

# Final Proposal

[Sad Pumpkin Games](#)



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## Introduction

This document will detail in full the planning for indie game development startup Sad Pumpkin Games. This will include a description of the company and its mission, as well as the current logo and slogan that tie into the company's mission. This document will also detail the individual growth stages for Sad Pumpkin Games and their unique goals and budget targets, including a detailed breakdown of the costs included in each budget. The studio's strategy for securing funding is also included, as well as the plan to optimize that funding through a thoroughly designed marketing strategy and plan to position the studio in the mind of the audience.

## Sad Pumpkin Games

Sad Pumpkin Games (SPG) is an indie game development studio founded by two industry veterans. The goal of SPG is to produce small, niche games which target specific underserved communities of players. These games will be catered to their target audience, deeply involving them into the core development cycle with frequent playtests, community polls, and a transparent development process.

The founders of Sad Pumpkin Games both have years of experience in the games industry and across a wide range of genres, platforms, and scales of development. This experience across the gamut of the game industry has given the founders a level of insight into common pitfalls that studios large and small face and should help to prevent Sad Pumpkin Games from falling into traps the founders have seen before.

Due to the niche markets of Sad Pumpkin Games's titles, their individual budgets are kept intentionally small, and the development process is kept lean in order to maximize what budget is available and reduce the likelihood of a single game crippling the budget of the studio as a whole. With

this small budget and lean development process, the effectiveness of any potential marketing strategy is paramount to the studio's overall success. SPG aims to account for this lack of marketing budget, and the target audiences of each title being small, by focusing on transparent, personal marketing instead of large advertising campaigns.

## Logo



The logo for Sad Pumpkin Games is meant to draw attention to the studio's sad pumpkin mascot. The sad pumpkin, an aging jack-o'-lantern, is meant to be evocative of pumpkins left to rot on the vine in the late fall. Much like the audiences SPG intends to serve with their niche games, the sad pumpkin has been overlooked and left out of the fun for too long.

## Slogan

### GAMES WITH PLAYERS

The Sad Pumpkin Games slogan, "Games with Players," is simple on its face, but contains more detail upon further inspection. Firstly, "games." Sad Pumpkin Games makes games and nothing else, not interactive experiences, or tools, or apps. Secondly, "with." Sad Pumpkin Games isn't making games for the target audience, the players are an active participant in the development process in contributing

their ideas, their feedback, and their support. Additionally, “with” speaks to the SPG lean development methodology, if at any point an in-development title doesn’t have an obvious potential market that is excited for it, that title’s development stops. Finally, “players.” Sad Pumpkin Games titles aren’t made just for those who identify as gamers, they’re made for all kinds of players.

## Growth Cycle Plan

Sad Pumpkin Games plans to grow, and sometimes shrink, in stages based on the active development of titles. In stage one the studio operates with a lean startup architecture, heavily minimizing outgoing funds by diversifying the types of work employees and founders are responsible for, reducing marketing budgets, and potentially reducing overall size. This stage of development is intended to give the studio maximum flexibility with the budget in order to scout underserved audiences, generate and gather concepts and ideas, and prototype potential titles for the target audience. In stage two the studio operates with a small business startup architecture, hiring full-time employees as necessary and focusing development resources in order to make the best product possible. This stage of development still has a tightly controlled budget, but the prerequisites of entering this stage include the successful funding of a new title so there is more flexibility in how the studio operates.

## Funding Methods

There are three primary funding methods which Sad Pumpkin Games will use throughout the different stages of its growth. During the initial minimum-viable-product development phase, the studio will be funded under a lean bootstrapping model. This period, which for the sake of this document we will call *stage one*, will be funded directly by the founders. During *stage one*, the founders will only be able to devote their spare time to the startup due to keeping their current jobs in the game industry, but

as such will have access to the capital required to hire outside contractors for any tasks not well suited to the founders' skillsets, including contracted art, audio, and quality-assurance. The flexibility of this approach means that *stage one* may not necessarily be a calendar year, but instead will end when the developed MVP titles have reached the desired level of doneness and are appropriately suited for pitching.

The second stage of growth, referred to here as *stage two*, is the phase in which active, full-time development on a title commences. Once an MVP title has achieved the appropriate level of doneness to be pitched to the market, it will be taken to investment and/or crowdfunding sources in order to seek phase two funding for the complete final development of the title. This development and its associated costs will of course be variable based on the MVP title's complexity, its current level of polish, and the market demand for features and mechanics, but for the sake of this document we will assume phase two development will take a whole year. As a studio focused on the needs of niche market segments, Sad Pumpkin Games will prioritize investment from crowdfunding sources over that of equity investors, which will drive the studio to best cater to the audience being asked for funding.

## Funding Goals

The first and second year of development have very different funding methods and goals, as the scale of development in each phase are so wildly different. Below is a rough itemized breakdown of each phase's costs and funding goals, annotated with the purpose and level of necessity for each given item.

### Stage One (Yearly Cost)

Expense	Cost/Unit	Total Cost
<b>Business Costs</b>		
Establish LLC	\$500	\$500

Web Domain	\$20/year	\$20
<b>Software Costs</b>		
Google Firebase	Pay-Per-Use	<variable>
Google Workspace	\$12/user/month	\$288
Unity	\$399/user/year	\$798
<b>Employee Costs</b>		
Developers (Founders)	-	-
<b>Misc. Development Costs</b>		
Audio Composition	\$100/audio-minute	\$1,000
Additional Art	\$100/piece	\$6,000
External QA Testing	\$15/hour	\$1,400
Marketing	\$1,000/month	\$3,000
<b>Total</b>		<b>\$14,006</b>

The first stage's funding for Sad Pumpkin Games focuses primarily on the cost of outsourcing per-piece and per-hour work to contractors specializing in fields not part of the founders' skillsets. During this phase, the founders will be responsible for funding as well as development. As such, employee costs are nil during this phase, which greatly reduces the overall funding need for *stage one* at the expense of full-time devoted development muscle. Minimal business and software costs are required during *stage one* funding, as the small team size and lack of employees removes the need for payroll software and reduces the overall cost of per-user software subscriptions.

The majority of the *stage one* funding goal covers the cost of outsourced work. Using services such as Fiverr and personal connections, the founders will contract character and environment artists capable of delivering affordable art at a quality level befitting both the MVP nature of the titles and their expected presentation to crowdfunding investors. While a true MVP mindset, one in which art and polish are unwarranted, would be more affordable the founders understand that investors and consumers primarily gauge the quality of a game based on its aesthetic features, not its mechanical merits.

In addition to the costs of outsourced artistic development, the Sad Pumpkin Games *stage one* funding goal accounts for a relatively sizeable marketing budget. As MVP titles enter their final stages before crowdfunding, they will need to be advertised to the market segments that the title was designed to appeal to. Crowdfunding campaigns with no external marketing effort are statistically much more likely to fail, as those campaigns without must grow organically.

### Stage Two (Yearly Cost)

Expense	Cost/Unit	Total Cost
<b>Business Costs</b>		
Web Domain	\$20/year	\$20
Payroll Service	\$20/month	\$240
iOS Developer Program	\$99/year	\$99
Android Developer Program	\$25	\$25
<b>Software Costs</b>		
Google Firebase	Pay-Per-Use	<variable>

Google Workspace	\$12/user/month	\$576
Unity	\$1,800/user/year	\$7,200
<b>Employee Costs</b>		
Engineer	\$60,000/head/year	\$120,000
Artist	\$40,000/head/year	\$80,000
<b>Misc. Development Costs</b>		
Audio Composition	\$100/audio-minute	\$2,000
Additional Art	\$100/piece	\$2,000
External QA Testing	\$15/hour	\$5,400
Marketing	\$1,000/month	\$3,000
<b>Total</b>		<b>\$220,560</b>

*Stage two* funding, funding for the full-time active development of a title from MVP pitch to completion, compounds on the added costs of employees into the funding goals for *stage one*. The cost of labor in any business is the largest factor, and that holds true in the budget for Sad Pumpkin Games. Ninety percent of the phase two funding goals are the cost of employing full-time engineers and artists to complete the development of a crowdfunded MVP title. These costs are based on the average market rate for early-career professionals in the given field working remotely to obviate the need for additional facilities costs. In addition to the new employee costs, per-user costs increase correspondingly with the number of added employees, but the relative cost differences are negligible compared to the cost of labor itself. Depending on the needs of the MVP title being pushed into *stage two* development, the allotted costs for engineering employees might either cover the founders devoting their full-time efforts



to development or the cost of employing two additional junior engineers to work full-time on the project while the founders continue to contribute development resources on a part-time basis.

In addition to the employment costs in the *stage two* funding goal, there is additional outside contractor work accounted for. Hiring a full-time composer is untenable for a project of nearly any size, so audio is still contracted out on a per-minute basis for any music required in the title. The budget accounts for a small number of per-piece art contracts from external sources, which will help to supplement the skills of in-house artists and provide important pieces for marketing and launch of the game. External QA testing costs get a large boost during *year two* development, due to the increased need of finding bugs as well as performing validation tests on feature development. In addition to the outsourced QA testing, user-tests (focus tests, A/B tests, alphas, etc.) will be regularly performed to both inform the development team of user sentiment and to find bugs.

## Investor Targeting

Game development startups not attached to a big name in the industry are generally very difficult to fund through traditional investment due to their overwhelming likelihood of failure no physical inventory to liquidate in order to recoup losses. As such, Sad Pumpkin Games is planned around the lack of outside traditional investment, as the saying goes ‘hope for the best, plan for the worst’. To account for this lack of expected outside equity investment from traditional sources, Sad Pumpkin Games aims to focus on a lean methodology to bring minimum-viable-products to the attention of crowdfunding investors and non-traditional indie game investors.

For crowdfunding solutions there are multiple viable options, some of which cater to game development. Kickstarter is the crowdfunding platform with the largest name recognition and userbase, though the proliferation of products (both gaming and otherwise) make it difficult for any title to stand out without significant outside marketing support. Smaller platforms like Fig offer a crowdfunding

experience more tailored to the gaming market, as well as allow for equity crowdfunding in addition to pledge-based funding. Sad Pumpkin Games' primary target for crowdfunding would be to pitch to Fig, and failing that would be a Kickstarter campaign.

As either a replacement or supplement to crowdfunding, Sad Pumpkin Games will pitch MVPs and their corresponding business plans to indie game investment groups such as Indie Fund in hopes of securing investment. Groups like Indie Fund offer non-equity investment to indie game studios with clear expectations of success-based-repayment and a long, combined history of successful game releases. These groups generally have a much smaller investment cap than traditional startup investors, due to the inherent risk of gaming startups, so Indie Fund would likely only serve as a secondary source of funding in the case of a game's failure to secure crowdfunding.

## Marketing Channels

The marketing plan of Sad Pumpkin Games includes three distinct channels as the primary elements of advertising, each with different levels of investment and expected returns. The first channel is through websites and search engine optimization. The second channel is through content marketing via developer-led content. The third channel is through targeted advertising via Google Ads.

Websites and search engine optimization (SEO) are a simple way to diffuse information to an audience that is already engaged and to generate word-of-mouth style marketing buzz originating from engaged customers. Sad Pumpkin Games plans to use websites for this exact purpose. While not expecting to generate any new customers through website traffic, Sad Pumpkin Games expects to keep users engaged with the company and titles through well-built and content-rich websites. There will be a root SPG website which contains information about the studio, its mission, its culture, and other relevant details including job openings, calls for idea submissions, community polls, and other elements to engage the existing audience. In addition, each title that SPG begins work on will receive its own

website that contains information about the concept, key art and mockups, playtest schedules, polls for features, and developer diaries relating to the progress on the project.

Content marketing is a great way to generate a marketing return with little or no investment by creating or reusing content. Sad Pumpkin Games will make heavy use of content marketing in order to maximize the total marketing budget for the studio and for each title. Weekly developer diaries, blog-style entries posted onto each in-progress title's website, will update the audience to progress on the title, any delays that have come up, and any features that are currently being developed. These developer diaries will be cross-posted and/or linked on the Sad Pumpkin Games social media channels and will hopefully humanize the developers and build a rapport with the audience. Behind-the-scenes videos, sneak peaks at in-development features and developer Q&A sessions, will be cross-posted across social media and video sharing platforms.

The last marketing channel for Sad Pumpkin Games is direct targeted advertising through Google Ads. Since the marketing budget of SPG is so low, only approximately \$3,000 for each stage of development, very specific targeted advertising will need to be used in order to maximize the potential clickthrough rate for each dollar spent. Each title developed by SPG will receive its own separate marketing budget, so advertisements would be constructed that would appeal to the type of audience each title is geared towards. At the start, the SPG team will use their best judgement to design and target advertising campaigns, but once the studio has an engaged audience proposed advertisements will be workshopped through that audience before being published online in order to maximize appeal.

## Future Marketing

One future marketing channel that Sad Pumpkin Games has considered is influencer marketing. When in-development titles are nearing their release window, at the end of a stage two development cycle, gaming influencers will be considered for sponsorship. Since the marketing budget for each title is

so tight, it is unlikely that any big influencers would be involved, but smaller up-and-coming influencers with engaged viewer bases could be targeted. In addition to actual paid sponsorships, influencers with reach into the target audience for upcoming titles could be sent free copies of games to play and give to their audience. While not a guaranteed return, the investment for sending out free game codes or preview builds is almost zero, so any return is massive by comparison.

## Brand Strategy

The overall brand strategy of Sad Pumpkin Games is to appeal to underserved consumers and audiences that the traditional large developers ignore. In doing so, SPG aims to be as transparent, fair, and equitable as possible. The “with” in the company’s slogan is meant to convey the developers’ ties to the audiences they work with, not just making games in the dark and releasing them cold to an audience of players that had no input. Sad Pumpkin Games wants to be associated with small titles that appeal to the audiences they were developed with, even if those titles lack any broad appeal to the wider audience of players.

## Threats and Competition

There are hundreds upon hundreds of game developers in the world, ranging in size from solo operations to multinational corporations with sway over governments. Sad Pumpkin Games has a lot of potential competition. To account for this, Sad Pumpkin Games doesn’t aim to fight the competition but instead to completely subvert it. SPG doesn’t plan to compete with the big game developers, because SPG doesn’t plan to make games that appeal to the broad bases that the big developers must appeal to in order to validate their costs. SPG doesn’t plan to compete with the small game developers either, because SPG isn’t making passion projects or their own “great idea,” instead focusing on what the players want not what the developers want.

## Positioning Goal

The goal for positioning Sad Pumpkin Games in the mind of the audience is as a boutique indie game development studio that caters to niche audiences underserved by existing game developers. SPG wants to distance itself from both the larger, shareholder-led, game development studios and the smaller, dreamer-led, game development studios in the mind of the players. Sad Pumpkin Games wants to occupy the position of the first studio a person thinks about when they think of a great idea that they'd like to see made into a game, or when they feel underserved by the current offerings.

## Positioning Reinforcement

If Sad Pumpkin Games achieves its goal for market positioning, it will be reinforced in a number of ways. First through the actions of the studio itself, with developer diaries, progress updates, development livestreams, and other developer-to-player communications all cementing in the minds of the players that Sad Pumpkin Games is a studio built on transparency and truly develops games *with* its audience. Second through social media posting and audience interaction, building a rapport with the audiences that SPG aims to serve. Finally, through prominently displaying community members who were instrumental in either the idea generation, the community building, or user testing of upcoming titles on the website and in the credits of each game.