

Market Research

COMP240 Market Research

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April 3, 2017

1 Introduction

Firelock is a game being developed by R-LOC Studios. The game is a strategic turn based First Person Shooter (FPS) with a colorful art direction.

2 Target Market

The market for strategic turn-based multiplayer shooters is pretty small with only 2 popular games that have similar gameplay mechanics. These games are Valkryia Chronicles and Frozen Synapse [1, 2].

Both these games are fairly popular with Valkryia Chronicles having over 900,000[1] in sales and Frozen Synapse with just over 700,000 [2].

There is also a large market for turn based strategy games E.g. Xcom 2[3] which has almost 1.4M in sales and Sid Meier's Civilization V which has over 10M [4].

Similar Games Comparison		
Game	Total Sales	Price
Valkyria Chronicles	931,442	£14.99
Frozen Synapse	734,572	£18.99
Verdun	623,081	£18.99

Table 1: Similar games

3 Target Audience

The main Target Audience for this product is people who like games such as Valkyria Chronicles and Frozen Synapse, furthermore those who like to play games with friends. The demographic for the game would be males and females in the age range of about 12+.

Because the target audience is young and will generally not have a lot of disposable income, the game is priced at £7.99. This is almost half of what competing games are selling at (Valkyria Chronicles is £14.99 and Frozen Synapse is £18.99 [1, 2]).

One of the reasons why the game is priced so low is because we are a new company so we need to build a reputation before being able to charge more.

4 Finances and Commercial Viability

Equipment costs total up to £12,000 with the majority on computers and monitors for the team to use. There will also be licensing costs which will total £14,464 for the total time of development. Rent for a studio space will total up to £14,000. However the cost of salary for the team will total up to £240,000 which is the majority of the total costs.

Return on investment.

With the projected amount of total sales being around 800,000. Commission per unit is £2.39 for steam cut and VAT. Breakeven after 50,409 sales. After 100,00 the net profit is estimated to be around £277,711.

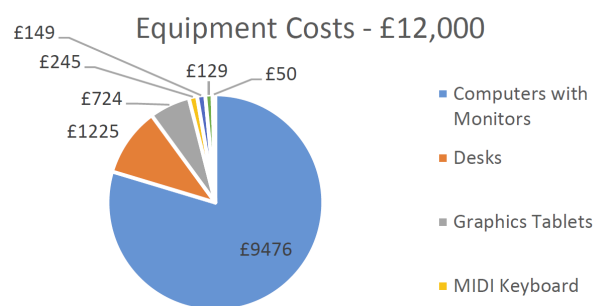


Figure 1: Equipment Costs

BREAKEVEN ANALYSIS

R-LOC Games Studio

AMOUNTS SHOWN IN GBP

SALES

SALES PRICE PER UNIT	£ 7.99
SALES VOLUME PER PERIOD (UNITS)	100,000
TOTAL SALES	£ 799,000.00

VARIABLE COSTS

COMMISSION PER UNIT	£ 2.39
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VARIABLE COSTS PER UNIT	£ 2.39
TOTAL VARIABLE COSTS	£ 239,000.00

UNIT CONTRIBUTION MARGIN	£ 5.60
GROSS MARGIN	£ 560,000.00

FIXED COSTS PER PERIOD

PROJECTED SALARY	£240,000.00
OFFICE RENT	£ 14,400.00
EQUIPMENT	£ 12,000.00
LICENSES	£ 14,464.00
OTHER FIXED COSTS	£ 1,425.00
TOTAL FIXED COSTS PER PERIOD	£ 282,289.00

NET PROFIT (LOSS)	£ 277,711.00
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RESULTS

BREAKEVEN POINT (UNITS):	50408.75
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SALES VOLUME ANALYSIS:

SALES VOLUME PER PERIOD (UNITS)	0	10,000	20,000	30,000	40,000	50,000	60,000	70,000	80,000	90,000	100,000
SALES PRICE PER UNIT	£ 7.99	£ 7.99	£ 7.99	£ 7.99	£ 7.99	£ 7.99	£ 7.99	£ 7.99	£ 7.99	£ 7.99	£ 7.99
FIXED COSTS PER PERIOD	£282,289.00	£282,289.00	£282,289.00	£282,289.00	£282,289.00	£282,289.00	£282,289.00	£282,289.00	£282,289.00	£282,289.00	£282,289.00
VARIABLE COSTS	£ -	£ 23,900.00	£ 47,800.00	£ 71,700.00	£ 95,600.00	£119,500.00	£143,400.00	£167,300.00	£191,200.00	£215,100.00	£239,000.00
TOTAL COSTS	£282,289.00	£306,189.00	£330,089.00	£353,989.00	£377,889.00	£401,789.00	£425,689.00	£449,589.00	£473,489.00	£497,389.00	£521,289.00
TOTAL SALES	£ -	£ 79,900.00	£159,800.00	£239,700.00	£319,600.00	£399,500.00	£479,400.00	£559,300.00	£639,200.00	£719,100.00	£799,000.00
NET PROFIT (LOSS)	-£282,289.00	-£226,289.00	-£170,289.00	-£114,289.00	-£ 58,289.00	-£ 2,289.00	£ 53,711.00	£109,711.00	£165,711.00	£221,711.00	£277,711.00

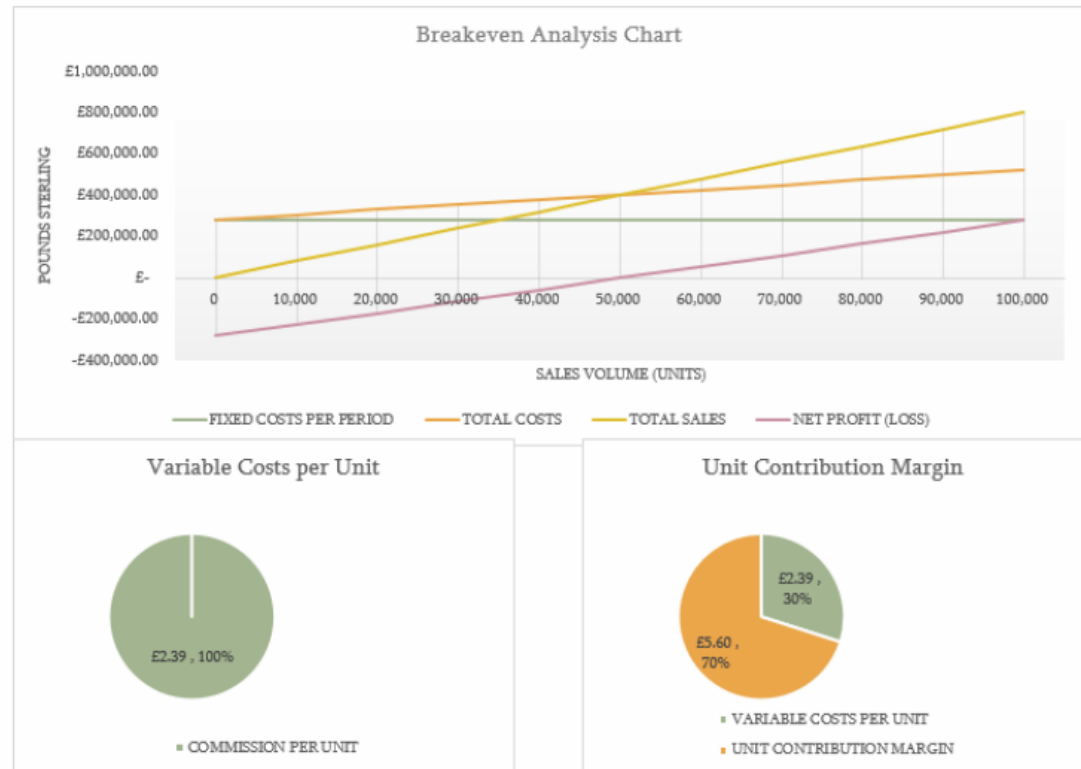


Figure 2: Break even Analysis

5 Potential success

6 Marketing

To help market the game R-LOC is planning to target Youtube and Twitch streamers and content creators to help gain interest in the game. (Citation) This is because streamers such as Yogscast have such a large audience they can significantly help the sales of a game [5, 6]. To help encourage streamers to review the game, R-LOC is intending to create 3D models of in game objects, these 3D printed objects can be shipped to a small selection of streamers which will help draw attention to the game [6].

Furthermore R-LOC will use the traditional marketing angle of using social media advertising i.e. keeping an active and continually updated web presence. This also includes establishing their brand on Facebook and Twitter with regular development updates, this will help involve the community with the development of the game and help keep them invested for a longer period of time.

7 Marketing Costs

The total marketing cost for an indie game is estimated to be roughly \$50,000 (£39,895.00) this covers branding, trailer website, social media, devblog and PR [7]. Branding will cost roughly \$7,000 (£5,585.30) [7]. Trailer will cost roughly \$4,000 (£3,191.60) [7]. Humble bundle store take 25% [8] and steam and GOG take roughly 30%.

8 Executive Summary

Firelock is a multiplayer turn based first person shooter-strategy hybrid game. Set in a “Mage-tech” fantasy world, drawing inspiration from pre-industrial revolution warfare such as the Napoleonic wars. The game features a colorful art direction with silly and lighthearted characters.

Based on the sales of similar titles, we estimate to sell around 100,000 copies. The company is asking for an initial investment of £282,289. The total net profit is £560,000 after 100,000 sales. The ROI is 98.38%. So after 50,408.75 sales the company will break even.

9 Conclusion

In conclusion Firelock aims to fill the gap in the market for turn-based FPS strategy games, and it aims to break-even after 50,408 sales.

References

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