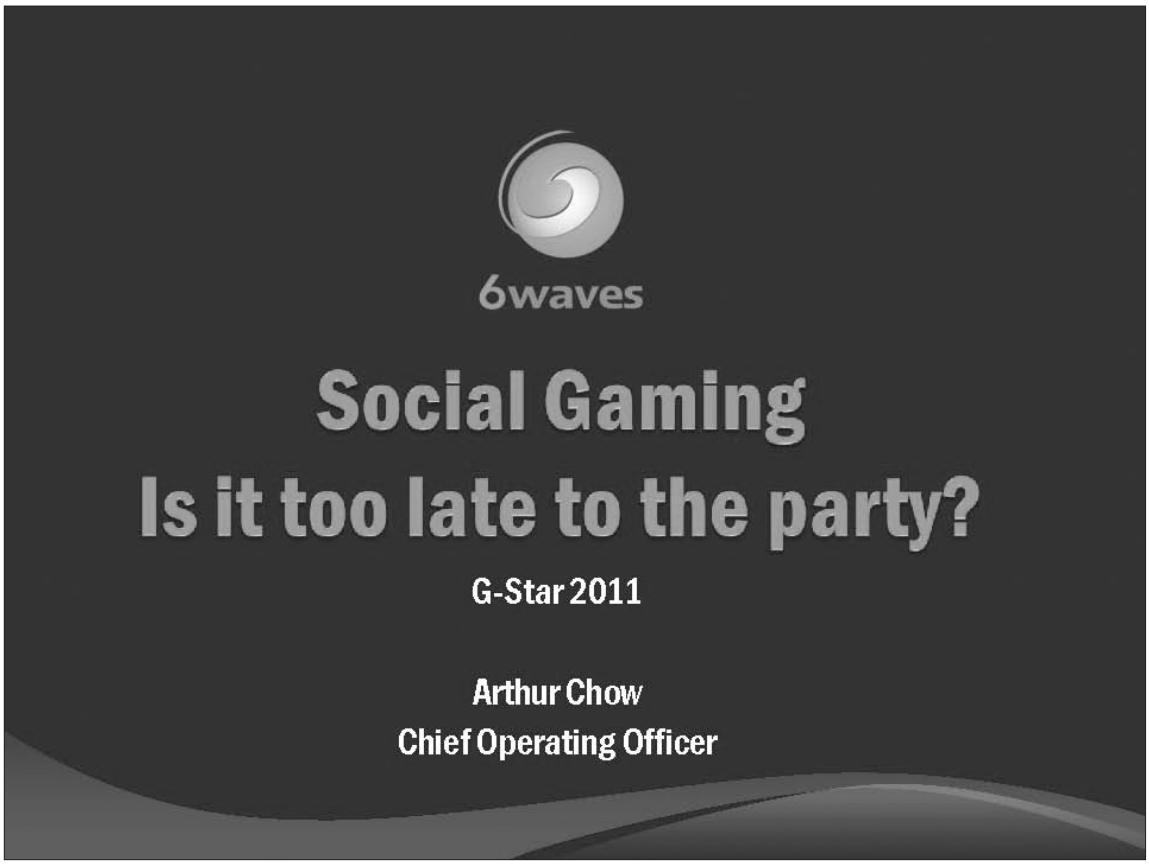
Social Gaming Is it too late to the Party?

Presentation / 6waves

G-STAR 2011
국제게임전시회 지스타 세미나북


6waves
Social Gaming
Is it too late to the party?
G-Star 2011
Arthur Chow
Chief Operating Officer

6waves
Agenda
6waves Background
The Social Gaming Market
Major Trends in Social Gaming

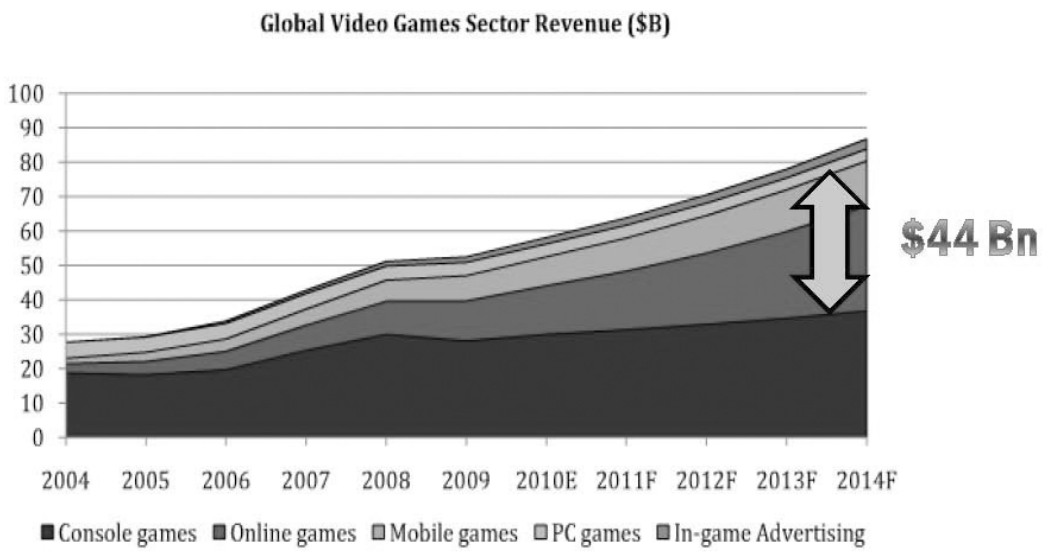
6waves
6waves
Background

6waves
6waves Major Milestones
Jan 08
Dec 09
Jul 11
Jul 11
Oct 11
6waves
INSIGHT VENTURE PARTNERS
lolapps
NEXON
INSIGHT VENTURE PARTNERS
SMARTROM S

Largest independent publisher on Facebook

The Social Gaming Industry

Revenue Trend of Video Games



Digi-Capital projection, June 2011

More Interesting Data

Over 5 years till 2015

Games As A Service

+16%

Games As A Product

- 1%

Virtual Goods Sales

+19% CAGR

$22.5 billion In 2015

Social Games

+30% CAGR

$8.9 billion

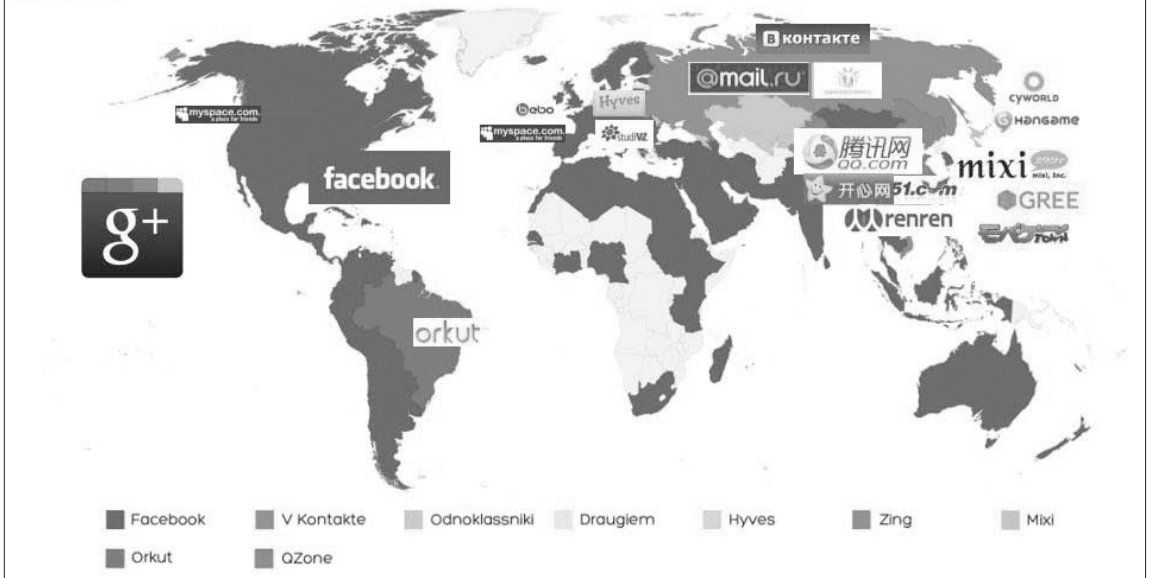
Social Mobile Games

+34% CAGR

$5.2 billion

Source: Lazard Capital Markets Oct 2011

World Map of Social Networks



credits: Vincenzo Cosenza www.vincos.it license: CC-BY-NC source: Google Trends for Websites /Alexa

The Global Social Phenomenon

When online, the average American

spends more time on:

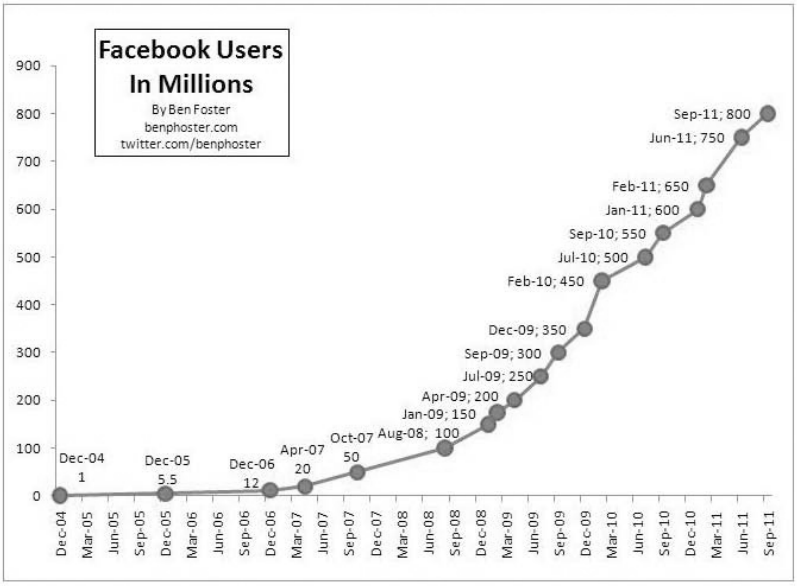
facebook

V

WIKIPEDIA · YouTube · YAHOO! · Google · Microsoft · amazon.com

Source: SingleGrain

Growth of Users of Facebook



http://www.benphoster.com/facebook-user-growth-chart-2004-2010/

Growth of Users of Facebook

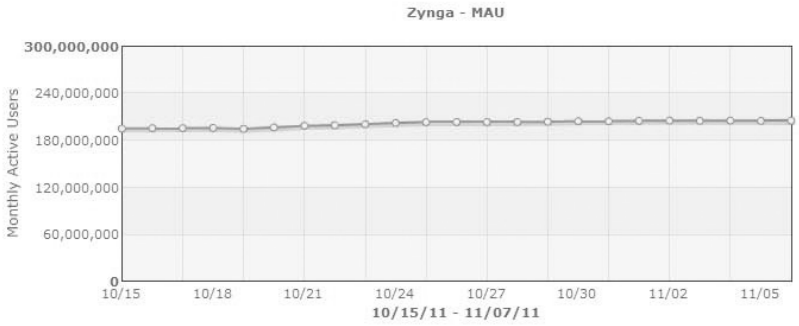
#	Country	Users
1.	United States	143 583 400
2.	Indonesia	30 108 220
3.	United Kingdom	28 413 560
4.	Turkey	23 313 440
5.	France	19 755 460
6.	Philippines	18 124 220
7.	Italy	17 309 580
8.	Canada	17 207 140
9.	Mexico	16 975 220
10.	India	15 402 180

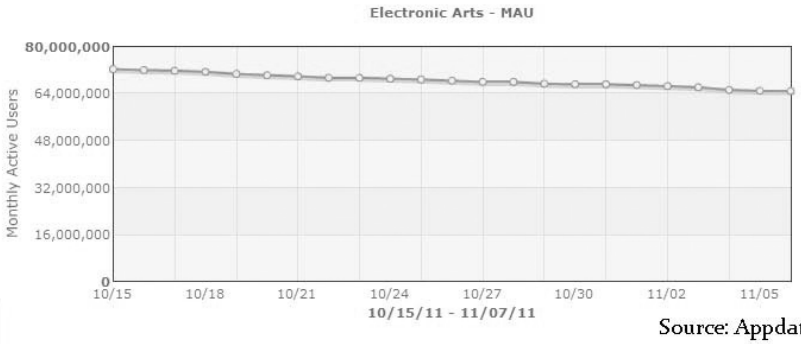
Last 6 months | Last 3 months | Last month | Last 2 weeks

#	Country	Users	Change	(±%)
1.	United States	155 981 460	+1 037 140	+0.67%
2.	Indonesia	40 829 720	+4 322 940	+11.84%
3.	India	38 045 000	+12 997 800	+51.89%
4.	United Kingdom	30 481 300	+677 040	+2.27%
5.	Turkey	30 473 280	+2 142 120	+7.56%
6.	Brazil	30 453 260	+13 125 000	+75.74%
7.	Mexico	30 121 400	+6 345 760	+26.69%
8.	Philippines	26 752 000	+3 524 760	+15.18%
9.	France	23 248 340	+1 322 600	+6.03%
10.	Germany	21 634 380	+3 356 100	+18.36%

www.socialbakers.com

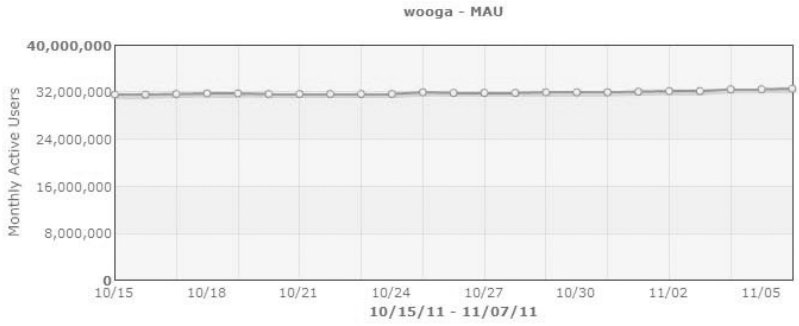
Good growth in users ... but what about games?

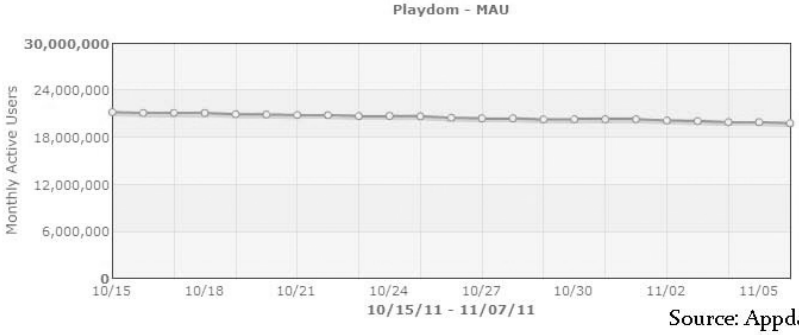




Source: Appdata

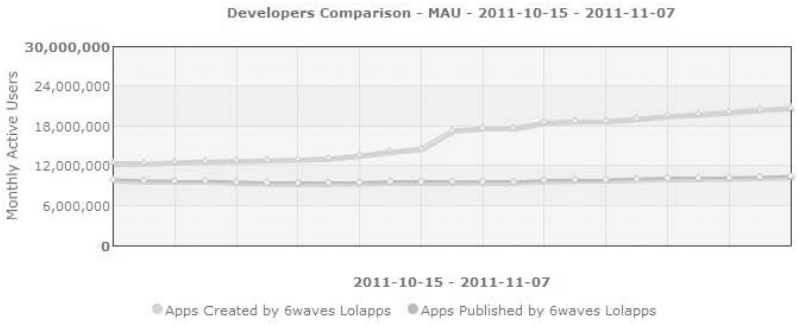
Good growth in users ... but what about games?





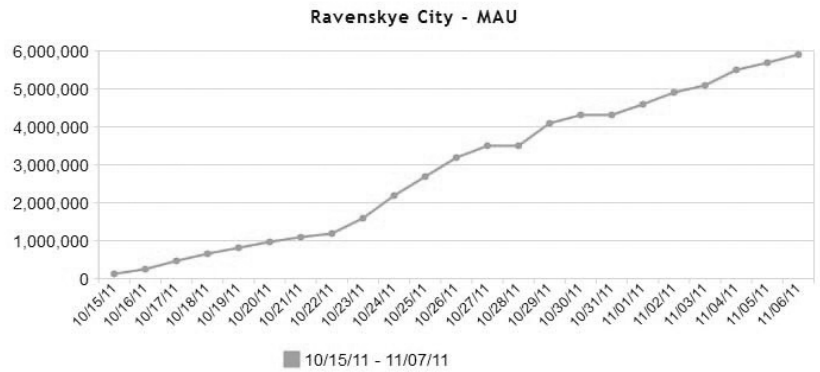
Source: Appdata

6waves Lolapps still see growth



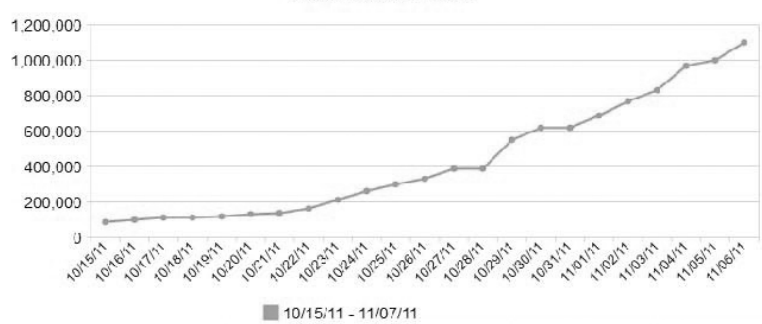
Source: Appdata

Ravenskye City growth



Yet is there Room for New Entrants?

Strong Growth for Newly Published Games

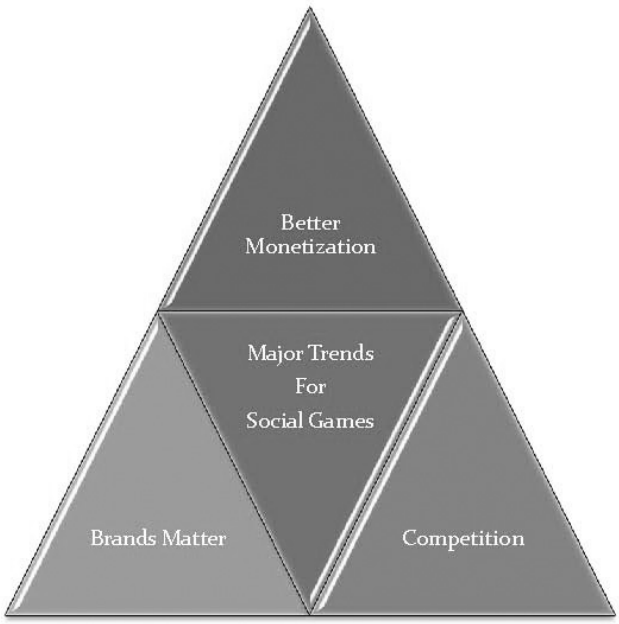


6waves

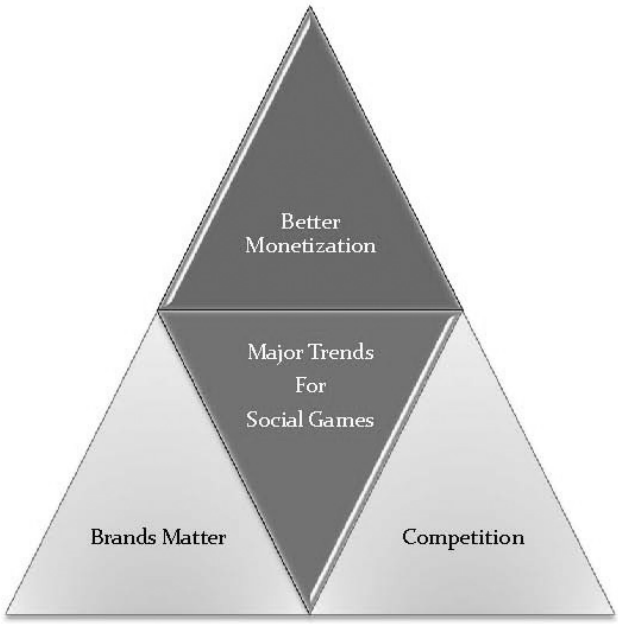
Major trends for Social Games

6waves

Major Trends



Major Trends

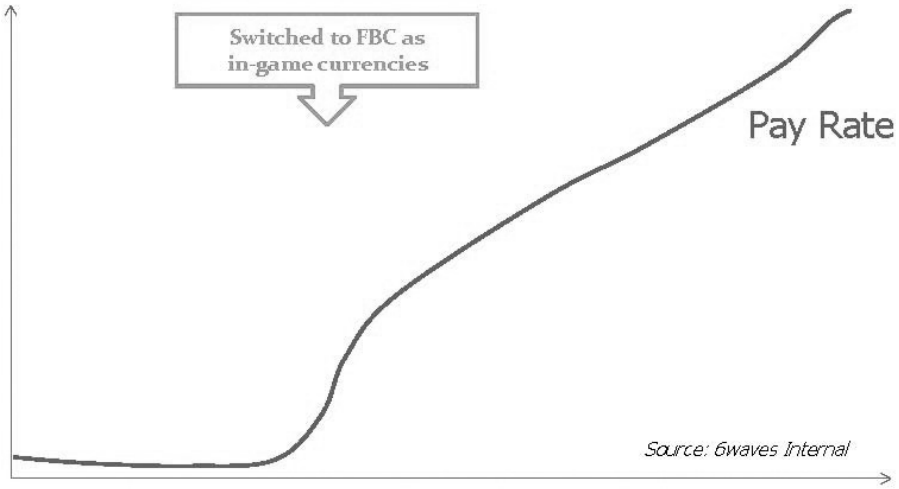


Better Monetization

- Facebook Credits
  - Trust
  - Frictionless payments
  - Increasing coverage and support with regional payment providers
- Improvement in game quality
  - Better game designs
  - Better reasons to pay

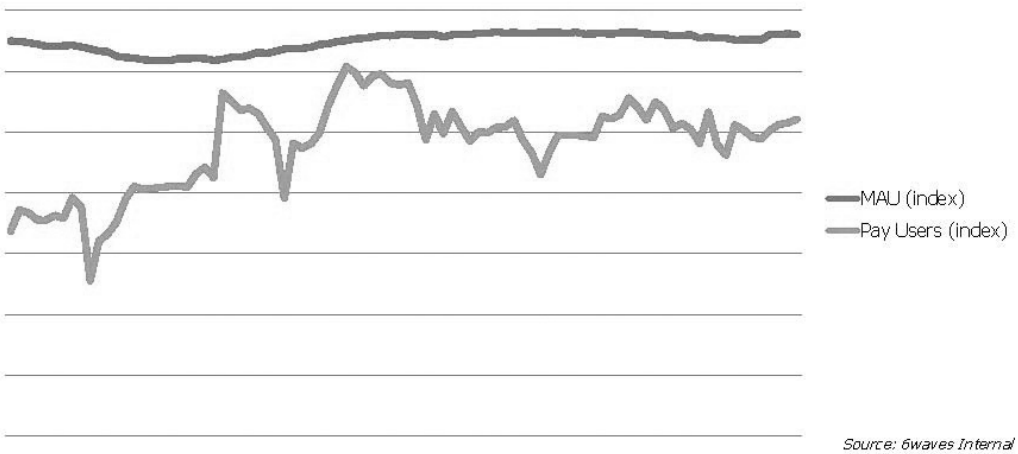
Facebook Credit adoption

- Significant increase in Pay Rate

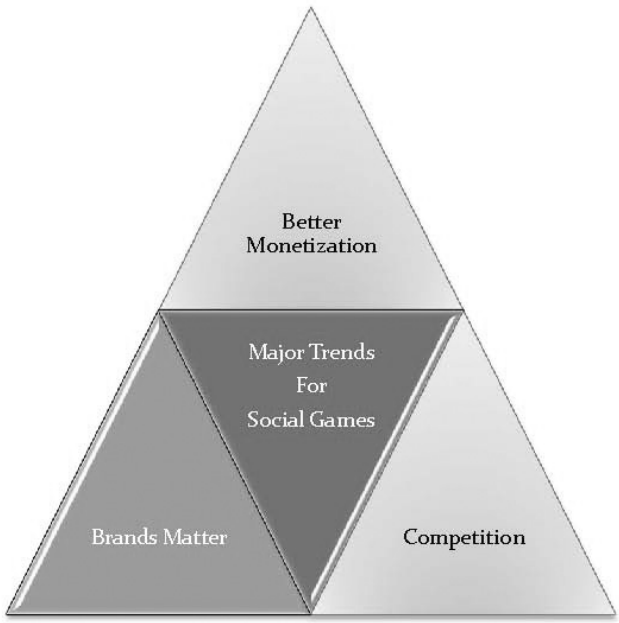


MAU vs. Paying Users

- MAU maintained at similar levels while paying users increased



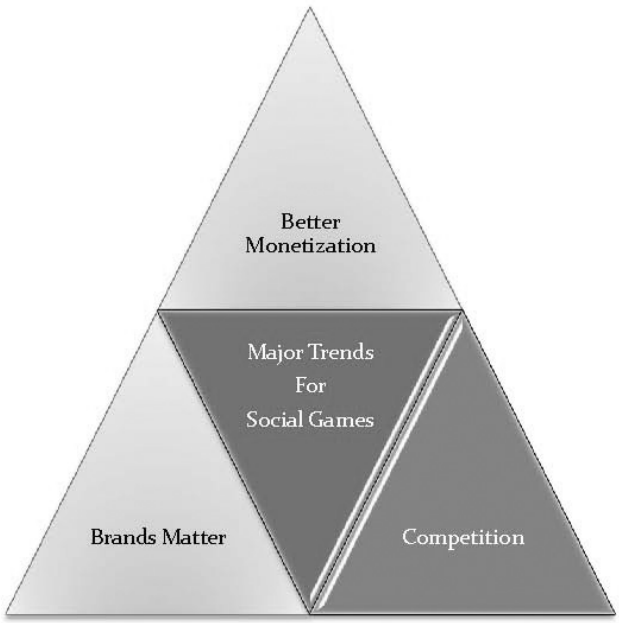
Major Trends



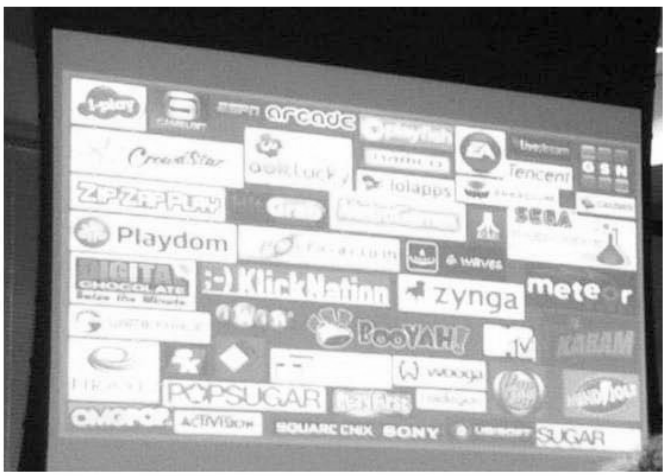
Brands Matter!

- Need to differentiate into a crowded gaming market
- Leverage existing fan base on Facebook
- Facilitate user's conversion and virality and CPI
- Improves pay rate and monetization

Major Trends



Global Competition



- Early social gaming companies becoming established
- Traditional gaming companies entering
- Startups continue to flush into the market

Self Publishing

Pros

- Retain all profits (or loss!)
- Grow the game at own pace

Cons

- Prohibitive cost of marketing and promotion
- Takes longer to ramp up
- Lack of viral channels
- Limited life cycle
- Dilutes developer focus and resources

Work with Publishers

Pros

- Achieve rapid boost for growth
- Relationship with platform
- Benefits of scale
- Significant, optimized marketing spend
- Each party focuses on strengths
- Value-added services

Cons

- Revenue share
- Resources to implement suggestions

Partner - Publisher Model

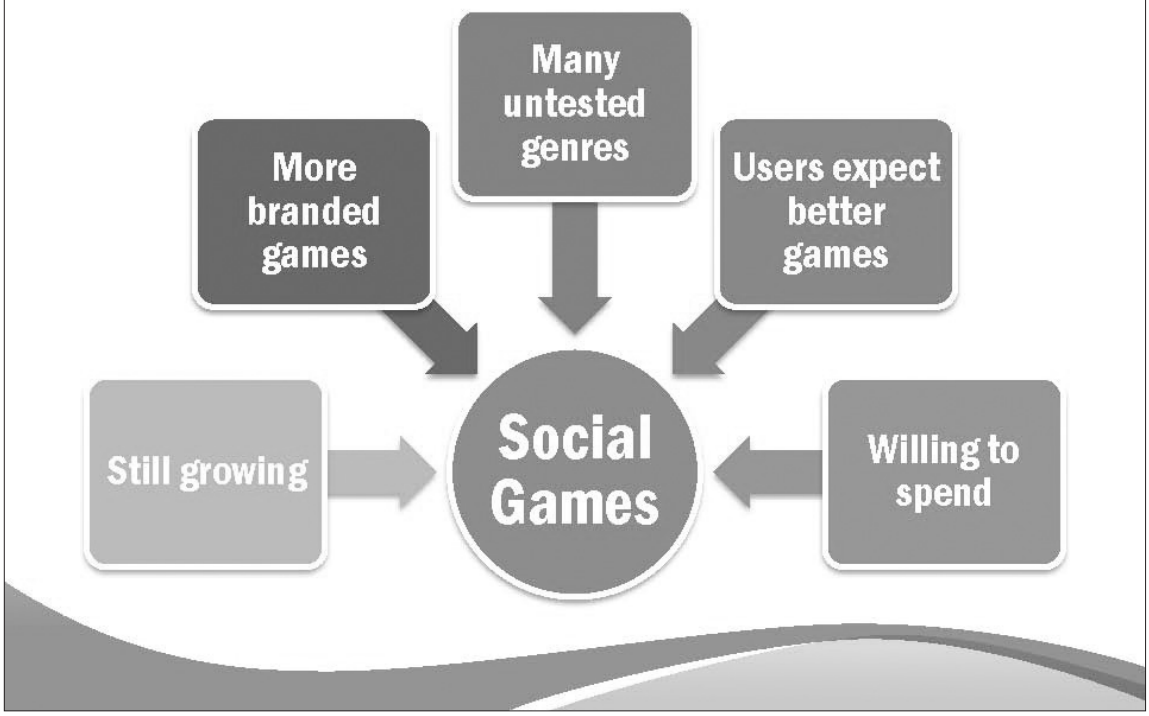
- Publishers provide services that bring social games to scale, while allowing developers to focus on building and maintaining great games

Proven Success Stories

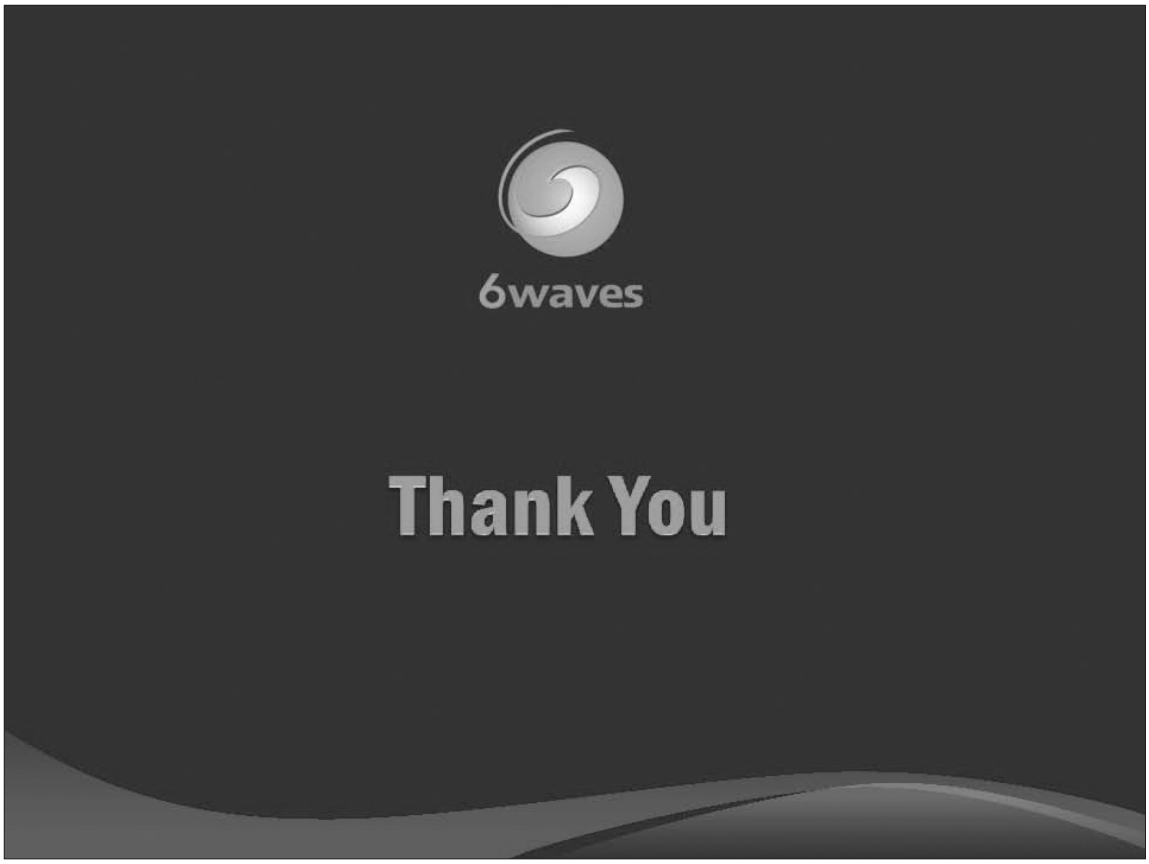
- 6waves has published numerous hits to over millions of users all over the world

Summary

Summary



6waves
Ready to Join the Party?
6waves
lolapps
THE 6L FUND
$10 MILLION SOCIAL AND MOBILE GAMING FUND
WANT TO GET FUNDED?
APPLY NOW
"We are seeing a new level of innovation in social and mobile gaming, and want to see this trend continue. We hope that the 6L Social and Mobile Fund will ensure that all of the great artists, designers, coders, and team leaders out there have a path to bring their visions to life."
Jim Ying, SVP Publishing, 6waves Lolapps
Initiative to support Independent developers
www.6waves.com/fund


6waves
Thank You