

# Growth Opportunities for Online Games Beyond Facebook

Philip Reisberger  
Chief Revenue Officer  
Games Developer Conference  
San Francisco



# Bigpoint at a Glance

## The Company

**Founded** 2002  
**Number of Employees** 900+

### Key Titles

Battlestar Galactica Online, Drakensang Online, DarkOrbit, Farmerama

### Locations

Hamburg (GER), Berlin (GER)  
San Francisco (USA)  
Malta, Sao Paulo (BRA)  
Paris (FRA), London (UK)

## The Figures

**70** active games, **30** languages  
More than **250+ million** users  
Over **1 billion daily** transactions

### Industry Accolades

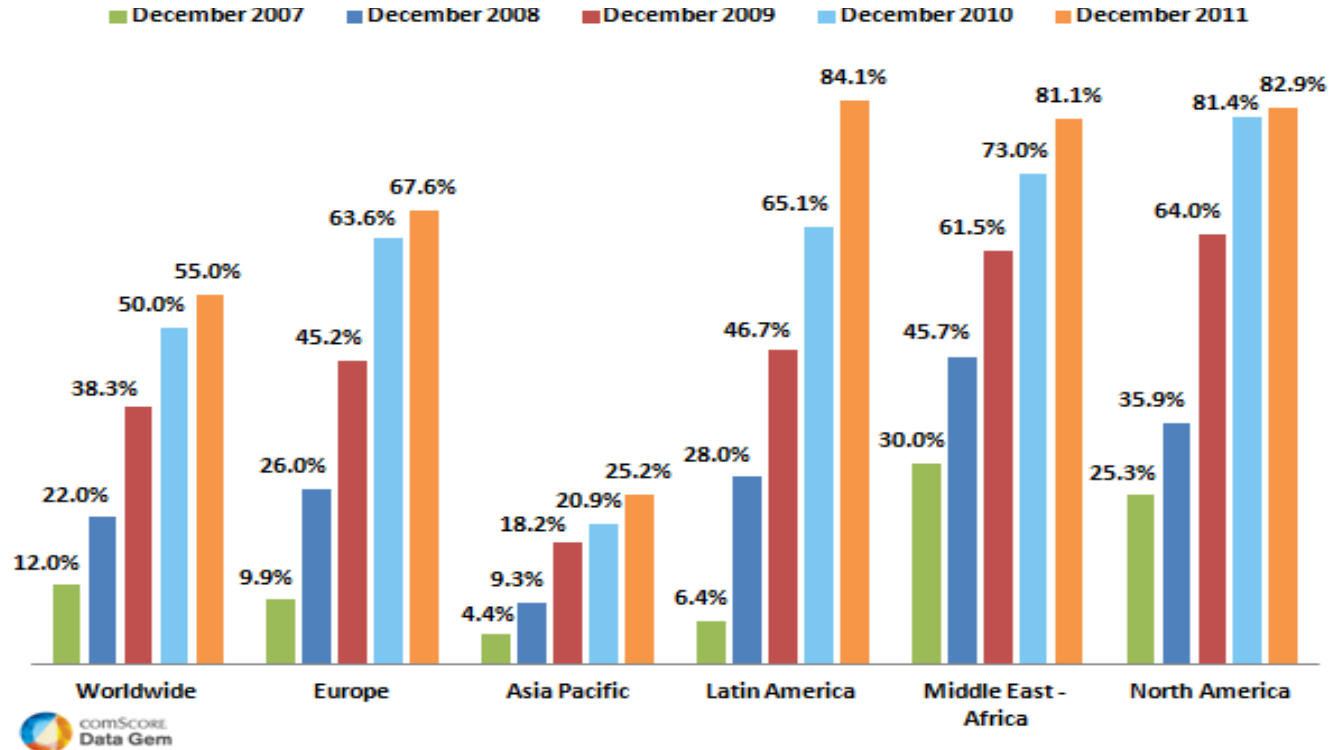
European Business Awards 2011  
Unity Awards 2011  
Investor Allstars Awards 2011  
Startup of the Century Award 2011  
European Games Awards 2011  
Browser Game of the Year 2011  
Mashable Best Online Game 2010  
International Business Award 2010

# What Happened in 2011

# Facebook Growth

## Penetration of Total Internet Audience

Out of **2.1 Billion** Internet **Users** Worldwide



Source: CNET

# Social Games Explosion

## Top 10 Facebook Games of 2011

1. **GARDENS OF TIME** (PLAYDOM)
2. **THE SIMS SOCIAL** (EA)
3. **CITYVILLE** (ZYNGA)
4. **DOUBLEDOWN CASINO** (DOUBLEDOWN ENTERTAINMENT)
5. **INDIANA JONES ADVENTURE WORLD** (ZYNGA)
6. **WORDS WITH FRIENDS** (ZYNGA)
7. **BINGO BLITZ** (BUFFALO STUDIOS)
8. **EMPIRES & ALLIES** (ZYNGA)
9. **SLOTOMANIA-SLOT MACHINES** (PLAYTIKA)
10. **DIAMOND DASH** (WOOGA)



# In Europe, Facebook is building a dedicated gaming team...

## Goal to replicate US gaming ecosystem



**More than 500 million downloads of Angry Birds across all platforms**  
Angry Birds Rio won "Best Mobile App for Consumers" at Global Mobile Awards, "Best Mobile Game" at the Mobile Excellence Awards and "Best Mobile Game" at the Golden Joystick Awards.



**185% User Growth in 2011 – Berlin Start Up #3 on Facebook**

14 million (01/11) => 40 million MAU (01/12).

Diamond Dash & Magic Land launched on Facebook & synchronized mobile versions (connect across platforms)

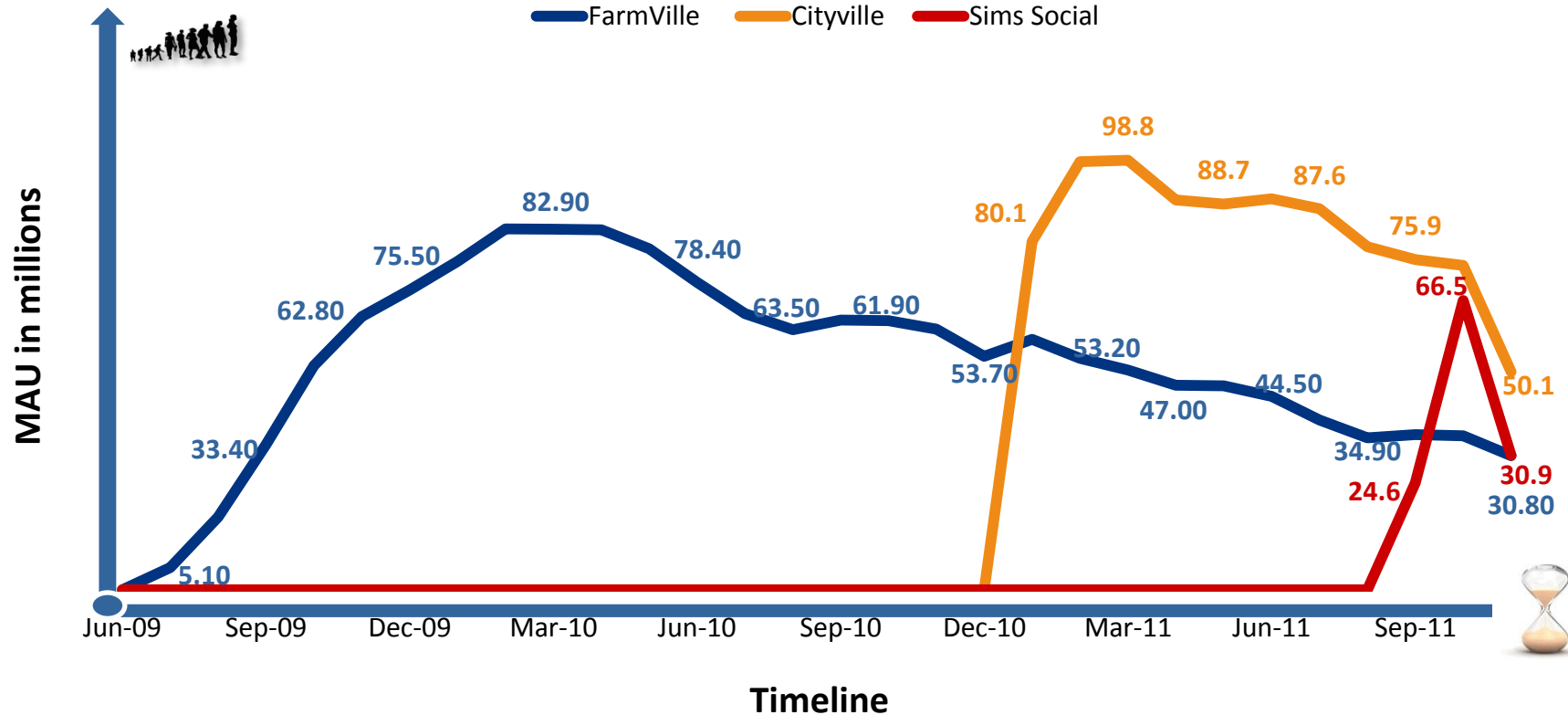


**Finnish game developer**

The company is focused on making games that are bigger in scope than most social games but are less involved than massively multiplayer online games or console games

# Typical social game product lifecycle

CityVille (Zynga), FarmVille (Zynga), The Sims Social (EA)



# Developers seek opportunities outside of Facebook



**Social connectivity as integral:  
casual games can be very successful**

- Decrease in diversity of games
- Re-skinning of games

**Easy cross-promotion for Zynga**

- Recycling/overlapping users

**Competition for new entrants / saturation**

- High new user acquisition costs



# New Google+ Platform

## Growth Potential



- Launched in August 2011
- Rapid growth rate: 625k registration/day
- Approx. 3-400 million users by end of 2012
- Integrates Google services
- Unsaturated green field for game developers

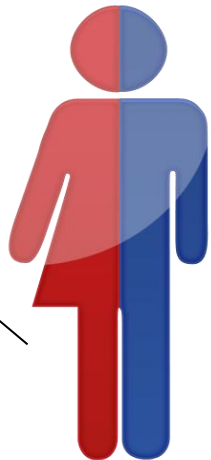
# User Demographics

## Facebook and Google+



**FACEBOOK**

**57%**



**43%**

**Managers, Servers, Students, Homemakers, Sales Associates, Interns, etc.**

**CASUAL**



**GOOGLE+**

**29%**



**71%**

**Software Engineers, Consultants, Developers, Designers, Writers, Web Developers, Programmers, etc.**

**CORE**

# Game Development



## FACEBOOK

Strong infrastructure  
Advanced/extensive APIs

High social connectivity

Genres: casual games

Simple game technology

**30% commission** (for in-game purchases)

On-canvas  
Built-in audience



## GOOGLE+

Integrates Google ecosystem  
simplified APIs

Lightweight social network

Genres: flexible, core games

Open game technology

**5% commission** (for in-game purchases)

On- and Off-canvas  
Wide audience

# Beyond Facebook and Google+

# Global Distribution and Publishing Strength

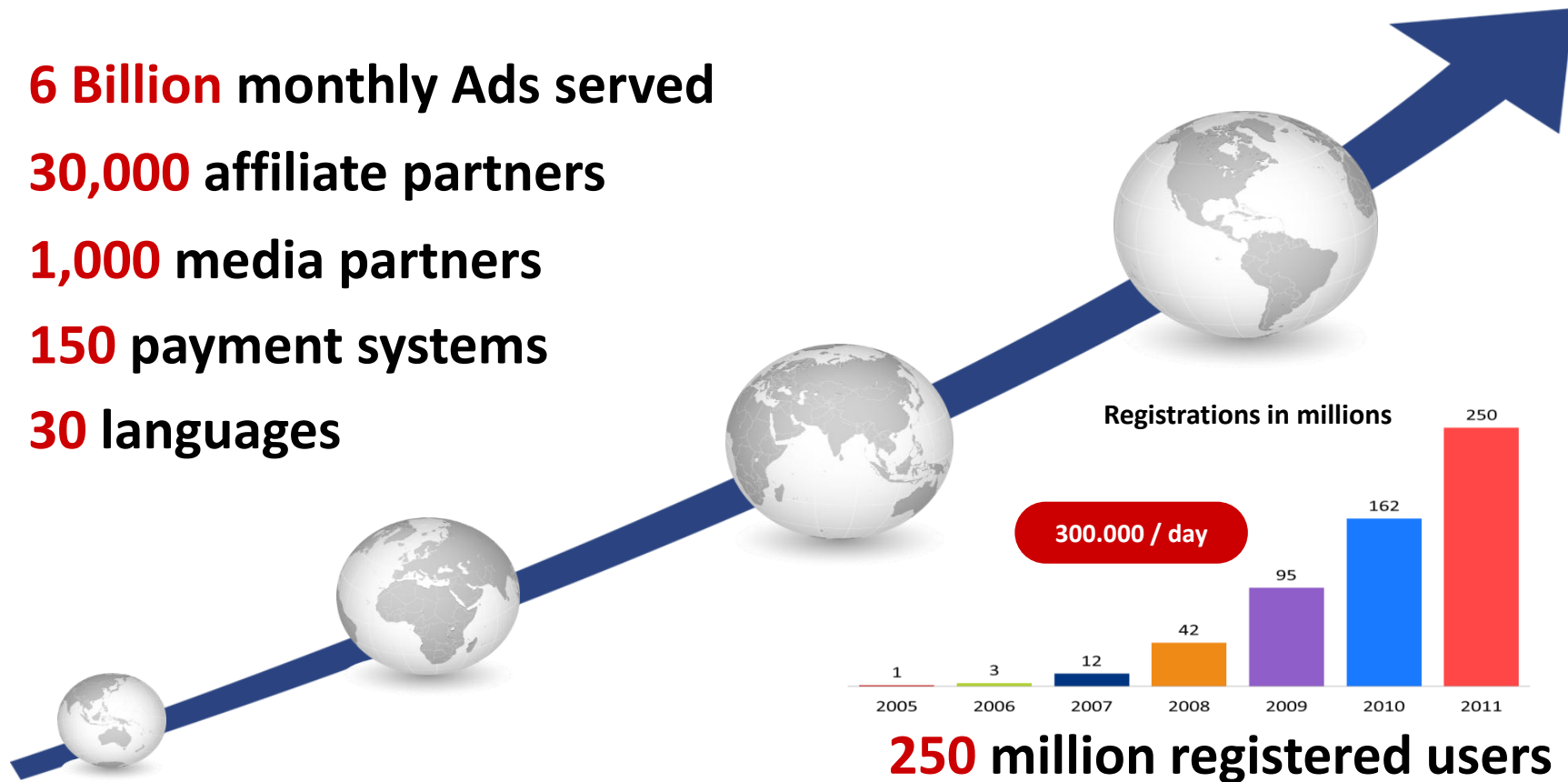
**6 Billion** monthly Ads served

**30,000** affiliate partners

**1,000** media partners

**150** payment systems

**30** languages



# Bigpoint gamers are...



... grownup

**32 years**

is the average age of  
Bigpoint gamers.



... reliable

**89%**

of active players visit  
Bigpoint.com at least once a week.



... everywhere

**219**

states of the world have  
Bigpoint gamers.



Every month, Bigpoint players  
send **381,000**  
**friendship** invites.



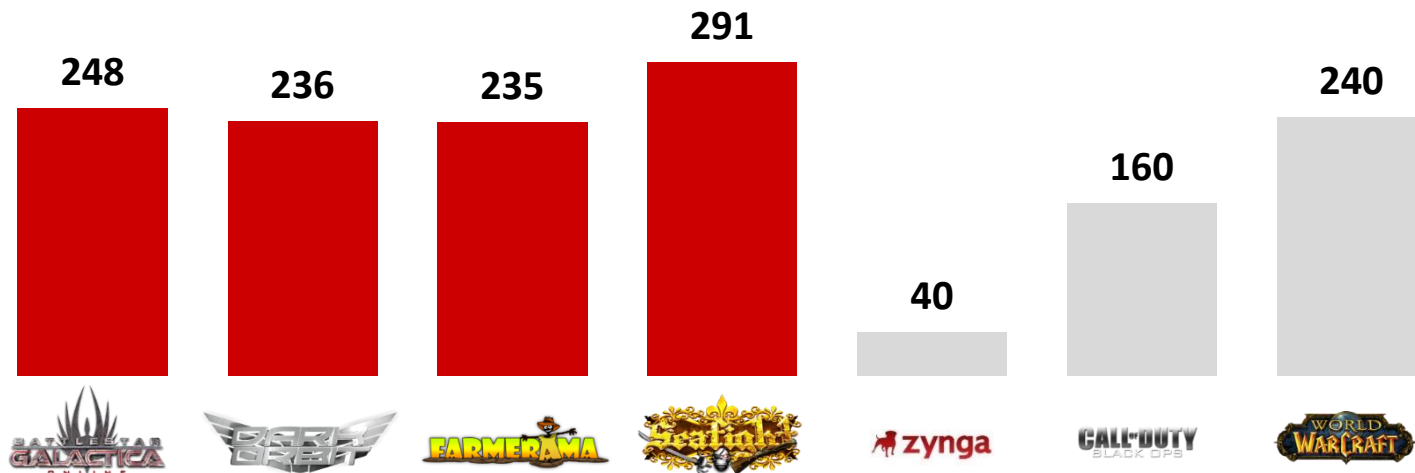
Each day, Seafight players fire  
**12 billion cannonballs**  
at each other.



Every day, Skyrama players send  
**160,000 flyover**  
messages to friends.

# Success can be achieved off of Facebook

Average time played per day (minutes)



# Success off Facebook/G+ driven by...

... fast game development & a relentless focus on the tools that turn games into successes:

1

## DISTRIBUTION NETWORK

MARKETING  
HIGH **PROFESSIONAL** LEVEL  
(SEO, SEM, DRTV)  
**GROWING** MEDIA PARTNERS

2

## DIVERSITY OF GAMES

DIVERSE **PORTFOLIO**  
(Core, Triple A and Casual Games)  
DIVERSE **PLATFORMS**  
(social, mobile, browser)

3

## F2P BUSINESS MODEL

SPEED UP **GAME SUCCESS**  
ROUSE CONSUMER NEEDS  
CREATE DEMAND  
**HIGH CONVERSION**  
CUSTOMER LIFE CYCLE  
EXTENDED MATURITY  
**EFFECTIVE** STRATEGIES  
PRODUCT LIFE CYCLE

▶ Attractive content, successful monetization  
& high-profile distribution network



# Success off Facebook/G+ driven by...

1

## DISTRIBUTION NETWORK

MARKETING

HIGH **PROFESSIONAL** LEVEL

(SEO, SEM, DRTV)

**GROWING** MEDIA PARTNERS

# TV can serve as a huge asset for Internet marketers

## TV is one of the best tools for

- Driving traffic to websites
  - Loyal group of TV viewers
  - Huge customer base
  - TV marketing
- Branding effect for the product

**Up to 40% of Bigpoint registrations come in via the partner network**



# Viral is a Myth – you must earn your players

- Build a **FOUNDATION** staff, capital, and a diversified portfolio
- Performance based **MARKETING** to ensure roi
- Build a **DISTRIBUTION** network
- Integrate global **PAYMENT** solutions
- Keeping up with new **TECHNOLOGIES** (Unity, Flash 3d, html5, etc.)



# Success off Facebook/G+ driven by...

2

## DIVERSITY OF GAMES

DIVERSE **PORTFOLIO**

(Core, Triple A and Casual Games)

DIVERSE **PLATFORMS**

(social, mobile, browser)

# BIGPOINT'S GAME PORTFOLIO

Diversity and high quality offer millions of players fun & entertainment

## CORE GAMES



More than **60 MILLION** users have registered for **DARKORBIT** since it went online in 2006 and with it over **100.000** daily users

**SEAFIGHT**. More than **50 SEA CHARTS** with different environments. Over **100 SHIP DESIGNS** and **30.000 GUILDS** to cruise the seas

## „AAA“ GAMES



**BATTLESTAR GALACTICA ONLINE** was the **MOST SUCCESSFUL** launch of a game in Bigpoint history with over **1 MILLION** player after **4 WEEKS**

## CASUAL GAMES



In just under one year, **30 MILLION** users moved to the country to start their own online farms at **FARMERAMA**

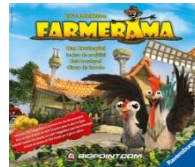


# Extend IP: Online & Offline

## Make it convenient for the customer



## Make your product to a service



Cooperations  
Merchandising  
Diverse platforms

Shaun  
the  
Sheep



# Games provide meaning and emotion

Create games that make people happy



# Adaption of Franchises





# Distribution Diversification



# Success off Facebook/G+ driven by...

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## F2P BUSINESS MODEL

SPEED UP **GAME SUCCESS**

ROUSE CONSUMER NEEDS

CREATE DEMAND

**HIGH CONVERSION**

CUSTOMER LIFE CYCLE

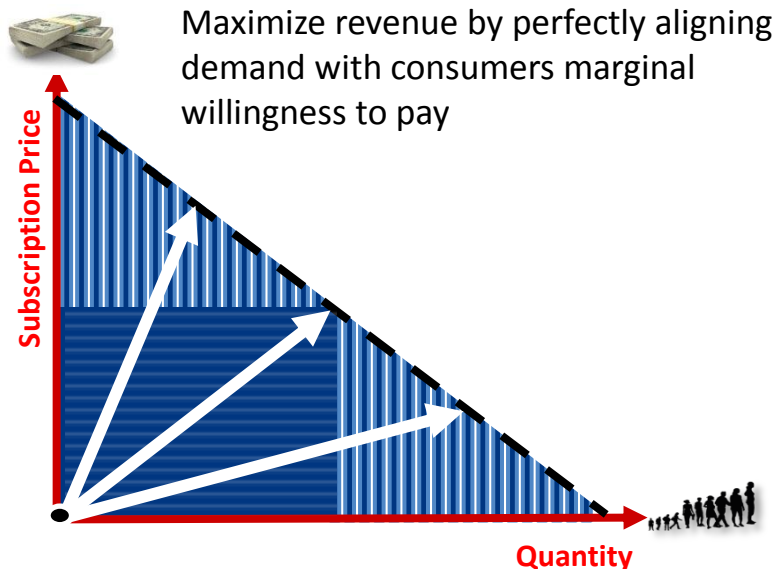
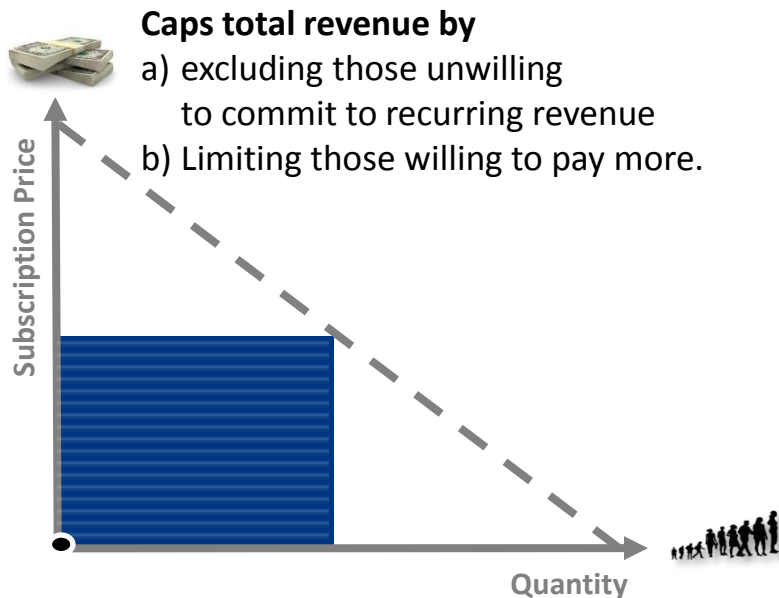
EXTENDED MATURITY

**EFFECTIVE** STRATEGIES

PRODUCT LIFE CYCLE

# Business model

## Virtual item sales



**Microtransactions are worth \$9bn already**

and enable Bigpoint to deliver a higher ARPPUs than World of Warcraft

# The Industry Embraces F2P

## DC UNIVERSE ONLINE

- Subscription based -> F2P in January 2011
- Since going F2P: gained 1 million new players in just ONE WEEK, a 1000% playerbase growth

## LORD OF THE RINGS ONLINE

- F2P since Sept. 2010 / Before F2P: 210k subscriptions
- Since going F2P: revenues tripled

## AGE OF CONAN

- Originally, subscription based / Since Jun. 2011 F2P version ( limited access)
- Gained 300k new players in one month after F2P Switch  
“server activity quadrupled” and game revenues “more than double”



# Multi-Platform Distribution & Social Connectivity





Mobile Gaming Industry

iOS & Android

**\$8 BILLION  
IN REVENUES  
IN 2011**

**EXPECTED  
GROWTH  
TO REACH  
\$11.4 BILLION  
BY 2014**

# Mobile Social Gaming Networks

## Combine Social User Hooks

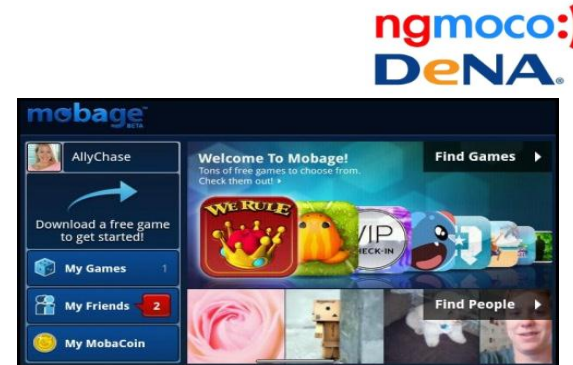
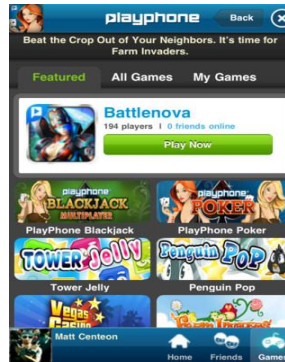
**Social Network**

Which of your friends  
play?

**Mobile**

What are the user  
ratings?

**Mobile Social  
Gaming Network**



**ngmoco:  
DeNA**

# Industry Moves

Traditional companies are actively realigning their strategies for digital and mobile opportunities





# Hybrid Models Evolve



App Store

- About Game
- Videos
- Screenshots
- Account Registration



- Set within EVE Online universe
- Virtual good purchases
- Fan-made iOS apps

# Call of Duty Elite – the social network for shooters

**1.5 million paid subscribers; more than seven million total**

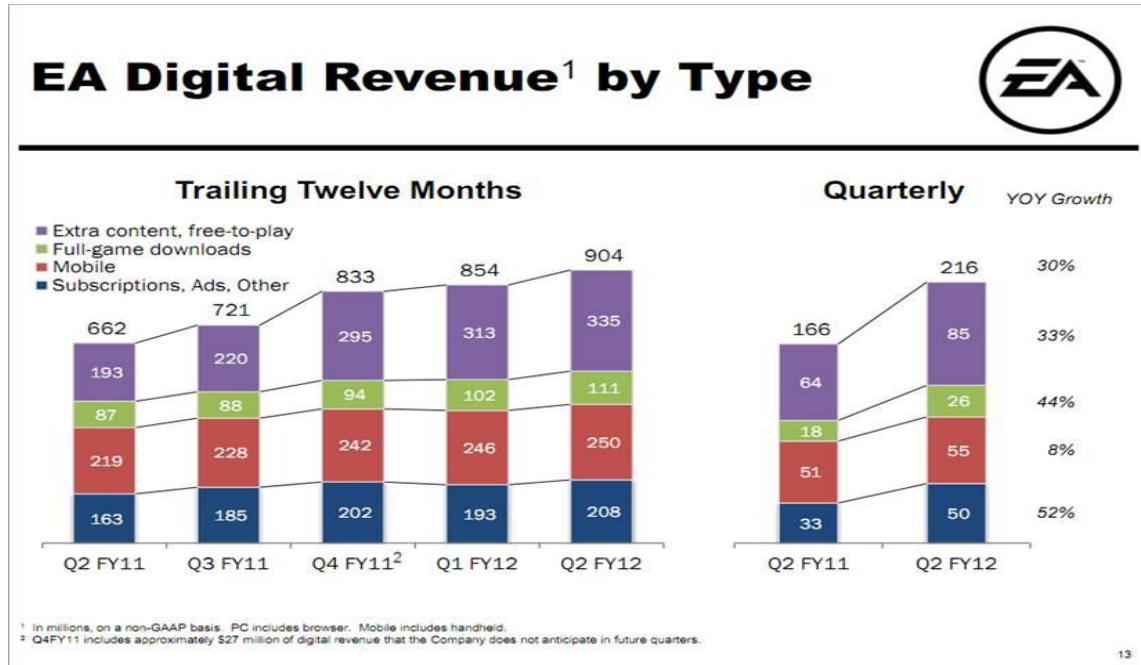


- Lifetime statistics & profile
- Social-networking options
- Mobile app
- Facebook integration
- HD video sharing
- Player perks and advantages

# Conclusion

# Free-To-Play will become the norm

European **microtransactions** and **virtual goods** market to **triple** by 2014



US **virtual goods** market to hit **\$2.9 billion** in 2012

# Free-To-Play will become the norm

- Facebook ecosystem becomes increasingly competitive
- Google plus still has a long way to go
- Understand the world beyond Facebook:

## DISTRIBUTION

Partner Network/ TV

Viral is only one  
part of the equation

be everywhere

1

## DIVERSITY

offer something  
for everyone

users don't think in genres  
or platforms/ technology

build IP/ utilize IP

2

## CONVENIENCE

Free 2 Play

innovate

adapt and adopt

3

**Questions?**



# Game of Thrones – The browser-based MMORPG (F2P)

## Capture the Dark World from the Emmy® Winning Show

“Game of Thrones is set in a mythical fantasy world and features compelling stories of honor, adventure and the struggle to conquer your opponents, a narrative that lends itself perfectly to gaming,”

**George R. R. Martin**



# Contact us

**Bigpoint GmbH**  
Philip Reisberger  
Chief Revenue Officer

Drehbahn 47-48  
20354 Hamburg  
Germany

Tel +49 40.88 14 13- 0  
Fax +49 40.88 14 13- 11

info@bigpoint.net  
www.bigpoint.net

Find us on   

**Bigpoint Inc.**

500 Howard Street  
Suite 300  
San Francisco, CA 94105

**Bigpoint GmbH**

Alexanderstraße 5  
10178 Berlin  
Germany

**Bigpoint** Distribuição de  
Entretenimento Online Ltda.

Av. Brig. Faria Lima  
3729 cj. 528  
04538-905 São Paulo  
Brazil

**Bigpoint** International Services  
Limited

1 Villa Zimmermann  
Ta'Xbiex Terrace  
XBX 1035 Ta'Xbiex  
Malta