

Video Game Marketing For Independent Developers: A Comprehensive Review

Prepared for:
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Transmittal Message

Date: March 25, 2014

To: bgoncharenko@starcatsstudios.com

From: Kreatos Marketing Group

Subject: RE: Successful Game Development and Marketing

Dear Mr. Goncharenko,

Thank you for the opportunity to report to you on effective forms of video game marketing. The purpose of this report is to analyze multiple online video game advertising avenues, suggest the option that provides your company with the greatest income, and supply future ideas for greater video game exposure and sales.

You may think that advertising is expensive and should be in the form of TV commercials to get the most viewers, but the internet has taken broadcasting to a new level. Promoting your video game can be effectively done through the use of:

Kickstarter

Humble Bundle

Online Gaming Communities (IGN)

After researching and completing this report, our findings show that these free and equally effective methods of advertising and funding are excellent tools that independent game developers can utilize to save time and money. We also confirmed that using these strategies, companies can increase a game's fan base, popularity, and community, ultimately delivering a well-rounded product.

Attached is a document providing you with an in depth report regarding our plan. The information in our report came from online sources as well as our own individual experiences.

Thank you for taking the time to read this. Please respond with any comments or questions

Sincerely,

James Lavery

Kreatos Marketing Group

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CEO

Executive Summary

In this report we recommend that Star Cat Studios utilize Kickstarter and Humble Bundle in conjunction. This recommendation is derived from the realization that Star Cat Studios, as an independent developer, needs to effectively market, expose, and sell their games to the gaming community to achieve success in the extremely competitive gaming industry.

Our research methods were composed of looking for information that had facts about the many successes that Kickstarter had funded over the years that it was active. We also scoured for any financial statistics involved with getting an indie game on Humble Bundle.

Since Star Cat Studios is an independent developer, they need all the help they can get in making their game, from start to finish. In the beginning they need to fund their game, and here is where Kickstarter comes into play, where it helps gather funding. Moreover, through Kickstarter it is already gaining publicity, and will further increase popularity and financial income. Once the game is developed, the Humble Bundle can further publicize the game and help the company acquire goodwill through the charities that are supported through Humble Bundle.

Introduction & Background

The process of taking a game from an idea to a successful, fully developed product with a large community can seem like a daunting task. Winston Churchill once said, “Success is stumbling from failure to failure with no loss of enthusiasm”, in other words, in order to develop a successful game, you need the necessary steps to attain victory. The Kreatos Marketing Group has looked at three viable avenues that can help with this rigorous battle for ascendancy, they are: Kick Starter, The Humble Bundle, and Imagine Games Network (IGN). We will be examining what they are, how they can help your company, and a unique feature that each solution provides.

The scope of the report is to help Star Cat Studios in their game development from beginning to end. We are assuming that Star Cat Studios have heard or are slightly familiar with the proposed solutions and some of the game titles and platforms that we will reference in this report. This report is only limited to the software release life cycle which is the sum of the stages of development and maturity for a piece of software in this case, Star Cat Studios’ Arcade cats.

Funding with Kickstarter

What is it?

Kickstarter is a crowd-funding platform that helps bring creative ideas and projects to life. Over 58 thousand projects have been successfully funded, including: films, music, comics, and, most importantly, video games. This was achieved by the 5.8 million “backers” that have pledged over

1 billion dollars since its launch in April 2009, when Kickstarter began in the United States and expanded to the United Kingdom, Canada, and Australia.

Why it works for Star Cat Studios

People who “back a project” are offered a tangible reward and special experience in exchange for their “pledges”. Star Cat Studios can set various types of rewards for their backers, from a wide range of amounts, each with a more advanced exclusive reward to the backer.

Below is a table that contains information pertaining to the contributions that have been made using Kickstarter with a total of \$1 billion pledged.

Kickstarter Contribution Statistics For Projects			Figure 1.1
Category	Launched Projects	Total Dollars	Success Rate
All	139,514	\$1 B	43.55%
Games	9,173	\$224.95 M	35.17%
Film & Video	34,258	\$202.62 M	40.14%
Design	7,237	\$151.61 M	38.55%

A table illustrating the total amount of dollars pledged and the top 3 categories with most dollars pledged.

Source: Kickstarter.com
Table By: Rafid Daoud

As shown in the table, the top category that receives pledges is games; it is almost a quarter of all pledges. Therefore, Star Cat Studios should take advantage of this aspect.

Star Cat Studios can set the deadline for funding the game and the amount needed to develop the game. Also, they can customize the amounts to be pledged and differentiate each “reward”. However, Kickstarter works on an all-or-nothing basis where the whole amount that is proposed must be raised before the money is given.

Right from the start, the game you chose to post will get attention and be supported by people who are interested in its concept, gameplay, and game mechanics. The fact that Kickstarter takes 5 percent of the raised funds might seem like a disadvantage to the company, but it is heavily outweighed by the benefits of using Kickstarter, such as creating a community for the game and company. Star Cat Studios keeps full ownership of the project and gains funding the creation of the game.

Rewards for Star Cat Studios' backers

“Rewards” are offered by the project creators. They encourage backers to keep visiting the site and actively engage with a project. Rewards vary from project to project, however, most of the time they include a copy of the product or an experience unique to the project.

Exposure with the Humble Bundle

What is it?

The Humble Bundle (originally called The Humble Indie Bundle) is an online retailer that sells bundled games in a highly effective “pay-what-you-want” model. The bundle was created in 2010 by Jeff Rosen of Wolfire Games after seeing bundled games being sold on the Steam platform. The biggest inspiration for success was the viral way that the Steam sales traversed the internet through word of mouth. The second part of success was the “pay-what-you-want” model, Jeff saw it used to sell a videogame called, “The World of Goo” on their one year anniversary; it allowed the customer to pay anything they wanted for the games, this was changed in 2013 to a minimum of \$1. By 2013, the Humble Bundle had earned over \$50 million, as well as helped many indie developers gain their footing in the video game industry.

The table below shows the real time purchases of the highest selling Humble Bundle, The Humble Origin Bundle, which had over two million purchases.

Contribution List For Humble Origin Bundle		Figure 1.2	
		Top Contributors	
Total Payments	\$10,547,219.34	1. herobrine is not real	\$10,000
Number of Purchases	2,137,899	2. US NAVY SAILOR	\$2,000
Average Purchase	\$4.93	3. Janet	\$1,500
		4. www.lichcraft.com	\$1,305
		5. alex82	\$1,300

A graph of the real-time sales of the Humble Origin Bundle.

Source: humblebundle.com

Table by: Rafid Daoud

As the table demonstrates, the monetary value of this bundle alone exceeds ten million dollars and there have been more than forty separate bundles.

Why it works for Star Cat Studios

By joining the Humble Bundle, Star Cat Studios can earn an enormous amount of marketing and sales by combining with a known and reputable vendor. When the bundle is sold, gamers usually play all the games within it, and if they are good, they will tell all their friends to buy the game or the bundle. This builds up the character of a company, the prestige of a game, and the profit of the developer. The amount of profit earned is greater in the long run because of the increase in publicity that the Humble Bundle provides.

Another benefit that this form of advertising has, is that it is free. After a developer has signed up and is approved, their game is put into the bundle, and the customers decide what amount of money they wish to pay for the entire bundle. The “pay-what-you-want” model seems like a bad approach at first because of the possibility of zero gain, but has turned into a solid business strategy that other companies such as Indie Gala and Indie Royale have tried to mimic.

Building Goodwill in the Gaming Community

Another reason to join the Humble Bundle is because of their contributions to charities such as Child’s Play, The Electronic Frontier Foundation, and “charity: water”. The “pay-what-you-want” model allows for the customer to choose the way in which their money is distributed, they can enter any amount of money they wish to pay and donate it either to charity, the Humble Bundle company, or to the developers themselves; this helps people in need and also builds good will in the gaming community by unifying gamers in the hope of helping humanity through the use of charities.

Promoting with IGN and Other Gaming Communities

What is it?

IGN is a gaming network dedicated to reviewing and scoring games. All kinds of developers like Playdead and Klei Entertainment go to IGN to have their games reviewed by the professionals that work there.

How it works

IGN works in a simple way; they take a game from a developer or publisher and play it, and then criticize it based on a scale out of 10, following specific criteria:

- **Presentation**
How well the game is presented: the depth of the story, the interest of the dialogue, the explanation and everything else story related.
- **Graphics**

How good the game looks: its colors, stages, levels, and other graphical features are used to determine the overall score for this category.

- **Sound**
The sounds of the game, from the explosive sound effects of *Battlefield 4* to the eerie sound effects of *Limbo* can make or break any game.
- **Gameplay**
How well everything works together when you control your character or characters, (ie can be slow or fast paced, sluggish or smooth, etc.)
- **Lasting Appeal**
How long it will last for you. Is it memorable? What is the replay-ability value? Does the game give you something memorable like *The Walking Dead*?

Lastly, there is a section detailing the total score, as well as a chance of the game becoming an IGN editor's choice which is an award given to a top notch game.

Why it works for Star Cat Studios

IGN could be used to gain more exposure for your game. They can be rather fair with their ranking system, for example, *Limbo*, which was a game developed by an indie company that scored nearly perfect. However it's rumoured that IGN takes "bribes" from certain companies like Blizzard or EA so the flaws from the games they produce would not be mentioned. A perfect example of this would be *Mass Effect 3*. It got almost a perfect score of 9.5/10; however on another gaming community known as Metacritic the user score was very different. *Mass effect 3* on Metacritic got 1011 negative reviews of players complaining about the mediocre ending to the game. Overall, IGN can be used as a potentially good agent for exposure.

The benefits of using IGN to review your games are to gain more exposure for all the games that Star Cat Studios makes. IGN has a huge community of gamers and reviewers that will help Star Cat Studios publicize its games and become popular among various gaming communities.

Analysis and Evaluation: Solutions' Synergy

Kickstarter, Humble Bundle, and IGN all offer integral and unique solutions; they possess individual strengths which synergize when used together. This is important for Star Cat Studios as these solutions will maximize profit and public exposure. The perfect combination comes from funding your game on Kickstarter, marketing your game on Humble Bundle, and reviewing your game on IGN.

Kickstarter will give birth to the product as it is very essential to gather the funding required to put the game into the development stage, Humble Bundle provides the necessary groundwork to facilitate an advertising blitzkrieg, and IGN allows for the online community to give an educated review of your game using a respected institution for the online gaming community.

Recommendation and Conclusion

Kreatos Marketing Group recommends that Star Cat Studios utilize Kickstarter and Humble Bundle. This will enable you to successfully advertise and fund your video game projects, without having to spend any money on paid advertisements. This decision is based on the common observation that independent developers choose to spend their money on the quality of their product instead of advertising. Additionally, independent video game developers who utilize Kickstarter and Humble Bundle services achieve greater monetary success. It is our belief that the combination of these two services will maximize the product exposure to the customers and minimize, if not nullify, the production and advertisement costs.

Kickstarter is a platform that will not only advertise the video game for free, but also help fund it. This makes it a great choice for an independent developer such as Star Cat Studios.

Humble Bundle is a service that will advertise and build goodwill as Star Cat Studios will be seen as a supporter of charities. As indie games are usually much cheaper than the standard price for video games, letting gamers decide how much they want to pay will not have a significant impact on sales. This will bring the much needed exposure to the product and the company while establishing an enthusiast fan-base for future projects as well.

IGN was not selected as an optimal advertising solution for Star Cat Studios because while it is a popular video game reviewing service that many people consult before buying a game, it is subjective, unreliable, and not free.

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