

Business Plan

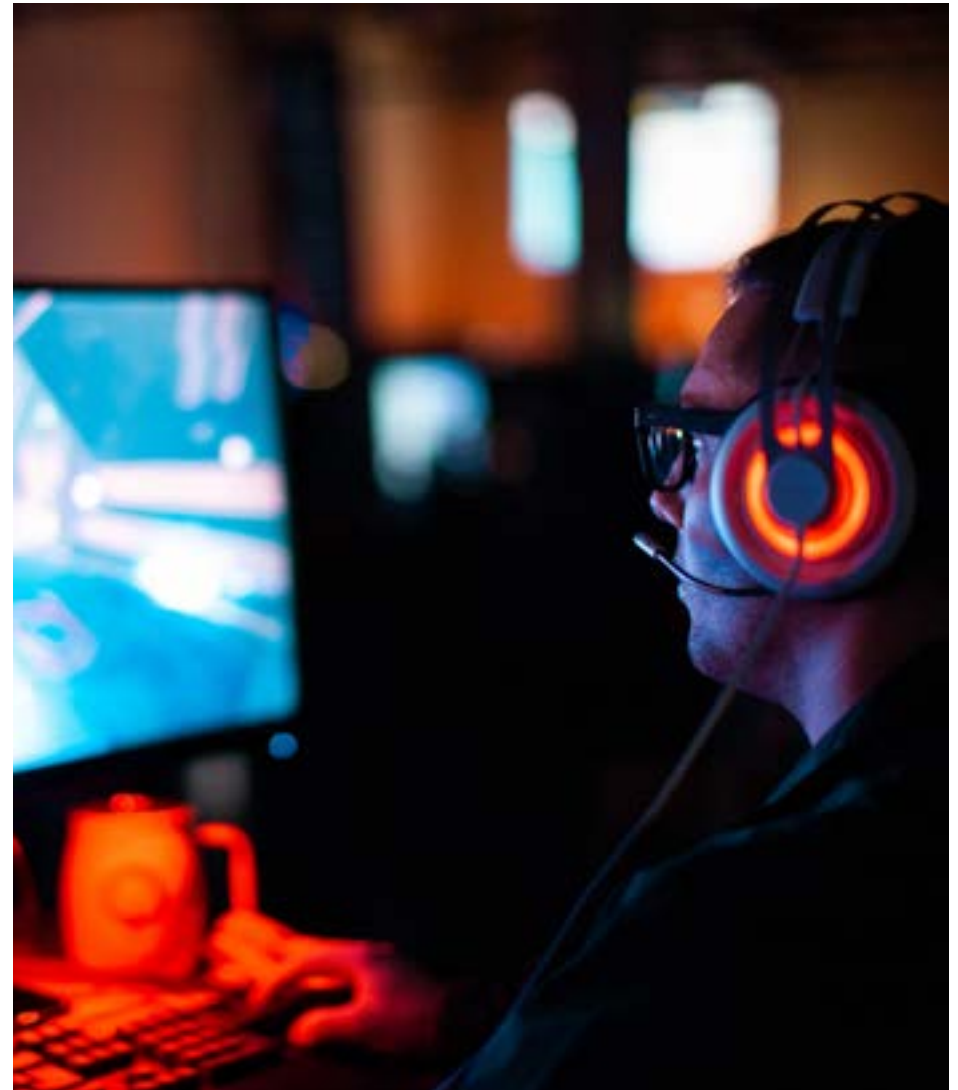
June 2021

Introduction

01

Introduction

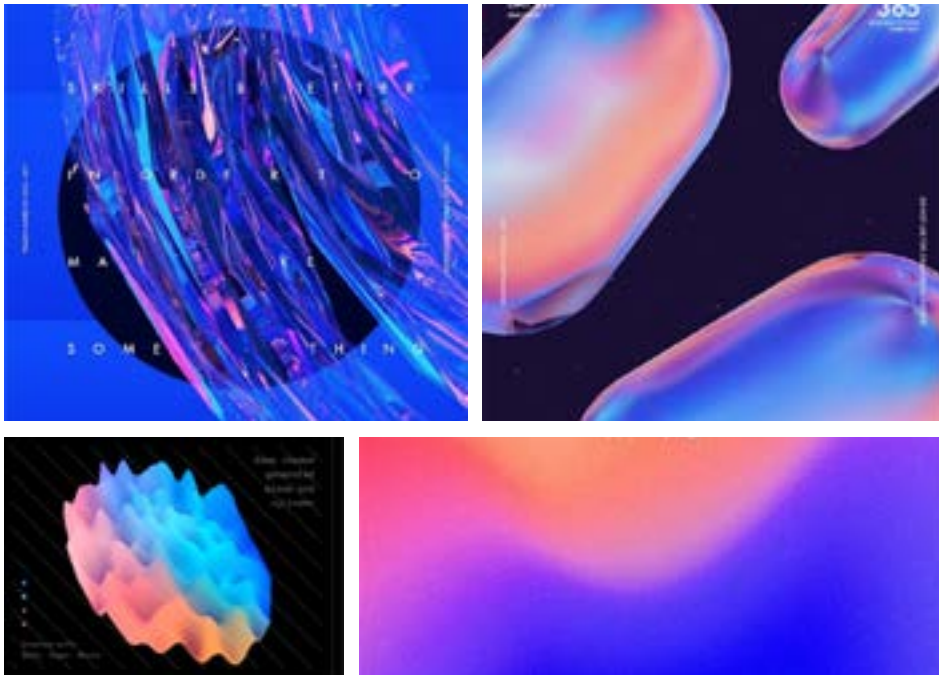
The elaboration of a Business Plan is an important element for a start up company, as it is necessary to develop an explanatory plan where the business, marketing and financial strategies will be specified. This will help not only the owner of the business but also possible investors, giving them valuable insight on how the company will operate in the current market. It also presents a financial perspective for the first years, which create a vision that communicates the whole business and heightens the chances of getting a successful outcome.



Company & Brand

Our brand was created in 2021 by a team of like minded designers and developers with the intent of creating a game, our most recent release, Metanoia, a survival-based, psychological-horror game with a peculiar plot-twist. With this game, and hopefully our future games, we hope to create, through our character-driven storytelling, content to which players may relate to and/or find a safe space in.

Our main goal as a gaming brand is for our games to be memorable and entertaining but most importantly, they are meant to leave a mark on the player, to grant them something meaningful, it being a feeling, a quote, a character or even a simple visual, that makes them come back to play time after time.



At Merakkie Studios, we pride ourselves in the relationships we create with our players through our user-centered company policy as we strive to keep a professional yet friendly connection amongst ourselves. This affinity is what drives us to create spaces online and offline where our users can not only find and meet people they can relate to while enjoying our games side by side with others alike, but also reach us in a more up close level so that we, as a brand, never lose our down to earth touch.

Our company mood is colorful, strong, energetic and fun. We aspire to give to everyone an amazing and joyful time while in contact with us in any mean. Our inspiration comes mainly from neon colors that are current in the gaming stations and have a strong impact in digital formats. Being futuristic is also part of our concept as we keep trying to think forward for the best of our costumers. The gradients that make connection between colors show what we strive to do: a connection between our games and the players and create our own gaming community web - we are the bridge to a better place.



Our Team

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Mission

Provide comfortable and joyful moments to our gamers, and rewarding experiences to everyone involved with us.

Values

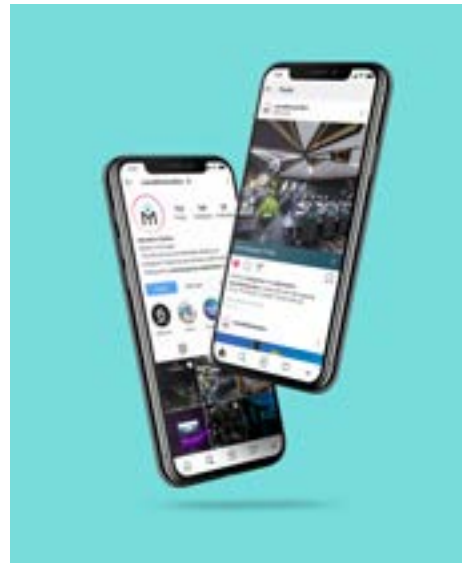
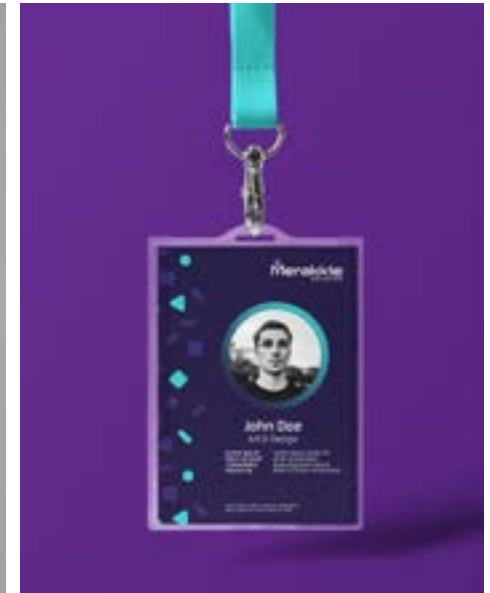
Team Spirit
Connectivity
Inclusion
Innovation
Respect

Vision

To produce memorable games, and be a place of freedom, creativity and community.

Tone of Voice

Our tone of voice embodies and expresses our personality and character through our professional respectful, but also enthusiastic and friendly approach. Through this, we establish a closeness with our audience whilst never losing credibility or seeming unprofessional.



Executive Summary 02

Executive Summary

In this business plan, it will be presented the company Merakkie Studios, along with its various products and services, in order to better understand its business and marketing strategies, and the financial growth of the company through the years. Merakkie Studios is a gaming-based company, with the mission to provide comfortable and joyful moments to our gamers, and rewarding experiences to everyone involved with us. Due to the growing industry that is the video-game market, the company will use different distribution channels, online and physical, to distribute, advertise and sell the game Metanoia. The product life cycle was researched and thoroughly analyzed so that the game would reach its growth and maturity, and have the proper marketing and advertising strategies, adequate to the game's lifetime. The Merakkie PC Bang will be an important part of the business strategy and financial plan for the company, as it will be another source of income, as well as another marketing channel to advertise the products and the game. In this plan we will also make a financial projection of the future of the company, accounting for all the profits made from the game, merchandise and cafe, as well as the fixed costs necessary to keep the company running, such as salaries, rent cost and insurance, and future expenses related to advertising, marketing, sales, contracts, equipment and external services.

Products & Services

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Game

Metanoia is a 3D, first-person, single player, survival based psychological horror game for Windows and MacOs in which the player follows the main character on a quest to find his long disappeared mother. The user will play through the main character, The Child, as they travel along the plot of a bedtime story told by his father, in which he describes the reason as to why his mother is gone: to fulfil her duty of becoming a princess and rule a kingdom from within a castle hidden deep within a forest, all while describing her journey and the people she met along the way. This story is what leads the player through the game plot and guides them along the Medium Poly styled world as they find out the plot-twist and hidden truth of the current reality they inhabit.

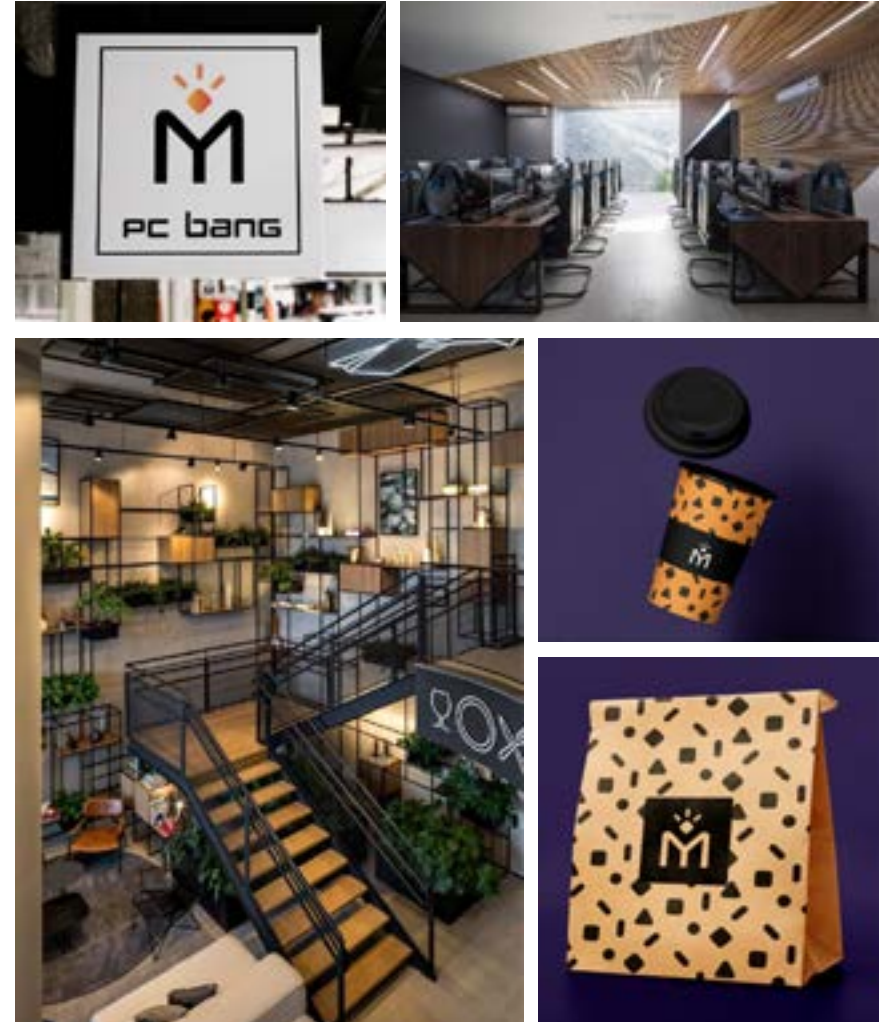
The game is based on walking and grabbing mechanics, however, it encompasses an engaging heartbeat mechanic, around which the game revolves, that works as a regulator of the enemy's field of vision, the player's velocity and which dictates the appearance of the game's surroundings.



Café

We decided to approach the Korean tradition of PC Bangs, as something to broaden our company. PC Bangs are Internet cafés that provide gaming computers at a low hourly fee. They are known to be a profitable investment, not only because gaming is notorious for being a lucrative industry, but also due to people having a higher consumption of goods in them, in comparison to other cafés, as they stay inside the space for longer to use the devices. With that said, they are unexplored in Portugal, making us pioneers in the area. That allows for a bigger interest, as novelty is a powerful tool when capturing attention. By adding it, as a sub-brand of our studio, it will allow the corporation to expand while increasing the interest in our games and the place itself, since we can offer previews, exclusive merch, and pre-orders on it. The logo and icon for the PC Bang are similar to the ones of the main brand, changing only the colour and the tagline.

The cafe shall have exclusive events for game releases, which will have limited release merchandise, such as t-shirts and key chains, and dishes. The aesthetics of the cafe should also change, including the cups, bags and takeaway containers, so it feels like we are living the game. Taking “Metanoia”, Merakkie Studios’ first game, as an example, that change would entail black utensils with sketch-like details, mask and castle-based food and merch with an exclusive pattern created with the game’s logo in mind.



Market Analysis

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Market Analysis

What is its Purpose?

For this business plan, a market analysis was conducted in order to better understand certain factors which could affect our business such as who our customers are, what their buying habits are like, how much they would be willing to pay for our products, to understand how large the market we are inserted into is, who are our main competitors and what are their strengths and weaknesses. Analysis this data will allow us to profit by reducing business risks by allowing us to understand market trends, the giants of the industry and, by following their steps, understand what it takes to be successful.

Market analysis also help us better position ourselves and understand what our customers want and need and thus, allowing us to tailor our business to its consumers. But these aren't the only benefits of conducting regular market analysis, it can also be useful for other structures of a good business plan in areas such as SWOT analysis, Revenue Projections, Evaluation Benchmarks and Marketing Optimization whilst allowing us as a business to assess past mistakes and industry anomalies.

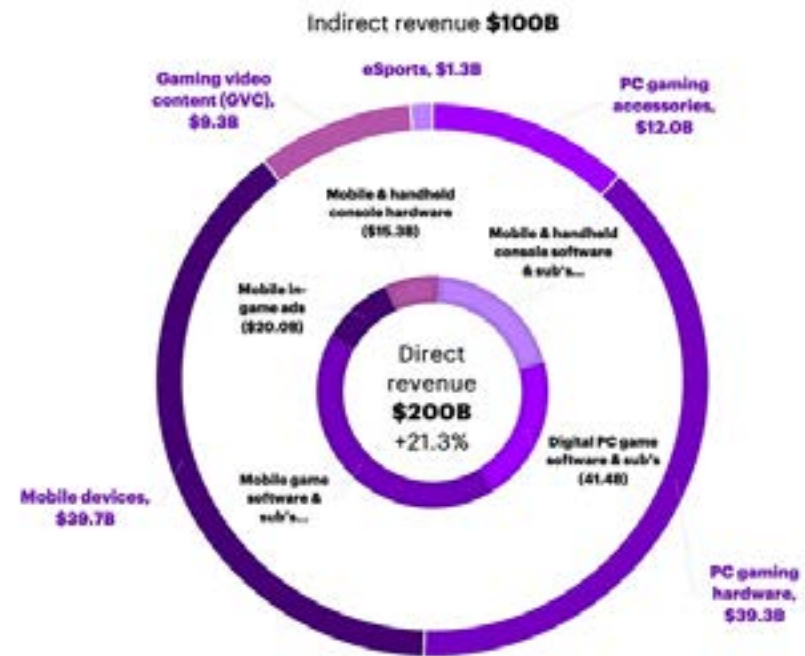
Market Analysis

What is the Current Industry State?

The Gaming Market is one of the most profitable and currently active markets in the world surpassing 300 billion dollars in 2021 and thus, over profiting the movie and music market profit combined. This boost was directly correlated with the ongoing Covid-19 Pandemic as more people stayed inside and used games as a stress-relief mechanism and entertainment source.

With 2.7 billion users globally, it is expected that this number will only increase along with the evolution of technology, however, the gaming market is not only expanding in user numbers but in variety as well as newcomers are more diverse than ever, 60% are women, 30% are under 25 years old and 1/3 identify as non-white. This directly contradicts the longtime market users which used to be 61% male, 79% over 25 and 76% identifying as white.

This means that newcomers, such as our business is that we must adapt to a new era as many components of a gaming business such as marketing must now change and adapt to the new audiences which populate this industry and consume its products. Despite being extremely profitable this market is also extremely competitive and quite saturated, as such, it's a hard market to get into and might take time and sometimes luck, in order to get noticed, it is also an industry which profits from the small attention span of its users and so, businesses must be very meticulous and precautionous with their steps in order to keep up with the high demand of new products. This also means that as easy as it may be to get a viral spurt and gain a lot of attention quickly, it is equally as easy to fade away and lose large followings quickly when the eminent loss of relevance hits.



Target Costumer

Based upon our previously developed Persona Archetypes and user questionnaires, our target consumers would be 16 to 34 years old users who fit under all genders (although males seemed to have a more prominent presence) who are interested in games (mostly horror games), mainly located in Portugal (for the purpose of our café) but also around Europe for the game at its younger state in the market with a projection for world wide audiences in its older market phases. However, our customers are not only gamers as there are other components to Merakkie other than the studios. So, there is a defining segmentation of users as some are interested in the whole company and others care more for the cafe. In the elaboration of this analysis we, as a business, were forced to further investigate what we should produce as a company in order to gain the most profit from our audiences. This led us to understand that, for example, some of our merchandize would not be as profitable as we though it could be as these sorts of products should be meticulously tailored to our consumers, and so, we investigated further what this type of consumer would be more inclined to purchase and exchanged for example, the production of T-shirts instead of Tote bags (based on conducted interviews) as they would be marginally more profitable.



What is the Industry's Overlook?

– Size and growth rate

Defined by GlobalXetlfs: “The gaming industry revenue totaled \$175 billion in 2020, a 20% increase from 2019. Growth can be looked at from two main angles: by device or by geography. In 2020, mobile spending on video games continued to outpace spending on consoles and PCs, increasing 26% from 2019 to \$86 billion.”

– Customer buying trends

1. Growing adoption of digital distribution
2. Evolving business models
3. The rise of gaming as a social forum
4. Popularity of content creators and live streaming
5. Data and customer insights
6. Cloud delivery is the next big disruptor

– How much customers are willing to pay for your product or service

In line with the Market Analysis, we estimated the customers would be willing to pay around 15,99€ for our game by analyzing similarly situated gaming companies.

Competitive Analysis

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Competitive Analysis of Metanoia

The Evil Within 2

Story – “Sebastian Castellanos has lost everything, including his daughter, Lily. To save her, he’s forced to partner with Mobius, the shadowy group responsible for the destruction of his former life. For his last chance at redemption, the only way out is in” (Bethesda, 2021)

Strengths	Opportunities
<ul style="list-style-type: none"> o Good AI (Enemies behave randomly) o Quality lighting and shadowing o Dynamic / Mutable surrounding o Innovative radio mechanic o Outside stimuli-triggered enemies 	<ul style="list-style-type: none"> o Shooter game (Popular game genre) o Published by a company with a big fan following (Bethesda) o Traditional game opponents
Weaknesses	Threats
<ul style="list-style-type: none"> o Overly fast enemy reactions (too fast for the player) o Low risk / High reward (Lack of challenge) o Counter intuitive UI 	<ul style="list-style-type: none"> o Competitive gaming market category o Non-innovative game style



Competitive Analysis of Metanoia

Little Nightmares

Story – “[...] a dark whimsical tale that will confront you with your childhood fears as you help Six & The Kid escape The Maw – a vast, mysterious vessel inhabited by corrupted souls looking for their next meal!” (Nintendo, 2021b)

Strengths	Opportunities
<ul style="list-style-type: none"> o Remarkable Game Design (quality, graphics, lighting, shadowing and scenery) o Great sound design o Exceptional character modelling and movement o Good AI o High Risk/High Reward o Camera movement/placement 	<ul style="list-style-type: none"> o Original, relatable, likable character o Unique art style o Plot driven story o Various endings based on player's journey o Lack of UI that provides a cinematic feel
Weaknesses	Threats
<ul style="list-style-type: none"> o Unnecessarily short animation o The lack of alert stimuli o Unproportional and regular punishments o Repetitive and short gameplay o Glitches 	<ul style="list-style-type: none"> o Indie produced (results on a smaller budget and shorter and slower productions)



Competitive Analysis of Metanoia

Senua's Saga: Hellblade

Story – “Set in the Viking age, a broken Celtic warrior embarks on a haunting vision quest into Viking Hell to fight for the soul of her dead lover.”
[Nintendo, 2021a]

Strengths	Opportunities
<ul style="list-style-type: none"> o Visual and auditory hallucination mechanics o Dynamic gameplay (minigames and others) 	<ul style="list-style-type: none"> o Sensitive and insightful portray of mental illness o Female main character o Multiple genre game
Weaknesses	Threats
<ul style="list-style-type: none"> o Low risk / Low reward o Repetitive exploration gameplay o Low action and low consequence 	<ul style="list-style-type: none"> o Indie developers o Portrayal of mental illness (susceptible to preconception / bias)



Competitive Analysis of Metanoia

By studying some of our direct competitors, we learned that we should use High risk / High reward game dynamics, Purposeful UI, Immersive game design (sound and visual) to solidify the game's atmosphere, Original/Memorable and relatable characters, Diverse gameplay through multiple gaming components (minigames, puzzles), to avoid our game from causing low motivation to complete accomplishments, having non-intuitive/unnecessary UI that could cause user confusion and lack of understanding, a loss of connection between user and game, detachment of the player from the character and depersonalization, repetitive and dull gameplay, and breaking the player's immersion.

Moreover, Merakkie studied as consequence of the research that we also had to use Smart/Accurate AI, Fluctuating/Dynamic environment, Schizophrenia centred gameplay mechanic, Creative audio mechanics, Stimuli triggered characters, to add another versatile element to the game and contribute to lore development/exposure, Lore growth and increase its complexity, and add a respectful value towards the portrayed illness, Increase stimuli and player immersion, heightened tension and fear building.



Competitive Analysis of Merakkie

Currently, the most successful gaming companies in the world today are Sony Computer Entertainment, Nintendo, Mojang, EA, Activision Blizzard, Rockstar Games, and Epic Games. Our competitor analysis will go over Sony, Nintendo, and Epic Games, due to their overall acquired notoriety on the game market. Sony, like the intended view for Merakkie, is a company that works in many other areas. However, their gaming branch made \$20.8 billion in 2018. That fame is mainly due to their direct connection to the PlayStation console, which the company themselves manufactures, providing chances to exchange exclusivity between the two platforms and increasing potential income on both. Some of their most famous games are Uncharted, Last of Us, Marvel's Spider-Man, LittleBigPlanet, Ratchet & Clank, God of War, Spyro, and Crash Bandicoot.

Second, Nintendo, like Sony, approached many markets before settling with gaming as its strategy. Although it's not the most profitable company, its legacy and popularity are out of the norm. Mario is the most well-known character on the planet. And, they still made \$5.59 billion, even though their games are exclusive to their own-made platform. Their most famous games are Super Mario Bros., The Legend of Zelda, Metroid Prime, Animal Crossing, Pikmin, and Super Smash Bros.

Lastly, Epic Games is a new addition to the market, yet, it's already a heavy hitter in profit while also being the creator of one of the most used launcher/stores after Steam, which is one of the layers that add to the companies success. They are also the developers behind Fortnite, one of the most famous games in 2017 and 2018.

In conclusion, together with the SWOT analysis of the company, we as Merakkie were able to learn that most companies approached third-person perspective and adventure games, making Metanoia an interesting proposal for our first release, as it's a first-person horror game, giving a more unique element amidst the tendencies presented by the others presented. We also grounded that investing in other markets and even creating a shop ourselves could attract more customers to consume our products despite them entering the app for another game, and those could also work as different forms of income. A Merakkie console as the brand grows bigger could also work to provide exclusivity which, as said before, implies more purchases for the console and games. We also grounded that investing in other markets and even creating a shop ourselves could attract more customers to consume our products despite them entering the app for another game, and those could also work as different forms of income. A Merakkie console as the brand grows bigger could also work to provide exclusivity which, as said before, implies more purchases for the console and games.

Bethesda™

NINJA THEORY



Entertainment

Dynamic SWOT Analysis

06

Dynamic Swot Analysis

A SWOT Analysis is a way to analyse the strengths and weaknesses (internal factors, dependent on the way the analysed behaves) and opportunities and threats (external factors, depending on things outside of the analysed structure) of anything desired. In this case, we approach the Merakkie structure, Cafe, and Studio alike. This is extremely important when companies are starting as it provides an insight on what to improve to turn such a small enterprise into a powerhouse.

Internal Factors	External Factors
Strengths	Opportunities
<ul style="list-style-type: none"> o Many sources of income (Cafe, Studios, Merchandise and future branches); o Approachable Company Presence, users might feel like they are a part of the company, active role; o Affordable Prices, comparable to competitors, applying to every branch of the brand; o Creativity, Merakkie always seeks to be innovative, and, by hiring/working with new people to the market, new ideas will come instinctively; o Indie Status, on this area, it works as a strength since some users will personally chose to support indie companies as they struggle more to get attention and promote their products; o Customer Support, Merakkie wil always seek to keep the customer first, so, if any problems arise, our support shall be efficient; o Marketing Strategies, we, as a company, created a lot of promotional media as a manner of approaching our users. ARG's and conventions are frequent spots of that potential audience, accomplishing on attracting those intended. 	<ul style="list-style-type: none"> o New branches, the generalistic style of our brand and philosophy, allows us to create more sub-brands to Merakkie. Some examples might be an animation or comic book studio; o Product Diversity, as the brand can also increase in branches, it can also increase its product range. Same example here, Animation and Comic Book as media/consumable; o Lower Transportation Rates can help lessen the distribution costs, and, are an opportunity to increase the amount of products getting shipped; o Positive Economic Changes can cause users to spend/invest more, while also opening space for more investment inside the company; o Reaching/Helping Different Markets, even though, on the core, Metakkie is a gaming company, the research and data gathered could be used for the development of software, health gadgets and others; o Updates in Consumer Behaviour, the behaviour of consumers can change often and that can result in them changing their way of purchasing and seeing products, which opens an opportunity for us to fit such desires, thawt bigger companies might not want to pursue; o Opening our own launcher, it has become quite popular for game companies to create their own launchers and shops instead of using a 3rd party like Steam 100% of the time. It also provides a more direct source of income with other's taxes; o Opening Franchises, as the Cafe grows bigger and becomes more popular, we could approach the idea of making other installations, as a matter of creating more profit/sources of income.

Dynamic Swot Analysis

Internal Factors	External Factors
Weaknesses	Threats
<ul style="list-style-type: none"> o Difficulty on getting recognized, as the Merakkie is new to the market and people lack any connection to it; o Struggles with distribution, due to the lack of awareness and trust from companies responsible; o The two previous weaknesses cause another one, money. Money can be a problem to achieve due to the lack of popularity, while also being an issue in production, as the company doesn't have a lot for better/bigger investments. o Indie Status, on this section, it participates as it usually results in low budgets, small team [which consequensently develops less]; o Suppliers, as a starting company, we don't have any trustworthy suppliers for the time being. or, that give us an special/more sutting price; 	<ul style="list-style-type: none"> o Competitors/Competition, this is a threat that will be present even when the company grows bigger, as there will always be other brands aiming for the best, and sometimes, even similar products. However, at this initial stage, this would be the biggest threat; o User Boredom/Inconsistency, unfortunately, this a threat that all products face. Our current personas might get tired or disinterested on our games, or, on the company itself; o Economical shifts/setbacks, scenarios like an economical crisis, can cause the way people spend money to change, even more, when it comes to entrainment, and, outside food, as they are some of the first expenses to be cut; o Lawsuits, lots of gaming companies struggle with frequent law problems, either because of copyright or regulations; o Differentiation of Laws, different countries have distinct laws, those can cause our games to not be sold or censured on some of them; o Environmental regularities, some of our products might have issues fulfilling them, or, not be able to, and, that can cause problems with some of the users and legislations; o Currency Fluctuations, as Merakkie has a global status, it will have to deal with a diversity of currencies, that can entail a loss of value if the economy of certain country or region fluctuates; o Rising Pay Levels, frequent change in wages can cause the company to lose employees or not be able to pay staff.

Business Model Canvas 07

Business Model Canvas

Key Partners

- o Influencers (Pewdiepie, T1, Corpse Husband, Etc.)
- o Investors
- o Streamers (Twitch)
- o Gaming Teams
- o Physical and Virtual Stores
- o Game engines (Unity, Unreal...)
- o Design Apps (Adobe, C4D, Blender, ...)
- o Lobbyists
- o Insurance
- o Computer Companies
- o Computer Repair Companies
- o Gaming Stores (chairs, headphones, keyboards...)
- o Gaming Events (ComicCon, etc.)
- o Gaming communities (Steam Community, Reddit (subreddits), Youtube, Twitter, Artstation, ...)
- o Gaming Apps (Discord, Amino)
- o Coffee chain suppliers
- o Game Endorsing Food Companies

Key Activities

- o Engage with the users (keep a good relationship with them)
- o Data analysis and improvement
- o Offer incentives/discounts to our customers
- o Continuous development of games and services
- o Extended user engagement, through events and others
- o Trouble Shooting
- o Customer acquisition
- o Run and maintain a Cafe

Key Resources

- o Brand
- o Intellectual Property
- o Cafe
- o App and the website
- o Advertising & Marketing
- o Data and analytics
- o Venture capital
- o Human Resources (skilled staff, employees, designers, developers)
- o Physical assets (computers and equipment, servers, Internet connection)

Key Propositions

Gamers:

- o Promote entertainment and joy
- o Consumer experience
- o User-centered design
- o Immersive gaming experience
- o Continuous player engagement, due to occasional events
- o Access to promotional offers and exclusive content

Cafe Users/Costumers:

- o Affordable gaming fee
- o Comfort
- o Convenience
- o Socialization with people alike
- o Use gaming equipment
- o Access to exclusive brand products and events
- o Game release premiers
- o Early access to unreleased games
- o Food Service while gaming
- o Beta Testing
- o Freemium Model

Customer Relationships

- o Users are a part of product development (user-centered design and beta testing)
★subscription★ based, limited to previously analyzed people
- o Social Media
- o Competent Support
- o Conventions/Events
- o Online network and interactions (forums, blogs, updates, newsletters)
- o Masterclasses (held at the cafe)
- o Efficient purchase of products
- o Offline communication (Producers interacting with Cafe users)

Channels

- o Cafe
- o Website and App, Digital Advertising
- o Social Media (Posts, Videos, Updates and Comments)
- o Organic personal communication (Referral, Updates, Meet-ups/Events/Conventions)
- o Promotions (Direct Marketing: Newsletters, Subscriptions, Discounts)
- o Forums/Discord Servers
- o Interactions through Sellers (Steam)

Customer Segments

Gamers:

- o 16–34 years old (other ages can be a part, although, they are not the main target)
- o Users of all genders (54% male and 46% female)
- o People who want new and intense experiences
- o Those who are interested in character driven storytelling

Cafe Users/Costumers:

- o 16–34 years old (other ages can be a part, although, they are not the main target)
- o Users of all genders
- o People who don't have a gaming setup, but, wish to play
- o Those who wish a safe/comfortable space for playing, or using the internet
- o Customers that crave the sense of community, or, desire to meet a group with similar interests
- o People who want a coffee
- o People wanting to learn new things

Cost Structure

- o Research and development (R&D)
- o Rent and Utilities
- o Technical Maintenance
- o Building Maintenance
- o Building Cleaning
- o Building Supplies
- o General building furniture and equipment
- o Employee Payroll
- o Physical Security
- o Technical Security
- o Insurance
- o Hardware
- o Software
- o Food and Beverage Product Suppliers
- o Café Equipment
- o General courses
- o Legal team (layer, accountant)
- o Marketing & Advertisement

Revenue Streams

- o Cafe (Usage fee, Gaming zone, Food court, Freemium model, etc.)
- o Merchandise
- o Masterclasses
- o Games
- o Licensing
- o Investors

Marketing Mix & Strategic Plan 08

Product

Metanoia Summary

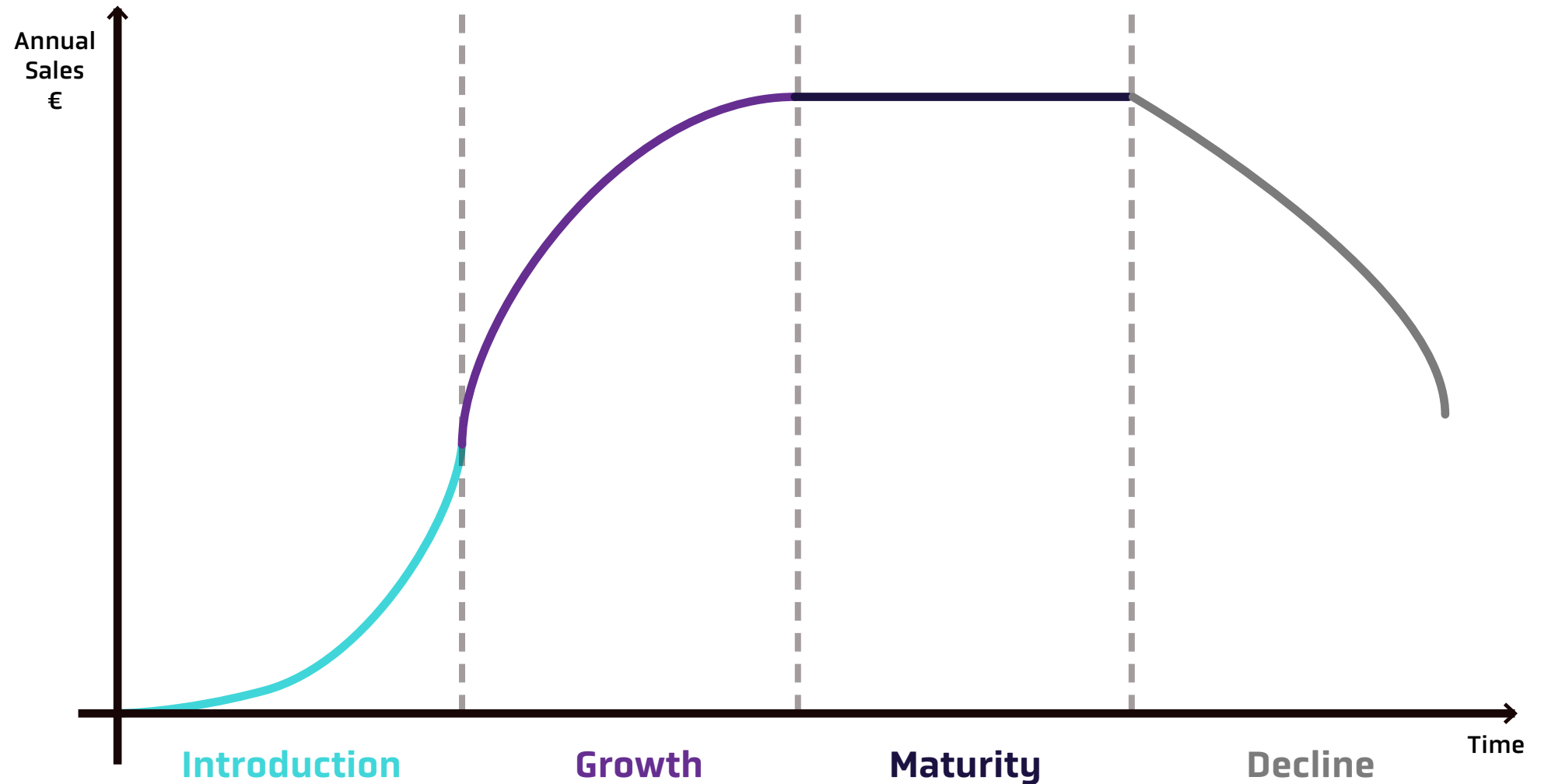
Metanoia is a first-person psychological horror game for Windows and macOS. The story of the game is based on a child going to an asylum to find his mother. The mother was sent to an asylum after being diagnosed with Schizophrenia. With the intent of making the situation less intense, the father decided to tell the child that their mother was a princess and had to return to her castle, telling new stories about her every night. As mentioned before, one day, the kid decides they should seek their mother and reunite with her. The castle-like hospital together with the kid's innocence/growing hallucinations convinces the main character of the father's story and a false sense of safety.

However, that safety is false as the castle hides many dangers, the mysterious imaginary friends who demand objects in riddles and an ever-following shadow, resulting in the character having to find out ways and count the people of the castle to save himself. At the end of this menacing journey (the end of the final Metanoia version), the player should question their true reality and face many moral questions, feeling as if they are hopeless and no choice is the right choice.



Product

Product Life Cycle



Price

Competitors' Prices



Little Nightmares

19.99€
[on Steam]



The Evil Within 2

29.99€
[on Steam]



Senua's Saga: Hellblade

29.99€
[on Steam]

Price

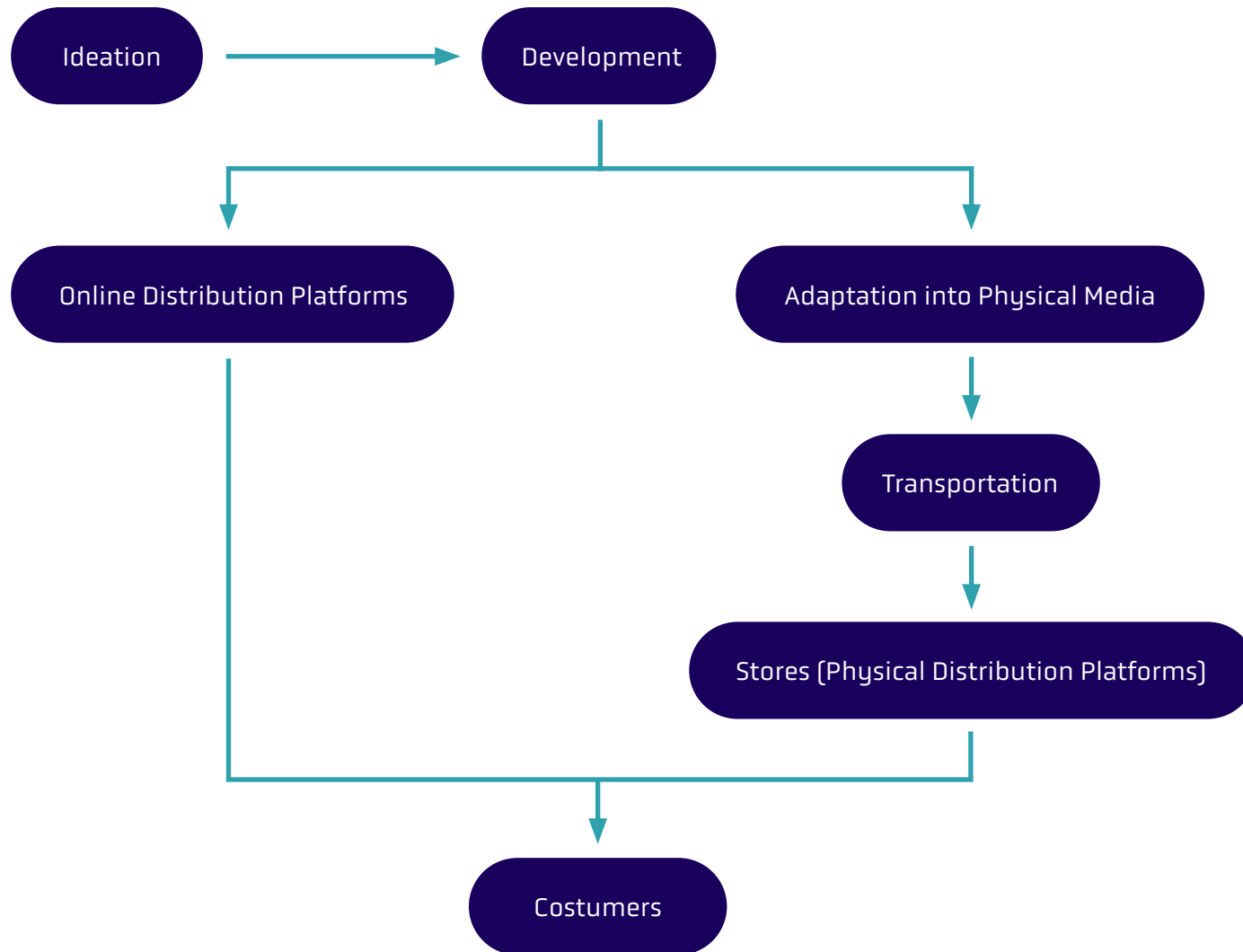
Metanoia's Price

After analyzing our competitors, the market, and psychology, we have decided to make the initial price of Metanoia be **15,99€** (13.99€ and \$18.99). This would cover the necessary expenses (development, support, and maintenance) while making some extra profit that could be used to provide a strong foundation when the game's popularity starts to decline.

To establish it, we did an average of our competitors and divided it by half as ours is supposed to be smaller, and we recognize that it's a lower budget-based asset. Moreover, like Funguy Network, we decided to opt to keep the first part of the prices low as they are the first to be read (except dollar as euro and pounds are more important to our brand, the dollar was done just based on the current exchange rates) and keep the end of our prices "99" since when compared to full numbers, both of this techniques give a false impression that the price is lower than it actually is.



Place



Place

Online Platforms

Steam is one of the most well-known gaming platforms in the world. Created it with the intent to sell Valve games (company responsible for Steam, game developers) but, as it later grew exterior parties were involved. Now, they are known to be responsible for 75% of online gaming purchases in the world. As for selling Merakkie products on Steam, before reaching 10 million dollars in sales, they demand a 30% cut and after 25%.

Epic Games Store is a new platform to the industry, but that has grown more and more in popularity due to their agreements with game developers that end with them providing a plethora of free games every month. Unlike Steam, this store would allow Merakkie to keep 88% of the income (12% cut).

Due to their presence, Microsoft has decided that Windows 11 shall have Steam and Epic Games Store as a native part of the Microsoft Store, that change would also be beneficial to developers, as they intend to change their current fee from 30% to 12% (like the current Epic Games Store fee). Also, being inside the native store would allow Merakkie to reach more customers while making access to our games easier for those not used to the other platforms.

Physical Platforms

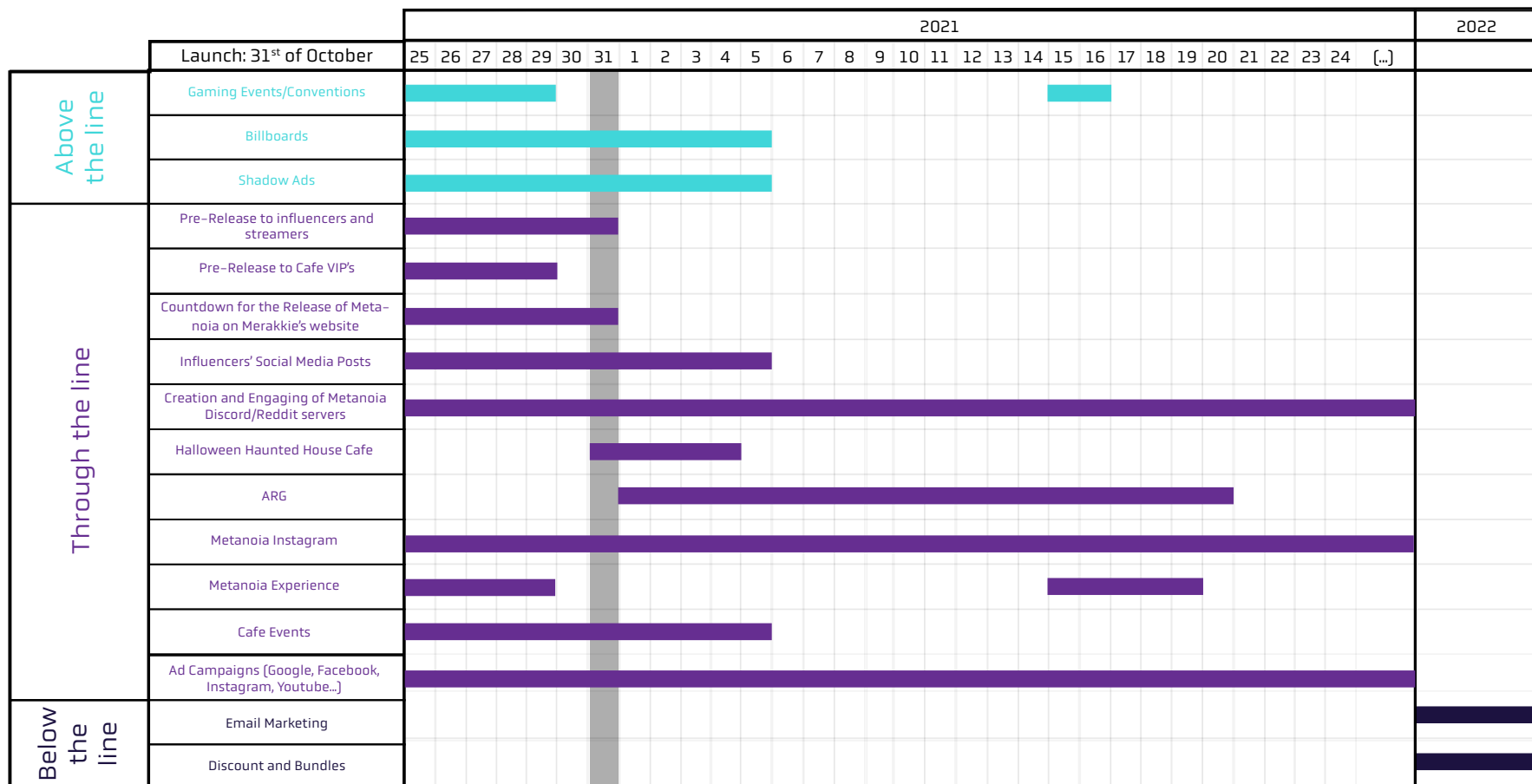
There are a lot of Physical Platforms, so the best is to generalize them and give examples. The first example would be game-focused stores, like GameStop, which are stores that only sell games and game-related products (merch, cards, and others). Moreover, the other example would be general shops, such as Fnac, which sell a bit of everything, including games.

However, this option of distribution involves more costs than the online one but helps reach those who like physical copies or don't feel comfortable with the other option. This is a consequence of the need for transportation and the much higher fee demanded by those retailers (28%).

Promotion/Strategic Plan

Metanoia Marketing Strategy

This table showcases how we thought it would be best to organize Metanoia's marketing strategies. We separated it into three phases as it helps to explain their behaviors when putting them together with the product's life cycle. Moreover, Merakkie decided to launch the game on the 31 st of October due to the Halloween correlation and the increase of horror game purchases during that period.



Product Life Cycle X Marketing Strategies

Life Cycle Phase	Description	Strategy	Campaigns
Introduction	<ul style="list-style-type: none"> o Aggressive Marketing Approach o Profit is negative (Costs are higher than profit) o Metanoia is entering the market, must/needs to make a statement o Smart Pricing o Costs start to get covered during this period 	<ul style="list-style-type: none"> o Above the line o Through the line 	<ul style="list-style-type: none"> o Partnership with influencers and streamers o Pre-Release to Cafe VIP's o Countdown for the Release of Metanoia on Merakkie's website o ARG (alternative reality game), merging Metanoia's reality with our reality o Metanoia Experience (VR 4D experience in conventions and cafe) o Gaming Events/Conventions o Billboards o Shadow Ads o Ad Campaigns (Google, Facebook, Instagram, Youtube...)
Growth	<ul style="list-style-type: none"> o Attract new costumers o Costs are covered o Profit starts to become more prominent o Sales grow exponentially o Still working on interest o Less aggressive marketing strategy 	<ul style="list-style-type: none"> o Through the line o Below the line 	<ul style="list-style-type: none"> o Email Marketing o Discord/Reddit Interactions o ARG (alternative reality game), merging Metanoia's reality with our reality o Ad Campaigns (Google, Facebook, Instagram, Youtube...) o Metanoia Instagram
Maturity	<ul style="list-style-type: none"> o Profit declines o Market gets saturated o Purchases stabilize 	<ul style="list-style-type: none"> o Through the line o Below the line 	<ul style="list-style-type: none"> o Email Marketing (newsletters) o Metanoia Instagram o Discounts and Bundles
Decline	<ul style="list-style-type: none"> o Profit falls further o Purchases decline o Production Costs still are met 	<ul style="list-style-type: none"> o Through the line o Below the line 	<ul style="list-style-type: none"> o Email Marketing (newsletters) o Metanoia Instagram o Discounts and Bundles

Promotion Strategies

ARG Alternate Reality Game

A great way to approach Metanoia publicity would be to create an ARG (Alternate Reality Game). Such games are known as a way to mix our reality with another media's reality, like the "Vampire: The Masquerade – Bloodlines 2" approach. They created a fake social media and marketing campaign that depended on real people to develop its true intent, which was to get people involved in the story as a way to get them excited for the game. So, for our game, the right approach would start through pages of the father's journal and newspaper sections scattered through places of all sorts worldwide, mainly the outside of college campuses and gaming-related spots, as they fit with our desired target audience. Those pages would tell a little bit of the story and have a website URL, written in binary, making those interested have to translate to access it. This technique is frequently used as it starts to make people engaged and usually results on Reddit posts that give the game a chance to reach more people.

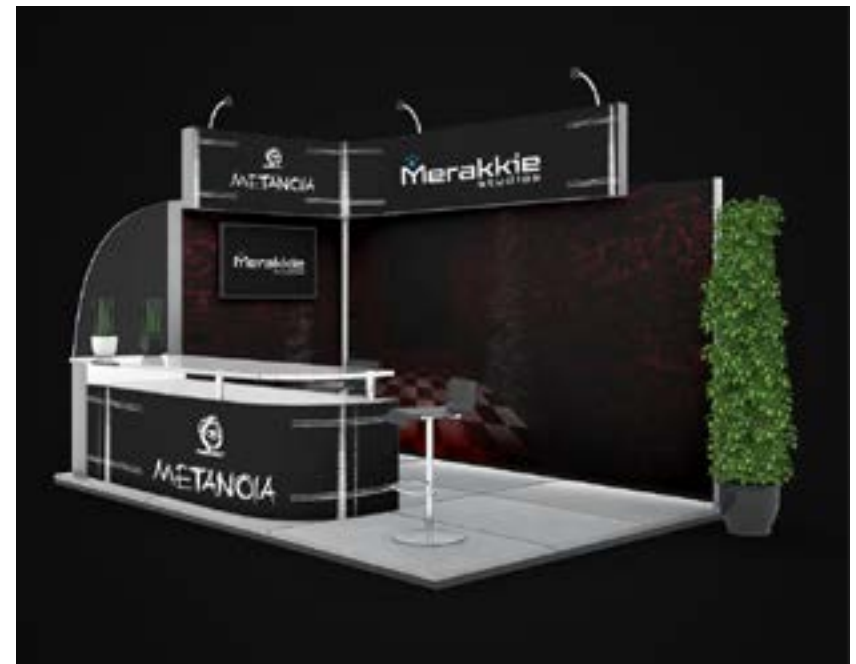
The URL would then send them to a page with 32 different puzzles to represent the mother's age when she went away. Just like the first phase, social media and conversations will become a core element for their resolution while attracting new interest. The connection of all the images created by the result of the previous phase elements (they aren't organized in the exact order thus correctly, connecting the pieces becomes another mystery) converts to a QR-code that redirects people to an invite for the Metanoia haunted house on the Cafe. Finishing the game this way provides more opportunities while attracting new people towards the game and its story, as this style of marketing is one of the most famous presently. Making the characters recognize those who played the game would carry out that final connection between the different realities.



The METANOIA Experience

The METANOIA experience is a booth that Merakkie can use during conventions, events, and even inside the Cafe to promote the game. The booth should look like the image presented but with a room attached to it.

That room is supposed to be a dark box where the players would go for a VR version of the game's demo. Moreover, this version is sensory-based: 8D Audio, cold air to neck when the shadow is close, air from the bottom in the presence of imaginary friends, and the room moves as the scenario changes from regular to white and the other way around. By giving your potential users Access to the game, we believe that they would be interested in the game, even more with the added features that increase the user's immersion.



Promotion Strategies

Halloween Haunted House (Cafe)

The Cafe will turn into a haunted house during the game's week of release. That week should be the one of Halloween as it would add to the marketing and atmosphere. Following a similar structure to the game, the Receptionist is going to welcome the guests to a whole new Cafe, decorated with pieces like the castle ones and darker ambiance. When the participants enter the Metanoia experience, they will become/represent the child. As soon as people are in, the nurse and shadows will haunt and scare them. The imaginary friends are going to have a different role due to their game significance. We intend to make them ominous creatures who roam around the house and say scary lines to the guests. In the end, as a reward, customers will receive Metanoia-themed candy, such as peppermints and the blue swirl one, in personalized packaging that is going to have an extra tag stating: "I survived the Metanoia Experience!". Those same candies should become available later in the Cafe for anyone to purchase, but, without the exclusive tag.



Pre-Releases/influence Social Media Posts

Pre releases are always important to promote games and they create curiosity and enticement around your game. Merakkie decided to do that promotion tactic both on the Cafe and with influencers/streamers/professional players, as both events would gather attention, and allowing some of the VIP clients to have access would also create a deeper connection between client and company as it's an exclusive experience. Furthermore, nowadays, influential people in the gaming world tend to determine how most will behave towards something, so Merakkie decided that influencers should make posts on Instagram and Twitter, not only video platforms.

Promotion Strategies

Billboards and Shadow Ads

Billboards are the core of any publicity campaign as they call for attention due their grandiosity in size. However, the presence of shadows was something we wanted to approach in our promotional media, resulting in shadow ads. Those shadows ads would be structures that project shadows into objects, like buildings and streets, making people scared as an odd shaped shadow takes a hold of regular day to day spaces.



Gaming Conventions/Events

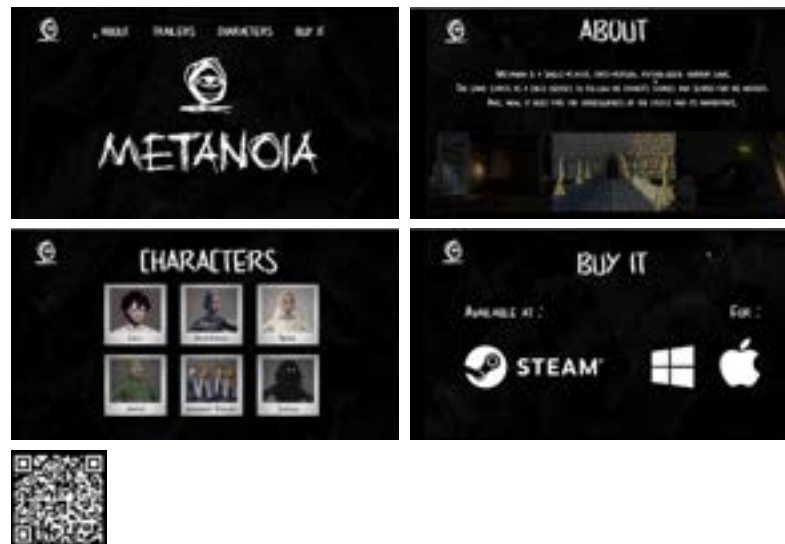
Like any game, Metanoia/Merakkie need to have a strong presence on those types of events as they unite our target audience in one place, booths (Metanoia experience and others) and panels are the best approach for this game in particular.



Promotion Strategies

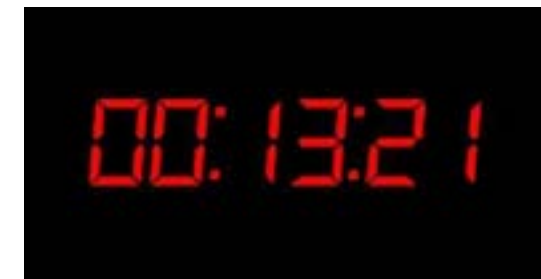
Metanoia Instagram/Discord/Reddit Server/

Engaging with users on those platforms makes them feel more connected to the further development, and feel immersed into the story of the game (they could also be used as communication devices).



Countdown

A countdown creates anxiety, curiosity and interest when a game is about to be released as people start to aim for the end of such a countdown.



Ad Campaigns

Metanoia entails regular ad campaigns, some including jumping shadows, others connecting to the trailer and the teaser, and, lastly some with the imaginary friends questionnaires, all leading towards a link to the Metanoia website.

Positioning 09

STP APPROACH

Segmentation

Our Users are the core of our company, thus, the target audience (Customers Segments) was the first part decided for the business model. And everything that came after was a consequence of that decision. With that said, our value propositions are the selling points that we have when compared to our competitors. Some of those, shown on the side, are the convenience of service while gaming, early access, VIP premises/interactions, and creating events even for offline games. Merakkie wants to be part of the gaming community while creating its own. By establishing the cafe environment and propositions concurrently with other platforms, that intent shall become a reality, proving our space in gaming.

With the segments established, it's vital to exemplify and describe the branches inside of them. The ages and gender still apply to all branches as they fit under the same circumstances. The studios' ones are pointed first to keep consistency. First, there are the Devoted Gamers who play for hours and frequently. When interested in a game, they will apply themselves to it, play the different modes, research the story behind it and its development. And, most importantly, they interact with it with commitment, meaning they would play the game again in the future, for as much time and dedication as before, thanks to their ambitious personality. The other ones are the Casual Players that play when they have time and a quick gaming style, due to their usual busy schedule, which can be because of intense school/college or work, as they can't do it for long. Considering that, when they do get to, they want something that will entertain them while having a thrilling and enticing story.

On the other hand, the Cafe has a way more diverse audience than the previous segment. It is directly related to the number of propositions and features associated with it. So, the Gamers would be our target audience focus, as they were the ones who inspired the Cafe creation. They are the ones who need quality computers at an accessible fee, that could benefit from finding similar people, and some might even be interested in the opportunity of meeting developers and designers, as they dedicate themselves to the area. Moreover, this branch would hook on the idea of participating in development as they could help with beta testing while also having access to exclusive merchandise. Lastly, they are the one that would consume food due to the convenience of not having to do it themselves or stop playing. However, the audience is not exclusive, so it extends to those that might not be seeking a gaming experience but other things. One of those groups is the Workers, who represent people who find working in a shared space productive, and seek places where others are engaging. They also find it beneficial to have powerful computers for professional use and to use free WIFI. Like the Gamers, food convenience is also a plus as they also focus and put dedication towards their work. On a similar stance, there are the Intellectuals, people who always seek learning experiences. They find the cafe an attractive place, due to the opportunities it provides: the possibility of meeting and networking with people of all areas, interests, and knowledge, plus, the masterclasses provided by the Merakkie specialists. Lastly, but of utmost importance to the cafe, come the Foodies, characters who look for enticing and convenient places to have food. A community that enjoys when meals have a story and an entire adventure attached to them while tasting exotic and pleasant. They also appreciate charming environments and service.

STP APPROACH

Testing

After pointing out the importance of our customers and their active role in our business, segmenting the groups inside them could provide more beneficial information for the rest of the canvas. The questionnaire and research showed that our audience is mostly 16 to 34 years old who fit under all genders (although males seemed to have a more prominent presence). However, our customers are not only gamers as there are other components to Merakkie other than the studios. So, there is a defining segmentation of users as some are interested in the whole company and others care more for the cafe. Our main segments are the gamers and the cafe users, inside there are five main groups.

Positioning

Compared to other competitors, our company has the benefit and uniqueness of its associated café which helps us not only stand out from our competitors but also allows us to create more profit by expanding our target audience to various different types of consumers (broaden our market by delving in other sources of income which will largely benefit the company specially in its initial growing stages).

Based on a Market Analysis, we were able to roughly predict our business' positioning within the industry and in relation to our competitors which led us to create a Market Positioning Diagram, one for our game and one for our brand.



STP APPROACH

Positioning Strategies

- **Positioning by product attributes and benefits:**

Our brand values, vision and mission are deeply rooted in appealing qualities which are then put to practice within our café, this will help us stand out from our competitors and allow us to create something innately ours.

- **Positioning by use and application:**

Since our product is a game, despite different people being able to have different types of experiences depending on their gaming background and gaming style or even personality, it is easy to fit our product into a category as it is still a game after all and should have an overall use and application.

- **Positioning by Competitors:**

By merging our café and community with specific games we allow our whole company to be set apart as it is quite a niche and new idea/sort of product. This will be a great advantage positioning wise once our products hit the market.

Financial Projections 10

Break Even Analysis

Unit Sales Price [Metanoia Game]	15.99€
Cost of goods sold:	
Material and Labor	6.4€
other vairable exp.:	
Comissions	4€
Unit Contribution Margin	5.59€
Contribution Margin %	35%

Monthly Fixed Expenses	
Rent	2100€
Utilities	1500€
Salary	12000€
Others (Insurance...)	4000€
Contribution Margin %	19600€

$B/E = \text{Fixed Expense} \div \text{CM \%}$

$B/E = 19600 \div 0.35$

Monthly B/E Sales	56000€
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Financial Projections

Exploratory Account		Year 1	Year 3	Year 5	Total
Target Market [Total Sales]		1 000 000	1 050 000	1 200 000	3250000
	Market Quota %	10,00%	12,00%	13,00%	
Total Sales		100 000	126 000	156 000	382000
Sale price per unit (PVP – comercial price) – Game		15,99 €	14,99 €	13,99 €	
Sale price Merchandising (PVP – comercial price) – T-shirt		11,00 €	12,00 €	13,00 €	
Sale price Merchandising (PVP – comercial price) – Tote-Bag		9,00 €	10,00 €	11,00 €	
Sale price Merchandising (PVP – comercial price) – Shoes		55,00 €	60,00 €	75,00 €	
Sale price Merchandising (PVP – comercial price) – Keychain		3,00 €	3,50 €	3,50 €	
Sale price Merchandising (PVP – comercial price) – Headphones		80,00 €	85,00 €	89,00 €	
Sale price Merchandising (PVP – comercial price) – Phone Cover		9,00 €	10,00 €	11,00 €	
Sale price Merchandising (PVP – comercial price) – Mask		16,00 €	17,00 €	18,00 €	
Sale price Merchandising (PVP – comercial price) – Journal		28,00 €	30,00 €	34,00 €	
1. Profits: Brand Actives	Total	8 025 724,14 €	11 382 840,00 €	14 914 934,85 €	34 323 498,99 €
2. Costs	Total	4 453 500,00 €	5 249 520,00 €	6 141 120,00 €	15 844 140,00 €
2.1 Manufacturing material, packaging, energy – direct variable costs		45 000,00 €	56 700,00 €	70 200,00 €	171 900,00 €
Merchandise		3 000 000,00 €	3 500 000,00 €	4 000 000,00 €	10 500 000,00 €
Margin [euros]		4 980 724,14 €	7 826 140,00 €	10 844 734,85 €	23 651 598,99 €
	%	62,06%	68,75%	72,71%	68,91%

Financial Projections

		Year 1	Year 3	Year 5	Total
2.2 Marketing, Sales, Research and Development	Total	1 164 500,00 €	1 431 000,00 €	1 784 000,00 €	4 379 500,00 €
	%	14,51%	12,57%	11,96%	12,76%
Staff		130 000,00 €	134 000,00 €	139 000,00 €	403 000,00 €
Salary Programmer		31 500,00 €	32 500,00 €	34 000,00 €	98 000,00 €
Salary Designer		73 000,00 €	74 500,00 €	76 000,00 €	223 500,00 €
Advertising and digital media (above, bellow e along-the-line)		300 000,00 €	500 000,00 €	800 000,00 €	1 600 000,00 €
Promotions (product)		200 000,00 €	200 000,00 €	200 000,00 €	600 000,00 €
Market Studies, Research and Development		80 000,00 €	50 000,00 €	55 000,00 €	185 000,00 €
Sales: Staff and Operations		180 000,00 €	190 000,00 €	210 000,00 €	580 000,00 €
Promotions to clients		120 000,00 €	200 000,00 €	220 000,00 €	540 000,00 €
Other Marketing Costs		50 000,00 €	50 000,00 €	50 000,00 €	150 000,00 €
2.3 Logistic and Distribution	Total	49 000,00 €	56 820,00 €	66 920,00 €	172 740,00 €
	%	0,61%	0,50%	0,45%	0,50%
Staff		42 000,00 €	48 000,00 €	56 000,00 €	146 000,00 €
Transportation		2 000,00 €	2 520,00 €	3 120,00 €	7 640,00 €
External Contracts		5 000,00 €	6 300,00 €	7 800,00 €	19 100,00 €
2.4 Fixed Costs	Total	195 000,00 €	205 000,00 €	220 000,00 €	620 000,00 €
	%	2,43%	1,80%	1,48%	1,81%
Staff, equipament, maintenance		120 000,00 €	125 000,00 €	130 000,00 €	375 000,00 €
Supply and external services + financial		75 000,00 €	80 000,00 €	90 000,00 €	245 000,00 €
3. Operational Results (EBIDTA) = [1-2]		3 572 224,14 €	6 133 320,00 €	8 773 814,85 €	18 479 358,99 €
	%	44,51%	53,88%	58,83%	53,84%

Conclusions

11

Conclusions

Merakkie studios aims to provide the best for our costumers and our workers. This business plan shows how the company is currently positioned and what are the necessary components that will help present our vision to the market. The company is one of the first ones to bring the culture of “PC Bang” to Portugal, one solution to make it possible for more people to play games and be in gaming communities. All this concept make our studios unique in the portuguese market, which can diferenciastes us from the competitors.

“Metanoia” the first product and the one that will launch our brand, so most of the focus is on this special product. From research and deep analysis, we created a plan with some assumptions of how the beginning years of the product and subsequently the company will be. The marketing strategies showcase everything from the release of the game up to the “supposed” end as it is important to keep the life of the game for as long as possible, so our possible investors could see the profit in the product, and our costumers see a game they “want to play”. The cafe plays a huge role in promoting the game as well as the merchandise which play as “extras” of the game that can make its universe more real and more players into it.

Finally the financial projections, present how the sales of the game and its merchandise will be divided by the company elements, and how it can grow throughout the years and how to manage all the profits of it. With this, our company strives to grow well in the gaming market, and all the stages inside this business plan can make it more easy and real for Merakkie to start the business or either a potential investors can see the potencial in our company.

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