MARKET EVALUATION AND BUSINESS CASE

COMP240 - Market Evaluation

JH182233

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In modern day gaming it can be difficult to develop a game that stands out from the rest. The case with most games, is that they get lost in the plethora of other games of a similar genre. A method known as Market research can help to solve this issue. The main point for market research is to help a developer find a gap in the current market to inform them of design specs that can help them stand out. Though with games it can be difficult to pinpoint the exact gap, a developer can at least get an idea of the state of the market they want to enter is current in. Once this gap has been found, the next step is to find the targeted audience, usually this answer is formed from the gap in the market, but it helps to specifically define the audience so the developer can have some understanding of the impact the game may have.

1 Method

For MONQ we have taken the approach described above, find the gap then define the audience.

1:Searching the current market to identify game concepts that have not been seen or done in some time.

2:Then finding out if that concept does well in the market, by finding sales figures and critical reviews, Note: Try to filter the mega fans and trolls, as they can be bais.

3:Once this is done we can try to define our desired audience, and begin the design process for the game.

4:As the design progresses we compare the design to our desired audience to see if our desired audience remains the same or if we have drifted and need to redefine our desired audience, while being confined to the market gap.

5:After the design for the game is complete, we can have a final definition of the target audience.

6:Once this is done we can calculate the price for the game and begin our budgeting process.

7:As the game is developed we must continue to monitor the market to ensure the gap is not filled, if this were the case we may have to redesign the game to fit another gap or abandon the project to start anew.

2 Market

Name	Release Date	Developer	Price	Sales	Genre	Steam Response	Meta Response
Braid	10/04/2009	Number None	£10.99	1,227,332	2D Platformer Puzzle	94%	90%
TimeShift	23/07/2009	Activision	£9.99	126,880	FPS Action	51%	71%
P of Persia	10/12/2008	Ubisoft	£7.99	1,112,832	Third-Person Action Adventure	50%	85%
Project Temporality	20/05/2014	Defrost Games	£10.99	41,881	Third-Person Adventure Puzzle	49%	58%
Chronology	12/05/2014	Bedtime Digital Games	£3.99	71,177	2D Platformer Puzzle	88%	64%
Blades of Time	20/04/2012	Gaijin Entertainment Corp	£6.99	245,714	Action Adventure	82%	63%
Singularity	30/06/2010	Raven Software	£14.99	151,637	FPS Action	83%	76%

The market that was looked into was for steam as that will be our primary sales platform. Steam currently is selling 13,621 games according to SteamSpy Looking at Time Manipulation (TM) as a mechanic only 22 are on steam and of those, Seven games where found that match MONQ. This indicates either a small market for this type of game or a large gap in the market. From the table there are a mixture of Indie and AAA developers that make TM games. These games vary from 2D and 3D style games, though the highest sales achieved came from an indie company for a 2D game (Braid). From the reviews it would seem that the 2D games tend to be received better overall than the 3D games, though the reviews are mixed so this can not carry too much weight. Looking at the sales, TM games sell well and are considered a success on steam, ranging from 3.99-14.99. The last similar game to be released was back in 2014, which would indicate a current gap for TM type games. After looking at the current market it seems to indicate that the audience we should aim for are not hardcore gamers with high end computers, but gamers that take a more relaxed approach to gaming and enjoy the puzzle element, as most of the games here share the puzzle aspect.

When marketing you have to look at two options:

Quality of branding
Quantity of reach

When looking at quality of branding it can be expensive as you have to go through an agency or higher a marketing specialist. When looking at quantity of reach you can save money by going through platforms like Social media, which will get you a wide reach but: You have to ensure the quality and delivery Which can lead to a negative effect on your product if done poorly. Which you may or may not recover from. Currently Social Media is our main focus for marketing spending a fixed budget on reaching new potential customers.

We plan on marketing through a marketing agency in the near future. Though more research into which marketing agency will be used there are plenty of agencies in and around Cornwall. We are primarily using steam as a selling platform as this seems to be one of the biggest platforms for small Indie companies to sell on. Though we will be launching on itch.io for early access, to access feedback from players on how the game could be improved. We will be offering our game from our website, but the sales on there are projected to be far less than steam, as currently the traffic through our website is not high enough.

3 Budgets

The following charts show the monthly costs and income for the next year of production.

	Month	Pre-start	1	2	3	4	5	6	7	8	9	10	11	12	Total
A	Month name		May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	
	Money in (£)														
B	Project VoT	£0	£0	£110,000	£100,000	£120,000	£10,000	£8,000	£5,000	£4,000	£3,000	£0	£0	£0	£360,000
	HorseBoardingUk App	£0	£200	£2,000	£4,000	£2,000	£900	£600	£300	£0	£0	£0	£0	£0	£0
	Own funds	£50	£600	£600	£600	£600	£600	£600	£600	£600	£600	£600	£600	£600	£0
	Other														
C	Total Money in (£)	£50	£800	£112,600	£104,600	£122,600	£11,500	£9,200	£5,900	£4,600	£3,600	£600	£600	£600	£360,000
	Money out (£)														
D	Office Rent (Bills inc.)	£0	£580	£580	£580	£580	£580	£580	£580	£580	£580	£580	£580	£580	£6,960
	Internet	£0	£30	£30	£30	£30	£30	£30	£30	£30	£30	£30	£30	£30	£360
	Depreciation	£0	£140	£140	£140	£140	£140	£140	£140	£140	£140	£140	£140	£140	£1,680
	Travel	£0	£100	£100	£100	£100	£100	£100	£100	£100	£100	£100	£100	£100	£1,200
	Insurance	?	?	?	?	?	?	?	?	?	?	?	?	?	£0
	Business Bank Account	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
	Soliciter	£0	£500	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£500
	Maya Licence per Three machines	£1,644	£170	£170	£170	£170	£170	£170	£170	£170	£170	£170	£170	£170	£2,040
	Steam Market Greenlight	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
	Zbrush per person	£1,262	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
	Google App Store	£25	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
	Salary per Employee x8	£0	£12,667	£12,667	£12,667	£12,667	£12,667	£12,667	£12,667	£12,667	£12,667	£12,667	£12,667	£12,667	£152,004
	Marketing	£100	£100	£100	£100	£100	£100	£100	£100	£100	£100	£100	£100	£100	£1,200
	Accountant	£100	£100	£100	£100	£100	£100	£100	£100	£100	£100	£100	£100	£100	£1,200
	Adobe Licence per person	£137	£137	£137	£137	£137	£137	£137	£137	£137	£137	£137	£137	£137	£1,644
	Google App Store	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
	Website	£30	£30	£30	£30	£30	£30	£30	£30	£30	£30	£30	£30	£30	£360
	VAT		£881	£881	£881	£881	£881	£881	£881	£881	£881	£881	£881	£881	£10,572
	Steam Market	£0	£0	£22,000	£20,000	£24,000	£2,000	£1,600	£1,000	£800	£600	£0	£0	£0	£72,000
	Unreal Licence > £3000	£0	£0	£26,400	£24,000	£28,800	£2,400	£1,920	£1,200	£960	£720	£0	£0	£0	£86,400
		£0	£150	£4,400	£4,000	£4,800	£400	£320	£200	£160	£120	£0	£0	£0	£14,550
	Closing balance	£3,298	£15,585	£67,735	£62,935	£72,535	£19,735	£18,775	£17,335	£16,855	£16,375	£14,935	£14,935	£14,935	-£352,670
	Difference	-£3,248	-£14,785	£44,865	£41,665	£50,065	-£8,235	-£9,575	-£11,435	-£12,255	-£12,775	-£14,335	-£14,335	-£14,335	£7,330
	Exc Steam Profit														£3,034

As you can see we must sell 33,000 units to break even. This is still lower than the worst selling game of similar mechanics on steam. From play-testing it has been suggested to us that we sell the game for no less than Ten Pounds per copy, this is the price that will be asked for on the marketplace.

Section	D-Tail Entertainment Running Costs	One Off cost (£)
A **Estimated costs**		
	Soliciter	£500
	Maya Licence per Three machines	£1,644
	Steam Market Greenlight	£100
	Zbrush per person	£1,262
	Google App Store	£25
B	**Total costs (£)**	£3531
	Soliciter	£500
	Maya Licence per Three machines	£1,644
	Steam Market Greenlight	£100
	Zbrush per person	£1,262
	Google App Store	£25
B	**Total costs (£)**	£3531
Section	D-Tail Entertainment Running Costs	Monthly cost (£)
C	**Salary per Employee x8**	£12,667
	Depreciation	£140
	Office Rent (Bills inc.)	£580 est.
	Marketing	£100
	Accountant	£100
	Soliciter	£800 p/h
	Maya Licence per Three machines	£170 (If we go monthly)
	Adobe Licence per person	£137
	Unreal Licence > £3000	5% on Gross
	Steam Market	5% (Covered by the consumer) 30% If Not/on Gross
	Google App Store	30% on gross
	Transport	£100
	Website + Internet	£60
	Business Bank Account Account	FREE for 18 Months £5 After**
	Business Insurance	£42
	National Insurance	£881
D	**Total costs (£)**	£18,271 after one off £14,812
E **Estimated income**	**Income From Sources**	
	Project VoT	3,000 units £10 per unit
	HorseboardingUK App	833 units £1 per unit **Will Not Be Included**
	Investment	??
	Grants	??
	Outsourcing	??
F	**VAT (%20)**	£6,000
G	**Royalties (£)**	£8,400**With %30 Steam**/£2,400
H	**Total income (£) Inc %30 Steam**	£30,000 Inc VAT/Royalties / £15,600 Exc VAT/Royalties
I	**Total income (£) Exc %30 Steam**	£30,000 Inc VAT/Royalties / £21,600 Exc VAT/Royalties
J	**Difference (£) Inc %30 Steam**	£665 Gross £532 Net
K	**Difference (£) Inc %30 Steam**	£6,665 Gross £5,332 Net