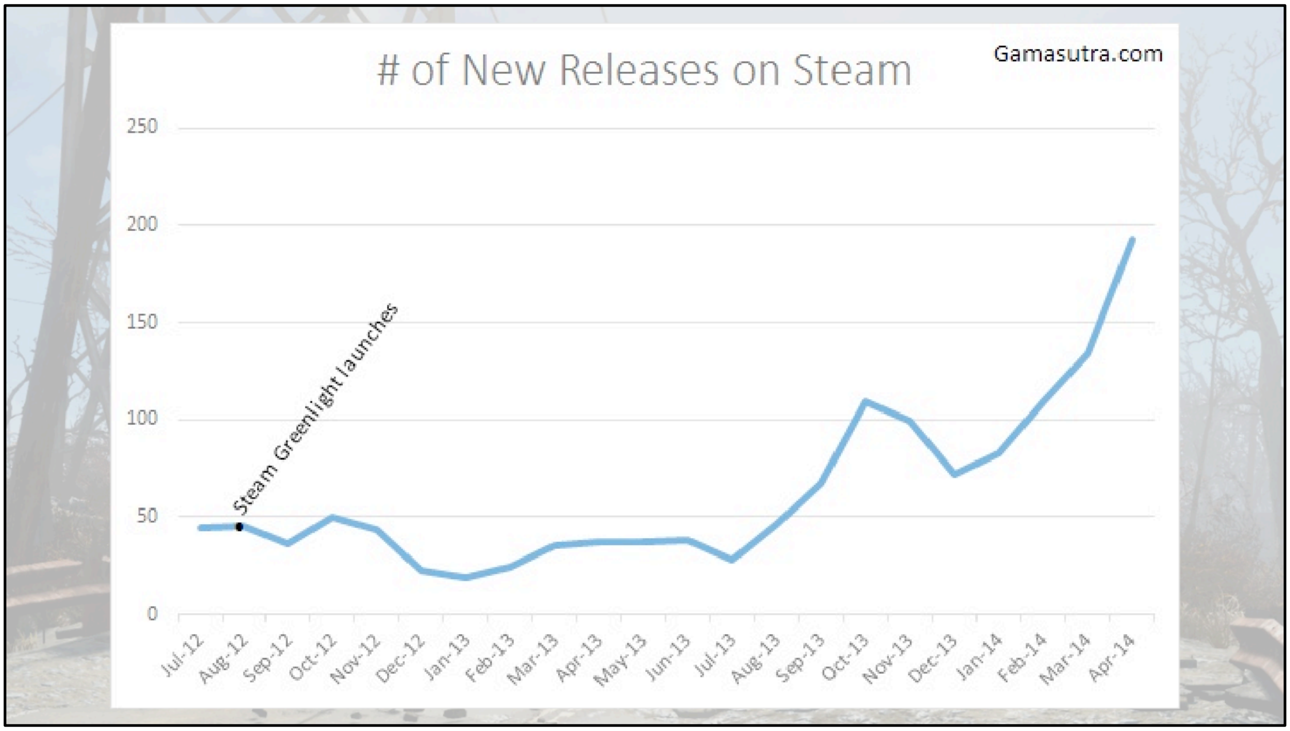
2015 – ~6 indie games per day

iOS App Store

2009 – 32 games per day

2012 – 103 games per day

2015 – 494 games per day



# of New Releases on Steam
Gamasutra.com
250
200
150
100
50
0
Steam Greenlight launches
Jul-12
Aug-12
Sep-12
Oct-12
Nov-12
Dec-12
Jan-13
Feb-13
Mar-13
Apr-13
May-13
Jun-13
Jul-13
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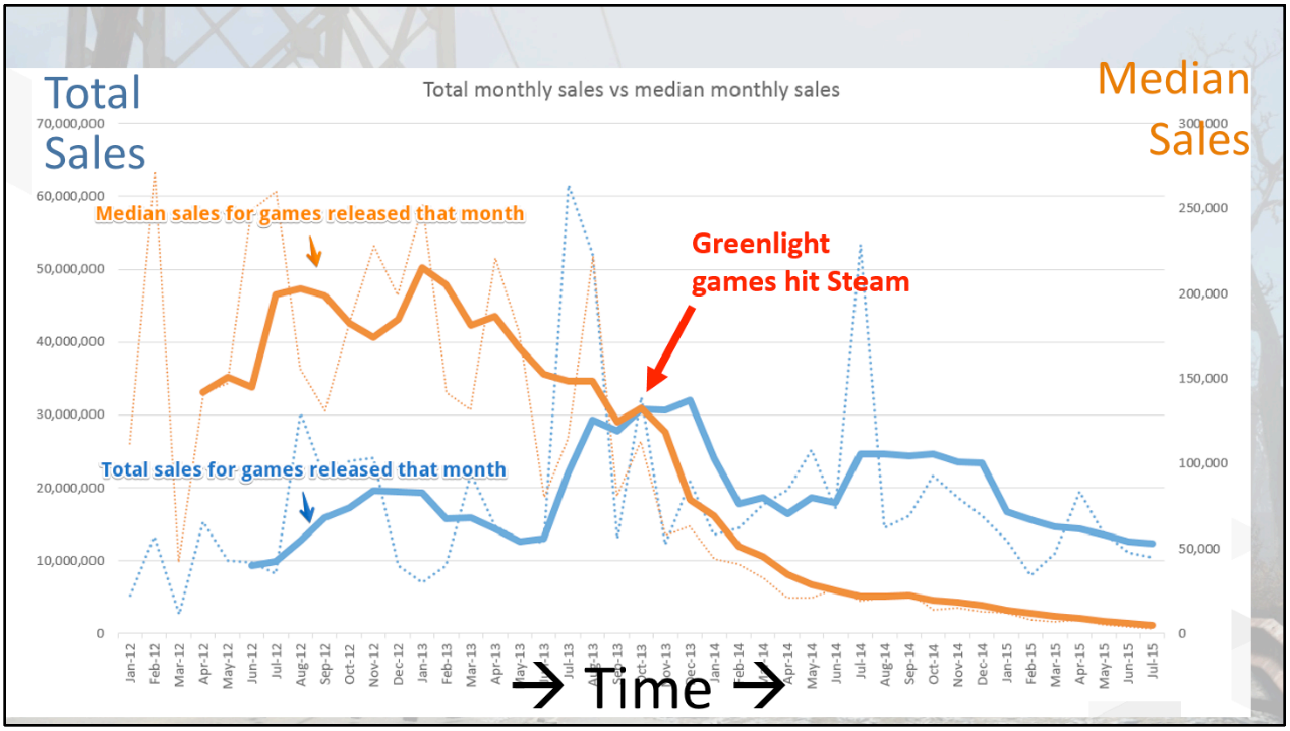
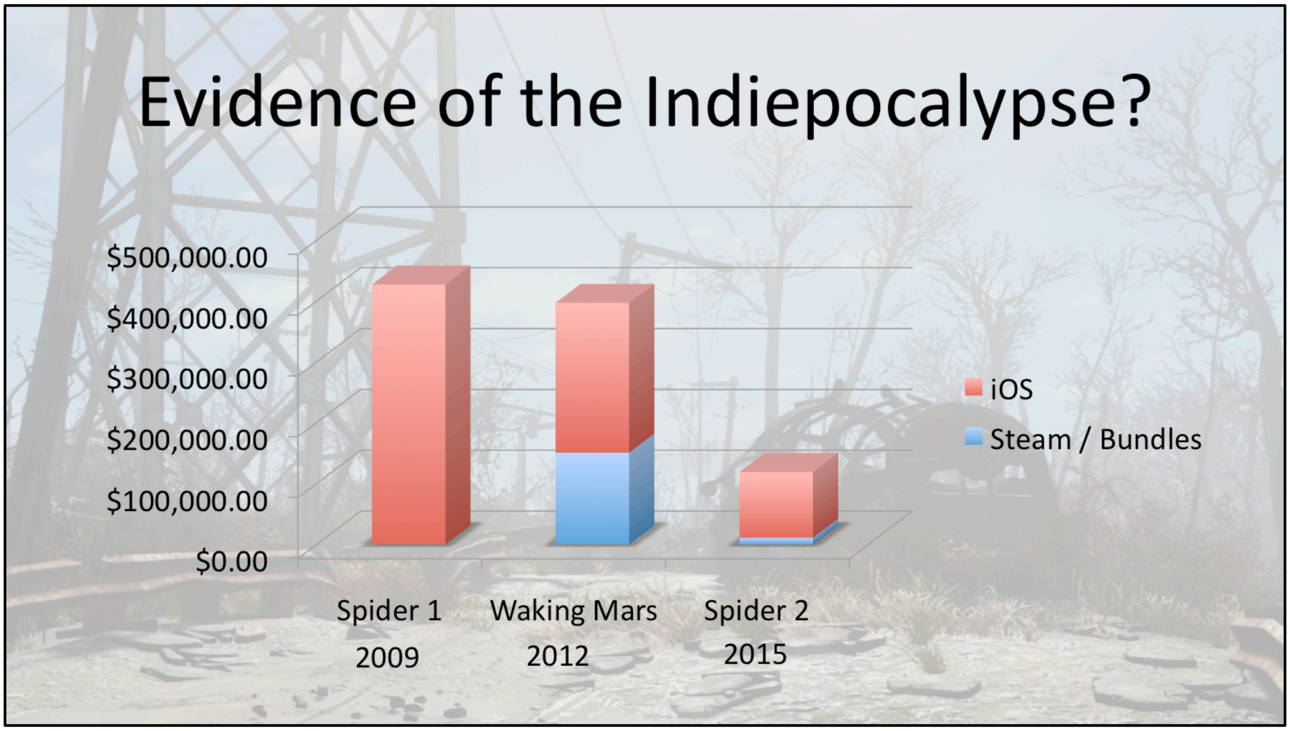
Feb-14
Mar-14
Apr-14


Total Sales
Total monthly sales vs median monthly sales
Median Sales
70,000,000
60,000,000
50,000,000
40,000,000
30,000,000
20,000,000
10,000,000
0
300,000
250,000
200,000
150,000
100,000
50,000
0
Median sales for games released that month
Greenlight games hit Steam
Total sales for games released that month
Jan-12
Feb-12
Mar-12
Apr-12
May-12
Jun-12
Jul-12
Aug-12
Sep-12
Oct-12
Nov-12
Dec-12
Jan-13
Feb-13
Mar-13
Apr-13
Jul-13
Jan-14
May-14
Jun-14
Jul-14
Aug-14
Sep-14
Oct-14
Nov-14
Dec-14
Jan-15
Feb-15
Mar-15
Apr-15
May-15
Jun-15
Jul-15
→ Time →


Tiger Style
Pocalypse
TIGER
STYLE



First indication was game we released in 2015 was doing much less business than games we released in 2009 and 2012

First 6 months of revenue.

Spider 1

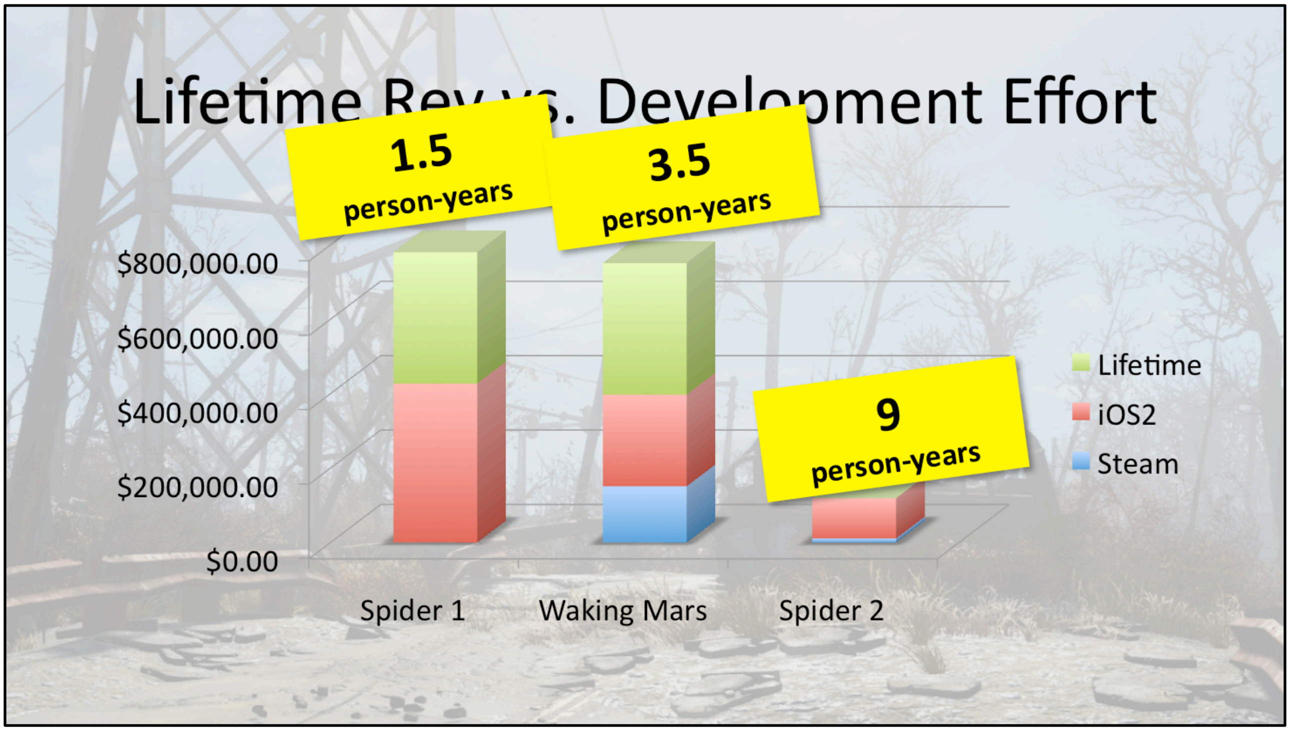
- Aug 2009, $337k iPhone
- July 2010, $90k iPad

Waking Mars

- March 2012, $246k Universal
- Dec 2012, $77k Steam
- Nov 2011, $74k Humble Bundle

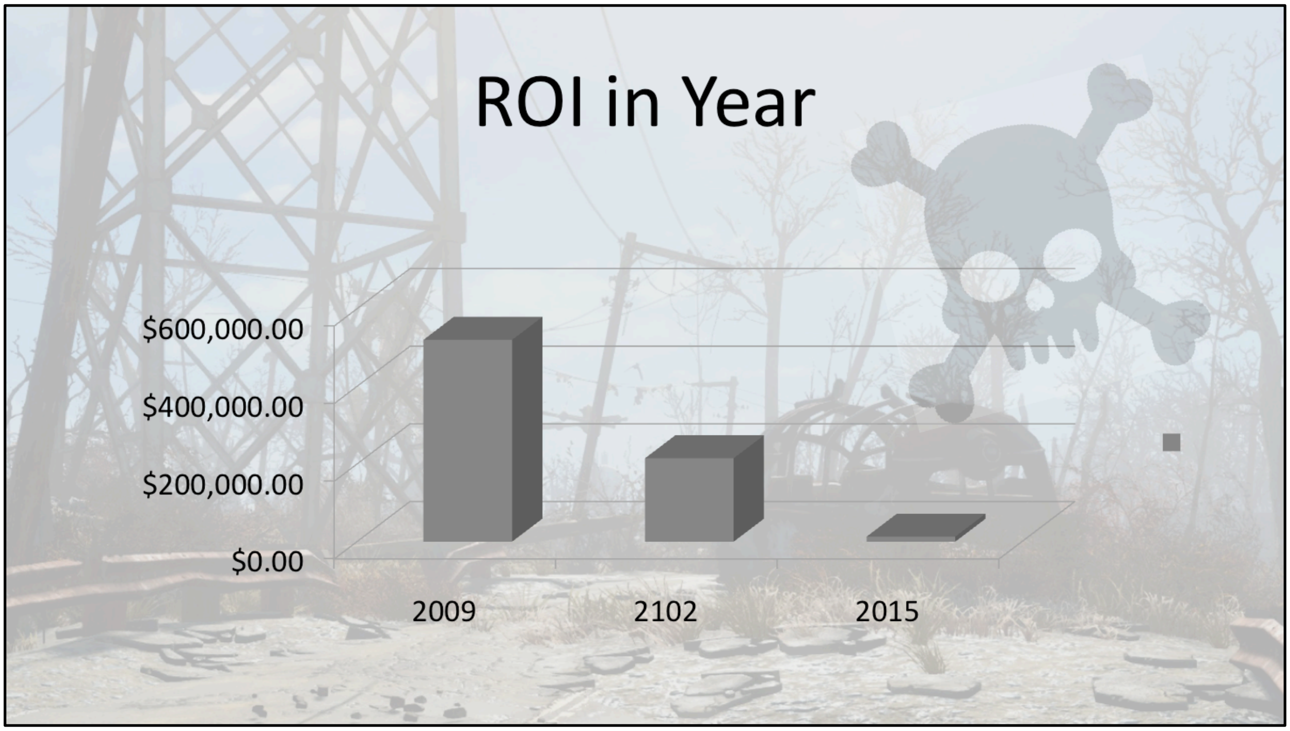
Spider 2

- August 2015 all platforms
- $108k iOS
- $11k Steam



Even worse – add lifetime and development time

LIFETIME NET = as of Feb 21, 2016
Spider iPhone lifetime = $611k
Spider iPad lifetime = $169k
Spider1 Humble Bundle lifetime = $7,793 (Mobile #3 Jan2014)
WM iOS lifetime = $517k
WM Steam lifetime = $146k
WM Humble Bundles lifetime = $74,396 (Android #4, Nov 2012) + $13,996 (Android #6, July 2013)
Spider 2 iOS lifetime = $108k
Spider 2 Steam lifetime = $14,277 1,480 units
Spider 2 Steam w/ soundtrack lifetime = $1,652 120 units



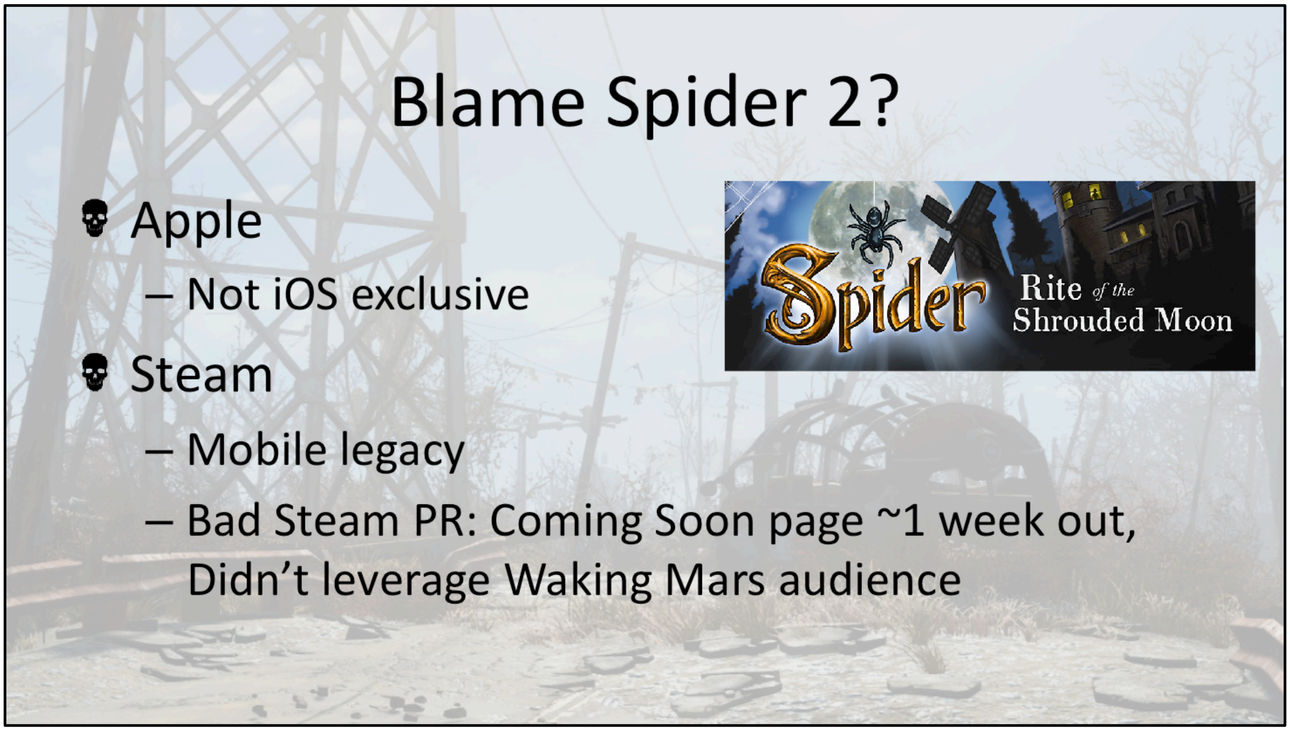
(Net Rev-per-person-year over Year)

2009
    $520k
2012 - skip
    $215k
2015
    $13k - not sustainable

Spider 1 The Secret of Bryce Manor	= 40 x	Spider 2 Rite of the Shrouded Moon
iOS, Android		iOS, Steam, Android, Humble ✔
ZERO advance anything. Later trailer + website.		Teaser, announce, website, trailer, PAX East, Fantastic Arcade, Social Media. Post-ship press (Walrus, ARG). ✔
Never covered by core gamer press Did well w/ mobile press		Kotaku, RPS, KS, Destructoid, etc., etc. Did well w/ mobile press ✔
93% Metacritic, 4/5 user reviews		91% Metacritic, 4.5./5 user reviews ✔
Minimal, focused around High Concept		More content, features, polish, depth, replayabilty. New high concepts = real world time/weather, ARG. ✔
✔ Editor's Choice from Apple		Less important banner from Apple, nothing from Steam
✔ GotY from Apple, TouchArcade IGF Best Mobile & Best iPhone		Best Of lists of several mobile sites

So is S1 a better product than S2? Is it…
3.5x = revenue in first 6 months
ROI 40x = revenue per person year of development effort
… and if not, doesn't that imply the market is to blame?

Can't complete with those games.
But at the same time – a game with absolutely no graphics about programming in assembly language was making the kind of money we were used to making, and a choose your own adventure game told with push notification was raking in even more.
Illustrates a big vs small concept I'll get back to later



Multiplatform

    Less Apple support

Not a good Steam game

    Could shake our legacy as a mobile game

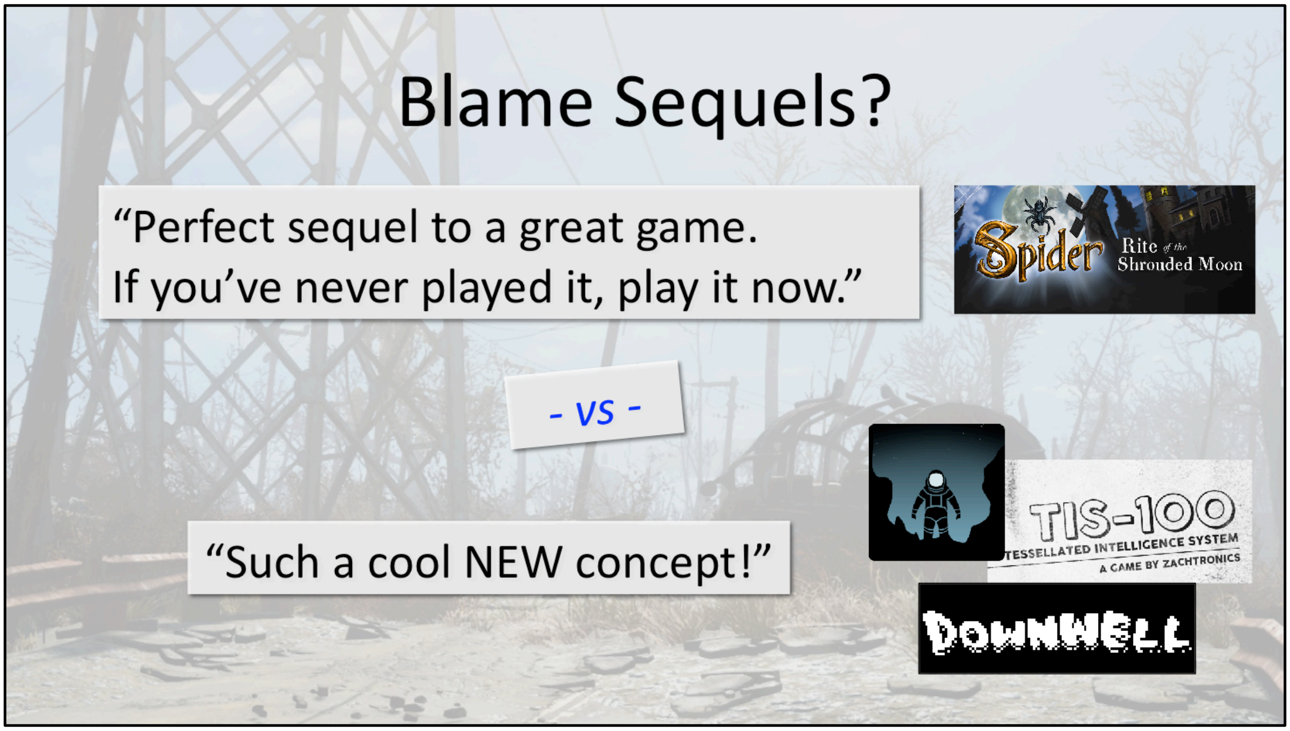
    Didn't play the Steam PR game very well at all

    CUT:

No social / word-of-mouth features

    S1 had Facebook integration

CUT: "Can't win until moon phase / weather" = great soundbite – for expensive feature that adds a lot to the game we worked hard on



Why We Did A Sequel

Less risky

Fans clamoring - base

Assumed a fresh audience - expansion

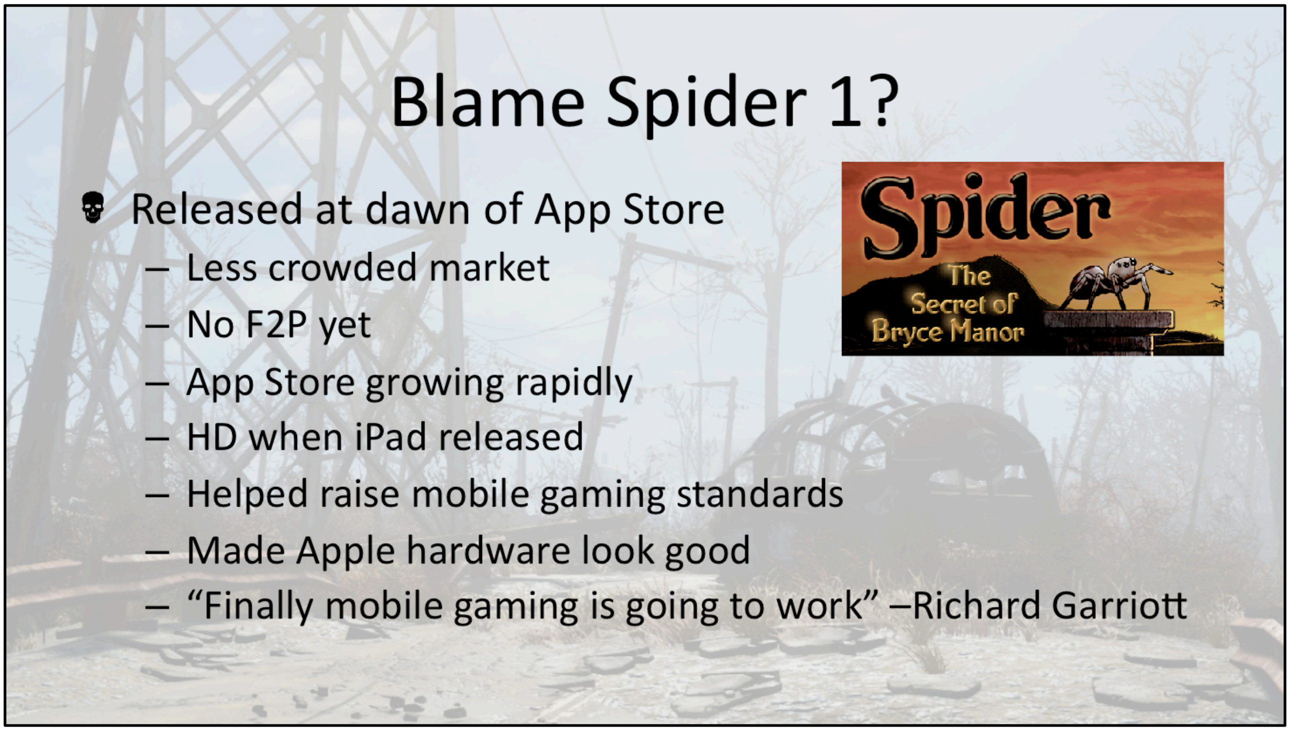
Press quotes call it a perfect sequel – retained old, expanded nicely.

But, as Armin already alluded

this is an audience that's interested in cool new thing

and even if your design and art and so forth are all but objectively better than the prior game which won a GotY award, these awards are going to go to fresher high concepts

Ironically by adding more features we were diluting our high concept, audience had to spend more effort to access it.
Might have been better off with a game that's JUST a mystery, or JUST the real world time and weather thing



Or maybe the right thing to do is think about why Spider 1 was successful.
Our intention was to stand out by making a very solid, heartfelt game on a platform where that wasn't the standard at the time, among other things made Apple hardware look good

Another way to consider this comparison

So what does it mean to be an indiepocalypse retardant game? Here's how I intend to approach this.

Big / small is mostly in terms of production effort: triple-i

Medium - Can't compete arms race against BIG: Expansive, Spectacle, Depth, Long play time
- compared to SMALL games they are expensive and also diluted, small games get right to the crucial high concept more immediately / they are self-evident
That said, there's a bunch of perhaps medium sized games that have done very well, so you can think about why they succeeded where Spider 2 did not.

Steam - Long, multi-stage PR campaign
Consoles – still curated / limited supply - Mike Rose 2015 IGS presentation

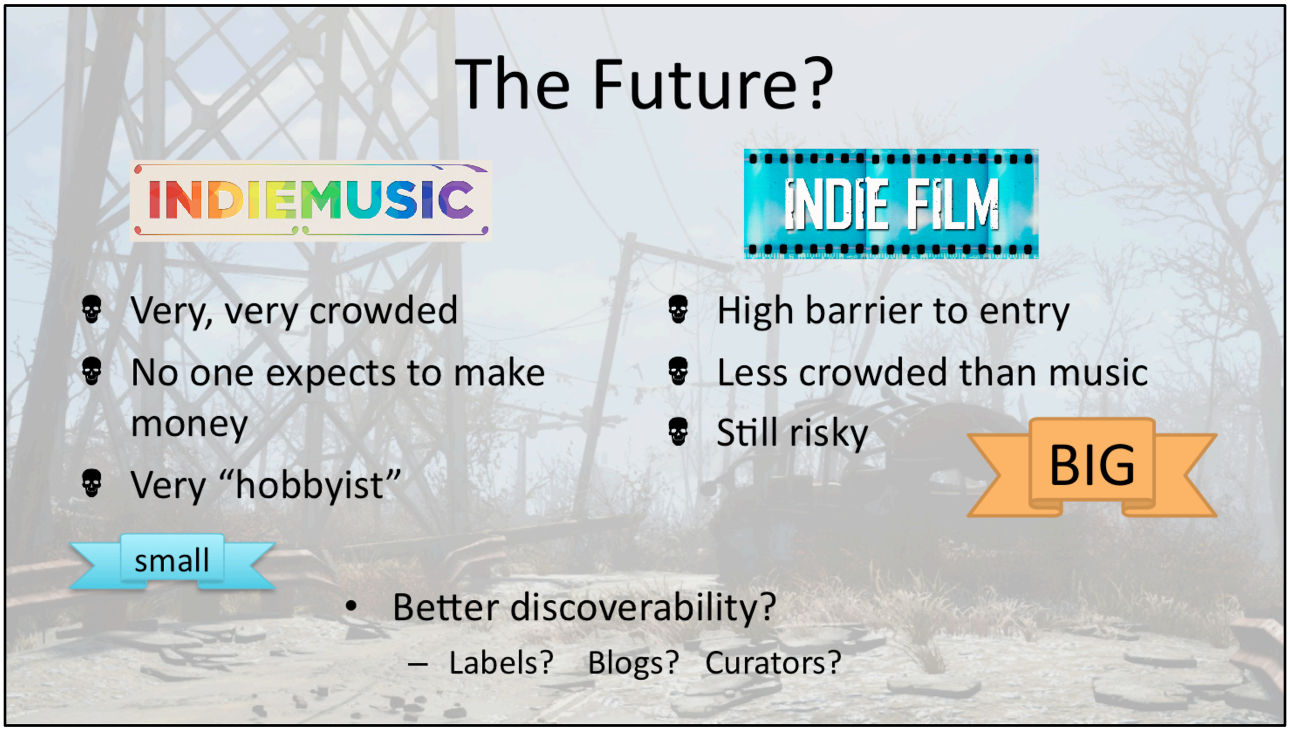
Multiplatform?

- Not for SMALL games
  - Even if it's "free"
  - Requires tailoring PR, game design, etc..
  - Not simultaneous, anyway.
    Wait until it succeeds

- App Store → Steam = hard
- Steam → App Store = easier

Watch the market- for opportunities and trends

This is part of what it means to treat your dev as a business – even if it's a bummer, even if team only size 2



Is it going to drive in one of these 2 directions?

We Got What We Wanted

- Open platforms
- Digital distribution
- Cut out the middleman
- Better tools
- Lower barrier to entry
- Better academics

- (And now it's really crowded)