

Opposable Thumb Studios: A Software Company Based On Entertainment Systems

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Corporate Relations:

Valve Corporation

Google Inc.

Apple Inc.



İçindekiler

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Abstract

As a part of the gaming and entertainment community, we, group of three engineering students, want to start a company that takes place in video game and entertainment industry. In 2016, Turkey took a share of 2% in global video game market and our aim is to participate in its growth. Looking at the statistics shared by TUIK, there are more than 30 million active players in Turkey. Nevertheless, there is a big deficit at Turkey's gaming market (755m \$ in total, 442m \$ in 2017). The idea of our company, Opposable Thumb Studios, is not just about developing independent video games but also producing a simple platform that lets everyone from youngsters to elders to produce their own games without writing a single code line. There has been many attempts about teaching coding with fun like "SoloLearn" and "Coding Games For Kids", yet they lack reusability and had very limited creation. Unity3d offered many advantages but they were too complex to understand for people who doesn't interested in with coding. That's where our software come in, "Create & Play". With Create & Play, we offer a simple interface and a big empty area where you can drag and drop objects, tie pre-written (and tested) code scripts to these objects, put your own rules, produce your own games without any limits and share it with the world. Our plan is to fund Create & Play project with our independent video game projects which takes very small share from the budget (because of our past experiences) to develop. Monetization plan of Create & Play is pay-to-use licensed, but standard edition will contain very limited objects and scripts. In future, with graphic designers we hire, we will start an open market where users can buy various types of objects, models, scripts, etc. we made to use in their games. As latest addition, we think of supporting AR and VR technologies depending on the project's success.

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About The Company & Work Plan

Our company is going to be a software class personal company. As our company's revenue increases, converting it to a limited company type will be considered. We share the ownership as three partners and all three of us will have an equal share of 33.3% each. We all share the hard work and have roles based on our skills;

- Yusuf Metindoğan

Roles: Game Design, Networking, Software Development, Project Management

References: Junior Game Developer at REDEVIO (2017 July – Present)

- Oğulcan Güldiken

Roles: Game Design, Animations, Visual FX, Sound Design, Marketing / PR

References: Graduation – AnimSchool Animation and 3D Artistry (2017)

- Berkay Başaran

Roles: Art Direction, 3D Modelling, Graphics & Texture Design

References: Graduation – Gazi University Industrial Design (2018)

Our first goal is to release “MummahRunnah”, our first video game project, in 2nd quarter of 2019 or earlier. After that, we will start second video game project with research and development of Create & Play which may take 15 to 18 months.

Cost & Profit

The company will cost us initially 180₺ (Turkish Liras) for paperwork (notary), 80₺ for invoice, 60₺ for notary's legal registration approval, 25₺ for Tax Administration's stamp tax, 600₺ for registering to the related trade association, 350₺ for initial financial consultancy, 1,295₺ in total. We will finance these costs with our personal incomes. Company will give start just before our first independent video game project MummahRunnah's release. Hard launch of this game and its income will provide our monthly tax expenses (no stabilized cost, depending on the income) and other outgoings such as rent, paperwork etc. (1,500₺ in average (monthly)).

Our games will be sold in the famous video game platform Steam, founded by Valve Corporation. Steam undertakes independent studios' publisher service with Steam Direct program. This program provides small developer companies to publish their games and advertise them for the cost of 30% of all the income from that particular product. All the 70% leftover money's 50% will be shared in all three partners and the rest will be invested for Create & Play project's research-development, and company's monthly expenses.

MummahRunnah will not cost anything to the company, all the expenses for it will be paid from our personal savings. Steam Direct program takes the responsibility for its service, update support, and other miscellaneous components (Initial Cost) and their price for it is a refundable down payment from 100\$ to 5,000\$ (MummahRunnah will cost 200\$ for server support, achievements, trading cards and a page from Steam platform including banners, logos, video cuts and screenshots from within the game). When the game's proceeds reach to the Initial Cost, Valve refunds it to the developer studio. In addition to that, licensed Photoshop CC 2017 will be used for the graphical processes.

The products and services we will use throughout the development (with their costs) are;

- Unity3d Personal Edition (Game Engine) – Free for Financial Use
- Blender3d (3D Modelling & Animation) – Free for Financial Use
- Photoshop CC 2017 (2D Textures) – 700£ (per year)
- Steam Direct Program (Service, Selling, Support) – 200\$
- Additional Advertising (Gaming Fairs, Twitch Streamers, YouTubers) – 1,000£

Estimated time we will use Photoshop is a yearlong, which makes our total cost 2,500£ for shipping MummahRunnah. Despite its minimalistic budget, we aim to sell at least 18,000 copies of this game from 10\$ launch price in 3 months, which brings us to 120,000\$ pure income.

For Create & Play, the total cost is currently not precise. We will ship and publish Create & Play for Windows, Linux, Mac, Android and iOS. Publishing a licensed program for Windows and Linux doesn't require a protocol, a restriction or a cost. To develop for iOS and Mac, we need a full developer account from App Store (Apple) which costs 99\$ per year. For Android, Google's developer account is a pay-for-once service and costs 25\$.

We communicated with a few mobile software developers, and learnt that advertising will bend our backs. For a good ASO (Application Search Optimization) service, estimated price for like a software of ours, is about 9,000\$ for each 100,000 downloads and it isn't enough alone. Advertising on media corporations with banners, flags and videos' costs, starting from 10,000\$ and reaches up to 125,000\$.

With 15\$ price on Standard Edition (includes the full functioning program with limited content), 25\$ price on Deluxe Edition - Standard Edition plus a complete bundle (including thematic object packages like Christmas Pack (includes Christmas themed objects, textures etc.) and different types of code scripts like Gyroscope Control) - and variety of bundles and packages at a spectrum of 5\$ to 45\$; we aim to sell 100,000 copies of initial version (Standard or Deluxe) and 50,000 package and bundle purchase from asset store in first year of its release. This brings up about 2,450,000 million \$ income and 1.25 million \$ profit over the first year.

Create & Play's service, asset store and development will require labor, it's not a job for three of us. We're going to need four freelance graphic designers (models, animations, textures etc.), two more software engineers (for networking and development), a community manager (for social media control and technical support), and lastly a PR and market advisor or digital sales consultant (for advertising and marketing strategies). These employees' salaries are in four different groups and will work for three years (depending on average salaries on LinkedIn).

- Software Engineers – 2,500£ (Full time development and support)
- Graphic Designers – 2,000£ (Only freelance for limited amount of assets)
- PR and Marketing – 2,200£
- Community Management – 1,600£

For insurance regulations, there will be about 1,500£ of cost each employee which rounds up to the total cost of 11,000£ monthly, 298,000£ (264,000£ for monthly salaries and 32,000£ for freelance graphic designers for 5 months) through the entire development. Currently, Turkish Patent Institute doesn't provide patents for softwares unless they include a newly developed algorithm (which doesn't include any of our projects).

Market Research

There is a few similar games in the genre of MummahRunnah, and they succeeded despite their massive mistakes.

1. **Evolve:** It is a video game released by Turtle Rock Studios in February 2015. Its launch price was 60\$ (AAA full game price) and had many criticisms over its price-content balance. The game has been hated by a huge part of the gaming community because of its lack of content, poorly done asymmetric gameplay mechanics and being sold at full price. After all these critiques, the publisher company released a massive update “Evolve 2.0” and took down the prices to 0, making it available for free-to-play. Despite the controversies, Evolve sold 2.5 million copies throughout the world in 2015. [Figure 5-6]
2. **Dead By Daylight:** Again, a game full of failures and mistakes in its design and unbalanced competition. Dead By Daylight was developed by Behaviour Interactive, an independent developer studio, and released in June 2016. Dead By Daylight sold 2.9 million copies from its release. [Figure 7-8]

Globally, traditional (desktop) gaming’s revenue was 55 billion \$ in 2017, and statistics shows us that it will rise up to 59 billion \$. Turkey’s share in this market is nearly 1% (with only TaleWorlds Entertainment’s contribution) because it takes a lot of effort, labor and money to produce traditional video games [Figure 2-3-4]. Our government started to take no taxes from game developers’ costs, this shows us that they saw the enormous increase in the market and decided grow our share in it.

There are no current market for Create & Play which strengthens our project in monopoly approach.

About the Projects

MummahRunnah

This is a first person asymmetric (1 vs Many) competitive survival action game. It is a multiplayer competitive match-based game where you are either a baby in a group of four – running away from the mother, or the mother alone – chasing your babies. We survey action based, tense and fast paced gameplay.

Our focus mass is 15-35 years old NA – EU – TR hardcore indie gamers. We plan to ship it in 2019's 2nd quarter because AAA (third-party) game companies release their biggest titles in end of the fall and beginning of the winter. So as an independent developer, we don't want to get trampled by their success.

Its advantages are being in a different theme in its own genre (generally, this genre's themes are horror or thriller but MummahRunnah is a cute game with babies and diapers) and has more balanced gameplay than its other samples. GDD (Game Design Documentation) of MummahRunnah is ready and tied to the end of this project's files.

Create & Play

There are currently no game engines that is efficient and eased to use which increase our chance of being a monopoly. With Create & Play, even non-coder people get to produce their own games. This will also let teachers to give their homework with a game, children to produce their own game and increase their imagination and creation. Our focus mass is not only children, but also adults who always wondered how games work but never get a chance to learn all these complex 3D graphic calculations and hard coding.

Our biggest content is the Asset Store. It includes various types of objects, animations, textures, code scripts and models. Users have their own profiles and they can purchase the products they want from the store. Another feature you can use with your profile is Share. This system lets people to share their own games with the world, and everyone to rate it, leave a comment or drop a like.

This project will cost us about 500,000£ but we plan to keep developing and funding it with the income from our other video game projects. May consider to contact with TUBITAK for financing this project's cost by 75%.

References

www.tuik.gov.tr – Turkish Statistics Institute

www.newzoo.com – Game Market Intelligence

www.steamspy.com – Steam Statistics and Intelligence

www.steamdb.info – Steam Statistics

www.webrazzi.com – Media (Gaming News in Turkey)

store.steampowered.com – Steam (Platform)

partner.steamgames.com/steamdirect – Steam Direct Program

www.apple.com/tr/ios/app-store – Apple Store

play.google.com/store – Google (Android) Store

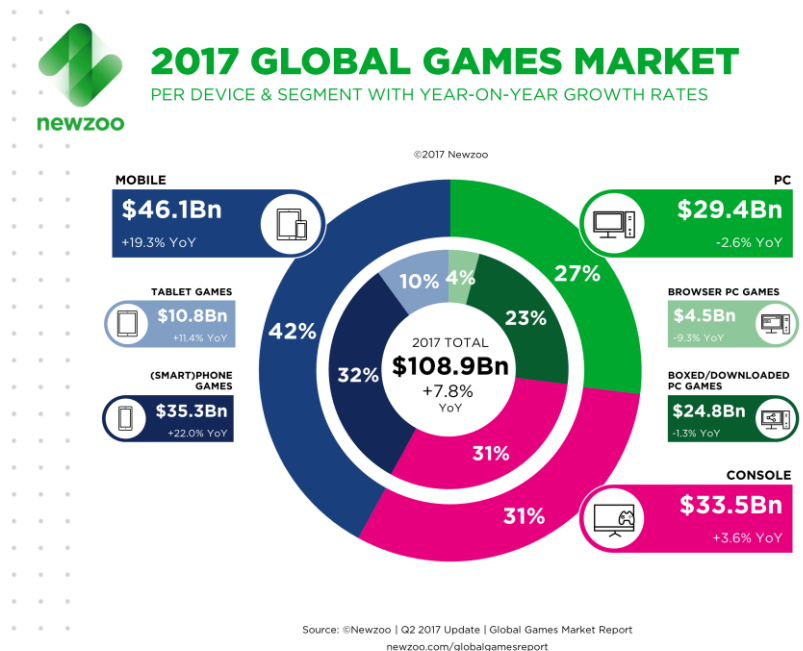
Graphs & Figures



[Figure 1]

In 2017,
47%
of all consumer spend
on games will come
from the APAC region

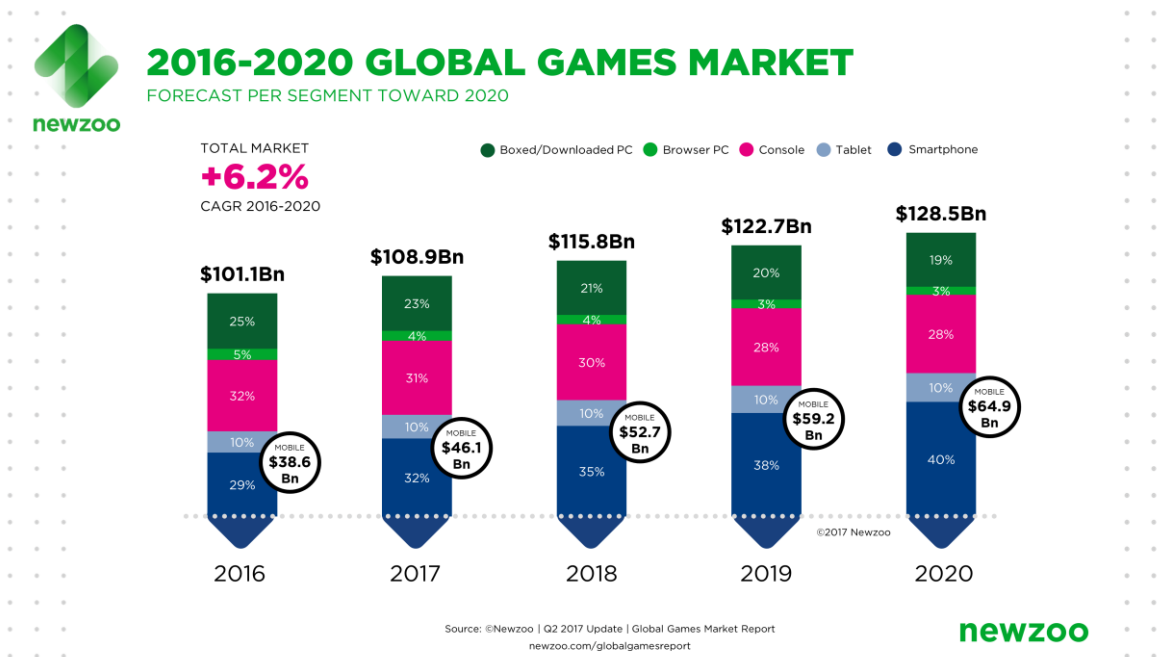
newzoo



[Figure 2]

In 2017, mobile games
will generate
\$46.1Bn
or **42%** of the global
market.

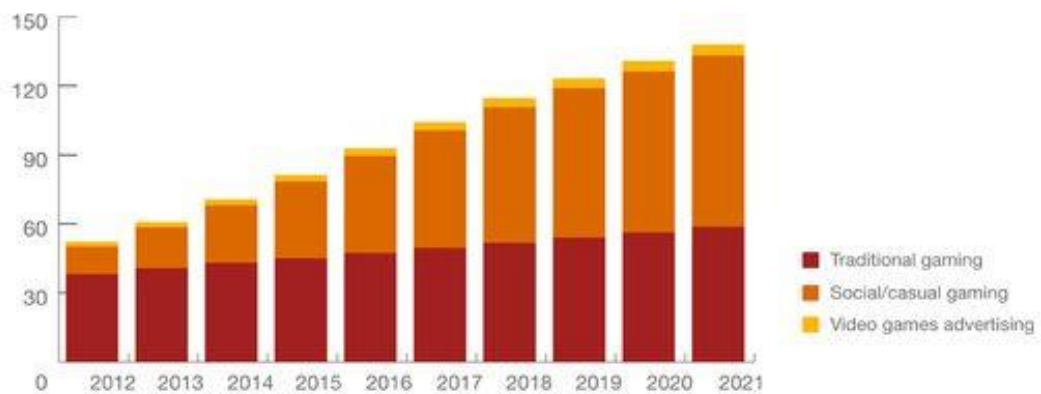
newzoo



[Figure 3]

Social & casual gaming is transforming the global video games market

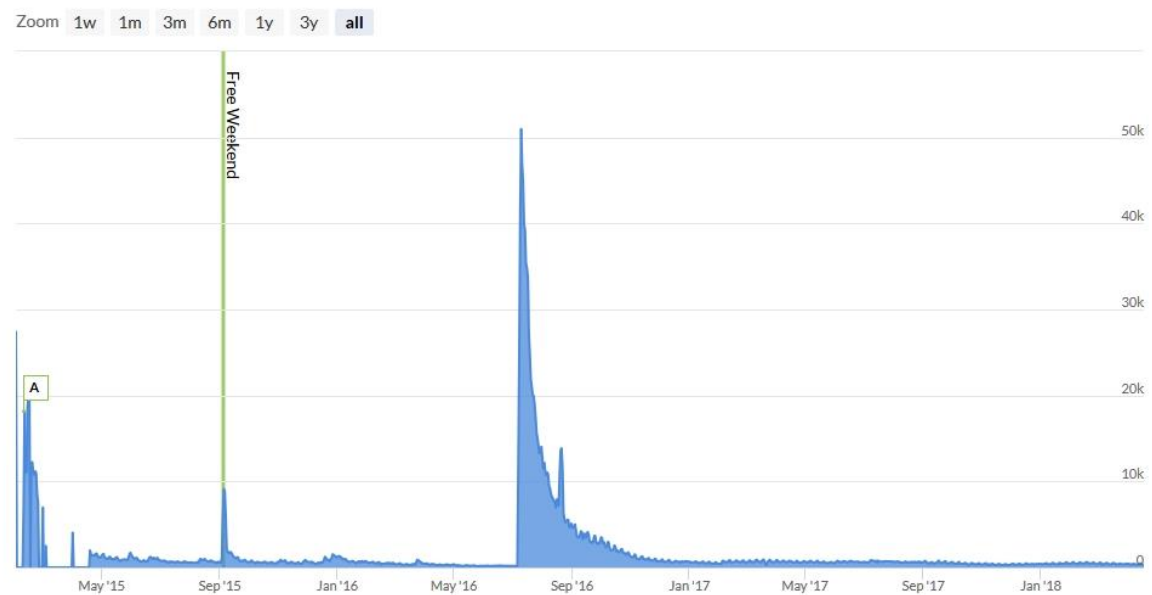
Global total video games revenue (US\$bn), 2012–2021



Source: Global entertainment and media outlook 2017–2021, PwC, Ovum

[Figure 4]

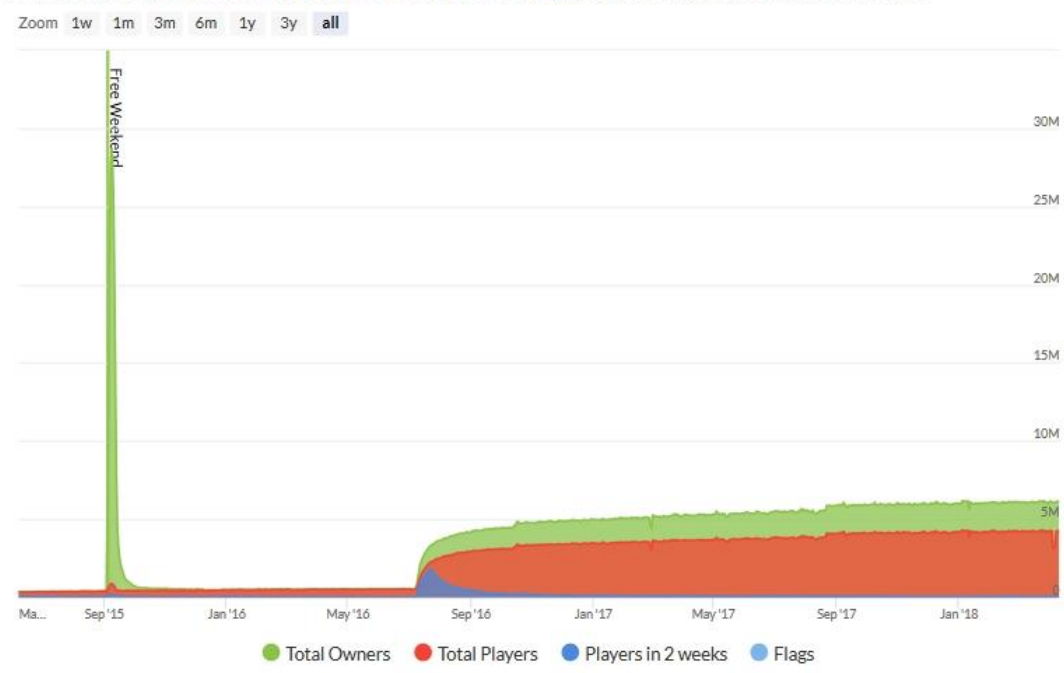
Players every day



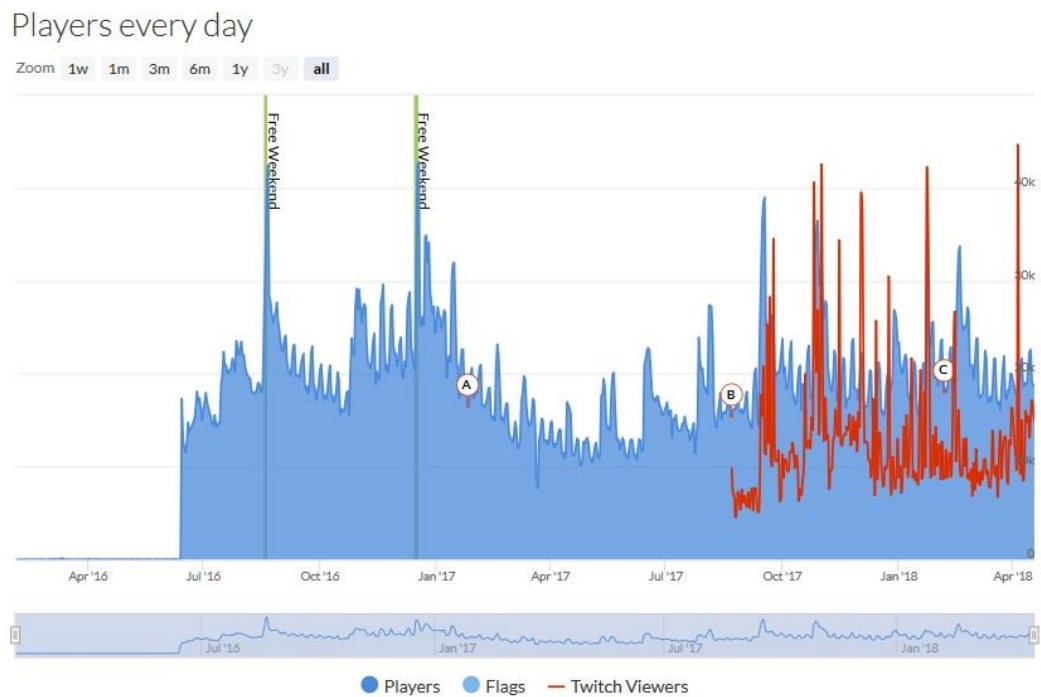
[Figure 5]: Everyday player stats for Evolve from its release to present.

Owners and total players

▲ SteamSpy no longer operates correctly as of 2018-04-12 due to a Valve change. We are preserving this graph for historical purposes.



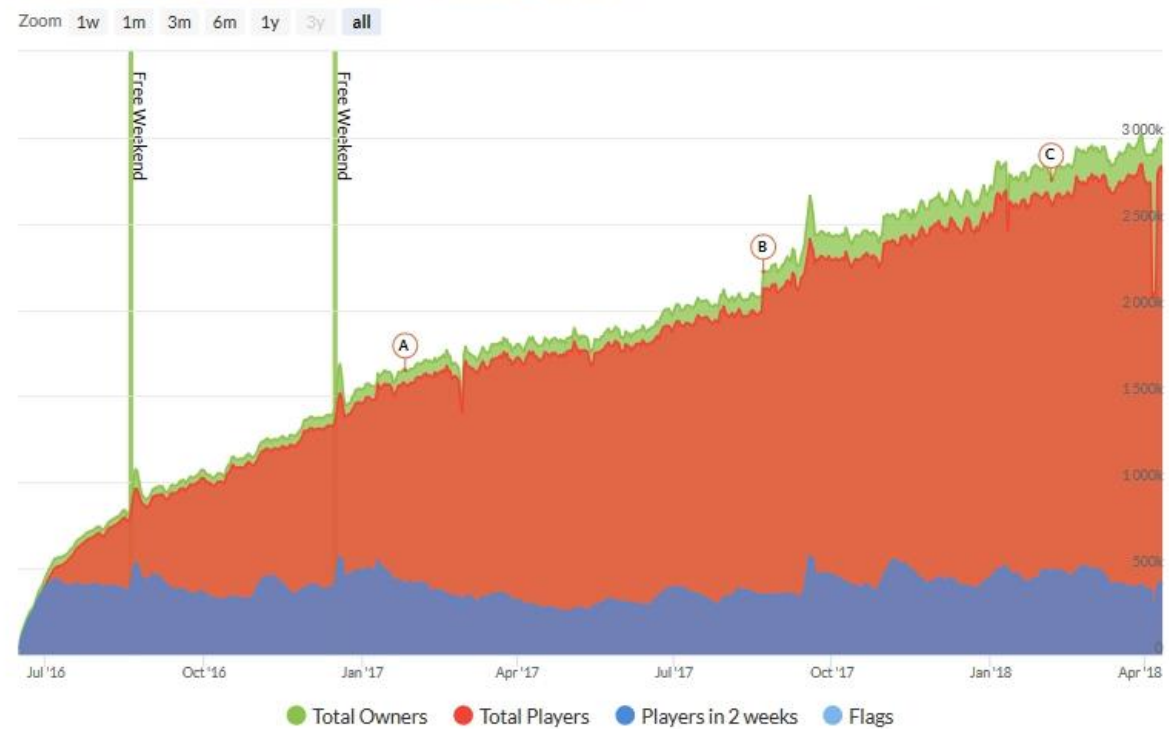
[Figure 6]: Player-Owner graph of Evolve.



[Figure 7]: Everyday player stats for Dead By Daylight from its release to present.

Owners and total players

▲ SteamSpy no longer operates correctly as of 2018-04-12 due to a Valve change. We are preserving this graph for historical purposes.



[Figure 8]: Player-Owner graph of Dead By Daylight.