



Christie Mealo | Product School | March 2017

**VALVE**

# GAMES



**Dota 2**  
July 2013



**CS:GO**  
August 2012



**Portal 2**  
April 2011



**Left 4 Dead 2**  
November 2009



**Left 4 Dead**  
November 2008



**Half-Life 2: Episode Two**  
October 2007



**Team Fortress 2**  
October 2007



**Portal**  
October 2007



**Half-Life 2: Episode One**  
June 2006



**Day of Defeat: Source**  
September 2005



**Counter-Strike: Source**  
November 2004



**Half-Life 2**  
November 2004



**Valve Back Catalog**  
1998 - 2004



# COUNTER STRIKE™

## SOURCE

FIND SERVERS

CREATE SERVER

ACHIEVEMENTS

REPORT BUG

VIDEO STRESS TEST

OPTIONS

QUIT





Tanicus ▾

United States

No information given.

Level 11



Years of Service  
650 XP

Send a Message

More ▾

### Recent Activity

72.2 hours past 2 weeks



Dota 2

2,279 hrs on record  
last played on Feb 14

Screenshot 1



Worms Revolution

0.1 hrs on record  
last played on Dec 26, 2016

Achievement Progress 0 of 34



Counter-Strike: Global Offensive

77 hrs on record  
last played on Dec 3, 2016

Achievement Progress 63 of 167



+58

View All Recently Played

Currently Offline

Last Online 13 hrs, 28 mins ago

Badges 5



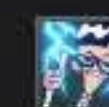
Games 29

Inventory

Screenshots 3

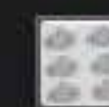
Friends 11

You have 7 friends in common



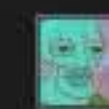
Mandark  
Last Online 6 hrs, 36 mins ago

31



bootyooty  
Last Online 29 hrs, 49 mins ago

15



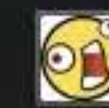
Ocean Man  
Last Online 16 hrs, 33 mins ago

13



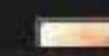
jayemtee  
Online

10



ayrez  
Last Online 12 hrs, 36 mins ago

10



HPC.bdkkason

+ ADD A GAME...

Your desktop is currently shared with rfedeli@gmail.com

Stop Sharing



NVIDIA GeForce Game Ready Driver is available

Click to install with GeForce Experience.

VIEW FRIENDS LIST



# VISION

## **Valve Corporation:**

Valve's vision is to foster creativity and push the limits of innovation across all aspects of the computer gaming, propelling evolution in the industry and community. Valve believes that gaming is a lifestyle, and Valve's mission is to improve the quality of gaming life.

## **Steam:**

To be the ultimate entertainment platform—play, connect, create, and more!

## **Steam Test Drive:**

To improve the Steam social experience and reduce purchasing anxiety for core Steam users.



# BUSINESS MODEL CANVAS | STEAM

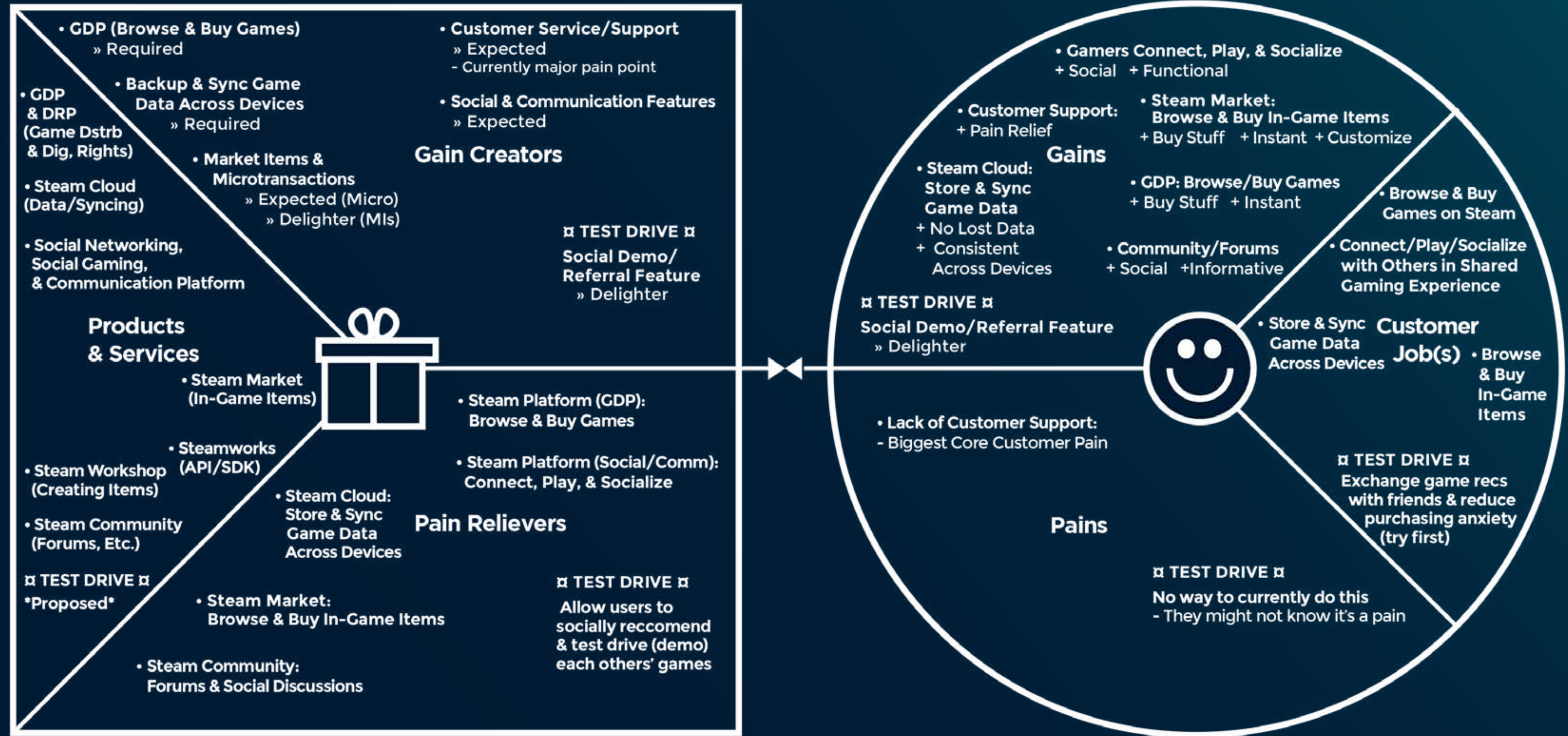
<div><div>Key Partners</div><div><ul style="list-style-type: none"><li>• Large Game Developers/Co.s<ul style="list-style-type: none"><li>» Suppliers</li><li>» Competitors</li></ul></li><li>• Small/Indy Game Developers<ul style="list-style-type: none"><li>» Suppliers</li><li>» (Mostly) Non-Competitors</li></ul></li><li>• Market Sellers - In Game Items<ul style="list-style-type: none"><li>» Suppliers</li><li>» Non-Competitors</li></ul></li><li>• Gamers<ul style="list-style-type: none"><li>» Users / Customers</li><li>» Non-Competitors</li></ul></li></ul></div></div>	<div><div>Key Activities</div><div><ul style="list-style-type: none"><li>• Software (Game) Development</li><li>• Social Gaming, Social Networking, &amp; Communications</li><li>• Content Distribution/ Licensing</li><li>• Data Hosting/Storage</li><li>• E-Commerce</li><li>• Customer Support</li></ul></div></div>	<div><div>Value Propositions</div><div><ul style="list-style-type: none"><li>• GDP   Game Distribution Platform<ul style="list-style-type: none"><li>» Users (Gamers)</li></ul></li><li>• DRM   Data Rights Management<ul style="list-style-type: none"><li>» Suppliers (Game Devs/Co.s)</li></ul></li><li>• Social &amp; Communication Features<ul style="list-style-type: none"><li>» Users (Gamers)</li></ul></li><li>• Data Hosting &amp; Device Syncing (Steam Cloud)<ul style="list-style-type: none"><li>» Users (Gamers)</li></ul></li><li>• API / SDK (Steam Works)<ul style="list-style-type: none"><li>» Indy Developers</li><li>» Item Creators</li></ul></li><li>• Creation Tool - In-Game Content (Steam Workshop)<ul style="list-style-type: none"><li>» Indy Developers</li><li>» Item Creators</li></ul></li><li>• Community Features &amp; Forums (Steam Community)<ul style="list-style-type: none"><li>» Users (Gamers)</li></ul></li><li>✖ Social Demo/Referral Feature (Steam Test Drive)<ul style="list-style-type: none"><li>» Users (Gamers)</li></ul></li></ul></div></div>	<div><div>Customer Relationships</div><div><ul style="list-style-type: none"><li>• Steam (in general)<ul style="list-style-type: none"><li>» Automated <i>notifications, pass reset, etc.</i></li><li>» Manual/Personal <i>rarely... customer support*</i></li><li><i>* Biggest core user pain point</i></li></ul></li><li>✖ Steam Test Drive<ul style="list-style-type: none"><li>» Automated (mostly)</li><li>» Some Manual/Personal <i>Support &amp; Regulation</i></li></ul></li></ul></div></div>	<div><div>Customer Segments</div><div><div>B2C:</div><ul style="list-style-type: none"><li>• Gamers<ul style="list-style-type: none"><li>» Hardcore Social Gamers (Core Steam Market)</li><li>» Infrequent/Casual Gamers</li><li>» Newbies</li><li>» Friends &amp; Family Gamers (Steam Friends &amp; Family Feature)</li></ul></li><li>• Friends &amp; Family Non-Gamers<ul style="list-style-type: none"><li>» Steam game gifters</li></ul></li></ul><div>B2B:</div><ul style="list-style-type: none"><li>• Large Game Developers/Co.s<ul style="list-style-type: none"><li>» Suppliers</li><li>» Competitors</li></ul></li><li>• Small/Indy Game Developers<ul style="list-style-type: none"><li>» Suppliers</li><li>» (Mostly) Non-Competitors</li></ul></li><li>• Market Sellers - In Game Items<ul style="list-style-type: none"><li>» Suppliers</li><li>» Non-Competitors</li></ul></li><li>• Advertisers<ul style="list-style-type: none"><li>» Buyers</li><li>» Non-Competitors</li></ul></li></ul></div></div>
<div><div>Key Resources</div><div><ul style="list-style-type: none"><li>• Distribution Channel<ul style="list-style-type: none"><li>» Monopoly / Market Leader</li></ul></li><li>• Human/Intellectual Resources<ul style="list-style-type: none"><li>» Developers</li><li>» Designers</li><li>» Research &amp; Psych</li><li>» Business</li><li>» Other</li></ul></li><li>• Distribution Channel<ul style="list-style-type: none"><li>» Monopoly / Market Leader</li></ul></li></ul></div></div>			<div><div>Channels</div><div><div>STEAM SUPERCHANNEL</div><div>Steam Serves as a Channel for virtually All Relevant Functions:</div><ul style="list-style-type: none"><li>• Distribution (GDP)</li><li>• Sales (GDP + E-Commerce)</li><li>• Social &amp; Communications</li><li>• Marketing/Advertising</li><li>• Support</li></ul></div></div>	

<div><div>Cost Structure</div><div><div>FIXED COSTS</div><div><ul style="list-style-type: none"><li>• Salaries</li><li>• Rent</li><li>• Utilities</li><li>• IT &amp; Cyber Security (Base)</li></ul></div></div><div><div>VARIABLE COSTS</div><div><ul style="list-style-type: none"><li>• Equipment Purchases</li><li>• Server / Data Storage Costs</li><li>• Cost of Goods Sold<ul style="list-style-type: none"><li>» Note: Dev Salaries not Included</li></ul></li><li>• IT &amp; Cyber Security (EMERGENCY)</li><li>• Miscellaneous Overhead Costs</li></ul></div></div></div>	<div><div>Revenue Streams</div><div><div>B2C</div><div><ul style="list-style-type: none"><li>• Direct Game Sales (Valve Co. Games)</li><li>• Retail Game Sales (\$ Retail Markup)<ul style="list-style-type: none"><li>» Large/Commercial Games</li><li>» Small/Indy Games</li></ul></li><li>• Market Item Sales &amp; In-Game Purchases<ul style="list-style-type: none"><li>» "Microtransactions"</li></ul></li><li>• Premium Features<ul style="list-style-type: none"><li>» Ex: Friends &amp; Family Package</li></ul></li></ul></div><div><div>B2B</div><div><ul style="list-style-type: none"><li>• Contracts, Licenses, Distribution, etc.</li><li>• Advertising Sales</li><li>• Analytics / Data Services?</li><li>• Partnerships</li></ul></div></div></div></div>
---	---



# VALUE PROPOSITION CANVAS | STEAM

CUSTOMER SEGMENT | CORE USERS: HARDCORE SOCIAL GAMERS





# OPPORTUNITY HYPOTHESIS

**We can improve the Steam social experience and reduce purchasing anxiety for core Steam users through a friendly social feature that allows users to easily recommend and demo each others' games.**



# KPIs

- **Test Drives (Feature Usage)**  
(Use of Feature --- i.e. Peer-to-Peer trials via Steam)
- **Sales via Test Drives (Referral Revenue)**  
(ie Sales Conversions from Test Drives)
- **Conversion Rate**  
(% of Test Drives that turn into sales)
- **Conversion Time**  
(Time it takes to convert Test Drive into a sale)
- **NPS**
- **Overall Videogame Sales Velocity & Test Drive Sales Velocity**  
$$\text{Sales Velocity} = (\# \text{ Leads} \cdot \$ \text{ Avg Deal Size} \cdot \% \text{ Conversion Rate}) / (\text{T Avg Conversion Time})$$

# KPIs

## Improve Social Experience:

- **Test Drives (Feature Usage)**  
(Use of Feature— i.e. Peer-to-Peer trials via Steam)
- **Net Promoter Score**


## Reduce Purchasing Anxiety:

- **Sales via Test Drives (Referral Revenue)**  
(i.e. Sales Conversions from Test Drives)
- **Conversion Rate**  
(% of Test Drives that turn into sales)
- **Conversion Time**  
(Time it takes to convert Test Drive into a sale)
- **Overall Videogame Sales Velocity  
& Test Drive Sales Velocity**  
  
Sales Velocity =  
$$\frac{(\# \text{ Leads} \cdot \$ \text{ Avg Deal Size} \cdot \% \text{ Conversion Rate})}{(T \text{ Avg Conversion Time})}$$



# KEY PERSONA |

## Core Steam User Group: Hardcore Social Gamers

PICTURE & NAME	DETAILS	GOAL
 <p><b>BURT</b> <b>The Hardcore Social Gamer</b></p> <p><b>NOTE:</b> <u>'Hardcore'</u> here primarily refers to daily/frequent usage.</p>	<ul style="list-style-type: none"><li>• <b>Daily ('Hardcore') Gamer / Steam User</b><ul style="list-style-type: none"><li>» Averages x-y hours/week</li><li>» Plays nights &amp; weekends</li></ul></li><li>• <b>Social gamer</b><ul style="list-style-type: none"><li>» Games with (multi-player) &amp; socializes with friends while gaming (even while playing solo or different games than friends).</li><li>» Likes watching friends play (stream) games; usually through twitch (Steam has streaming feature but Twitch is more popular)</li><li>» Influences &amp; Influenced by gaming friends<ul style="list-style-type: none"><li>› More influential than less techy gamers</li></ul></li></ul></li><li>• <b>16 - 36 year old male</b><ul style="list-style-type: none"><li>» No kids</li></ul></li><li>• <b>Has free time ( &amp; No Kids)</b></li><li>• <b>Middle Class +</b><ul style="list-style-type: none"><li>» Can afford gaming computer</li><li>» Has Day Job<ul style="list-style-type: none"><li>› Most likely works in software, hardware, IT/IS, etc.</li></ul></li></ul></li><li>• <b>Tech/Computer Savvy</b><ul style="list-style-type: none"><li>» Some understanding of technologies involved in games &amp; platforms</li><li>» Knows how to spec a good gaming computer</li></ul></li><li>• <b>Innovator/Early Adopter of new games &amp; gaming tech</b><ul style="list-style-type: none"><li>» Enjoys demos &amp; giving feedback</li><li>» Participates in Alphas &amp; Betas</li></ul></li><li>• <b>Rides 'Waves'—</b> Plays a game for several weeks/months, moves on, comes back again later; will replay a game several times. These 'waves' or trends in play occur for both multi-player/team games and solo games.</li></ul>	<p><b>Goals   Steam Platform:</b></p> <ul style="list-style-type: none"><li>• Connect with friends and game together / share gaming experiences easily.</li><li>• Communicate (voice &amp; messaging) with gaming friends through social platform.</li><li>• Browse &amp; purchase games through simple/common GDS platform.</li><li>• Sync game data to (Steam) cloud to easily play across personal computers (eg. desktop, laptop, etc).</li></ul> <p><b>Goals   Steam Test Drive: (Game Share / Friends Demo)</b></p> <p><i>If demoing/test driving a friend's game:</i></p> <ul style="list-style-type: none"><li>• To 'test drive' (demo) games owned and recommended by my friends to determine if I would like to purchase.</li></ul> <p><i>If sharing a test drive of one of your games to a friend:</i></p> <ul style="list-style-type: none"><li>• To turn friends on to games that you like / think they would like, and/or recruit your friends to join you on a team in a multi-player game they may not yet have.</li></ul>



# USE CASES

## For Core Steam User Group (Hardcore Social Gamers):

### Game-Owning User:

*Cases/Perspective where the owner of a game is sharing/demoing the game to Steam friends.*

- Steam (owning) user is playing a multi-player (team) game and wants his circle of friends to join/play with him; shares to turn them on to the game & form in-game team.
- Steam (owning) user is playing a single-player game and thinks a friend(s) would also like the game; shares to recommend / turn on to the single-player game.
- Steam (owning) user is talking to a gaming friend (non-owning) and the friend asks about a game the user owns / requests to demo a game the user owns.

### Demoing / Non-Owning User:

*Cases/Perspective where Steam user who does not own a certain game is demoing that game via a friend on Steam.*

- Steam user does not yet own a particular game owned & recommended by one of his Steam friends and wants to try the game before committing to a purchase.
- Steam user does not yet own a multi-player game that one or more of his Steam friends is actively playing and wants to try the game in order to:
  1. (Short-Term / Immediate) - Join in on team gameplay immediately.
  2. (Mid/Long-Term) - Commit to purchasing a game that his friends are repeatedly playing as a team.



# **SURVEY DATA**

# SURVEY RESPONSES

Responses Recorded: 946

Cleaned for Dupes: 917

Daily Steam Users: 752

Special Thanks to **The Glorious PC Gaming Master Race** Facebook Group

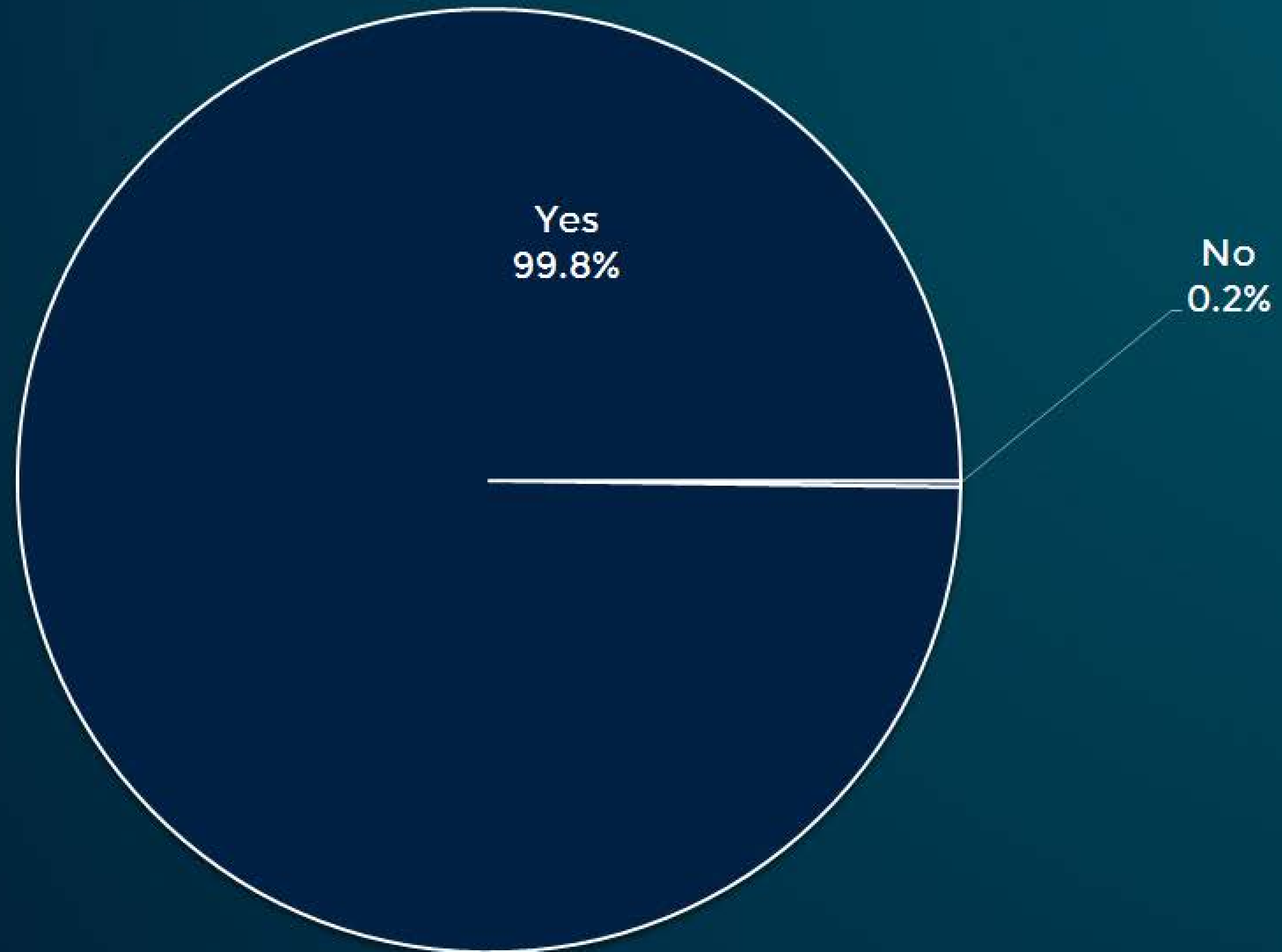
The screenshot shows a Facebook post from the group "The Glorious PC Gaming Master Race". The post text reads: "Anyone who is a frequent computer gamer: I am researching Steam features for a class project. Please help! I appreciate your feedback!". Below the text is a "Steam Survey" form. The form has a purple header and contains the following questions:

- Questions in this survey relate to the Steam gaming platform.
- \*Required
- Please write your First Name and Last Initial.
- Your answer
- Do you use Steam? \*
- ☐ Yes
- ☐ No
- How often do you typically use Steam? \*
- ☐ Daily

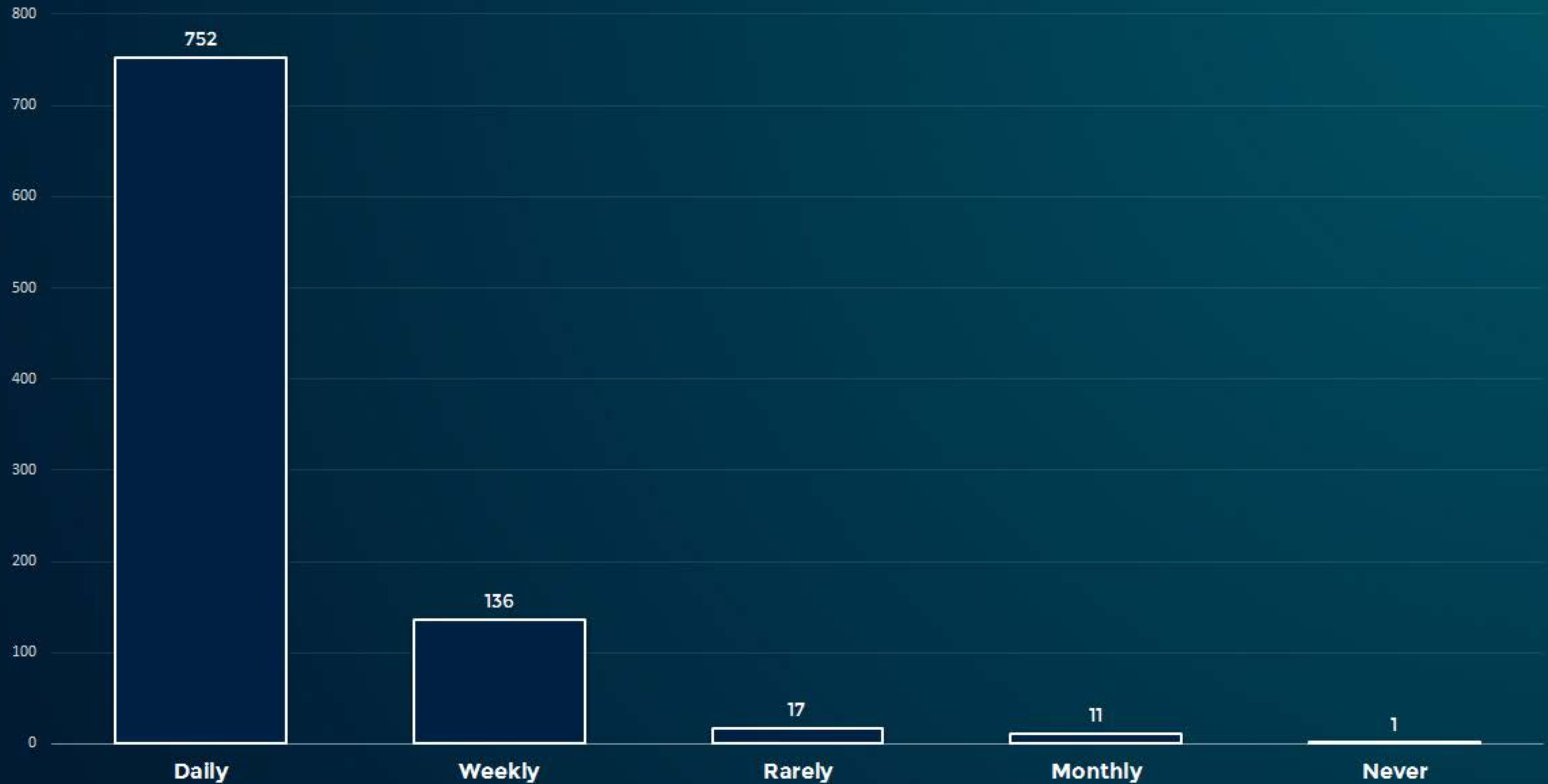
Below the form, there is a summary box titled "Steam Survey" with the text "Questions in this survey relate to the Steam gaming platform." and the URL "DOCS.GOOGLE.COM". At the bottom of the post, there are interaction buttons: "Like", "Comment", and "Share", and a like count of 119.



## Do You Use Steam?



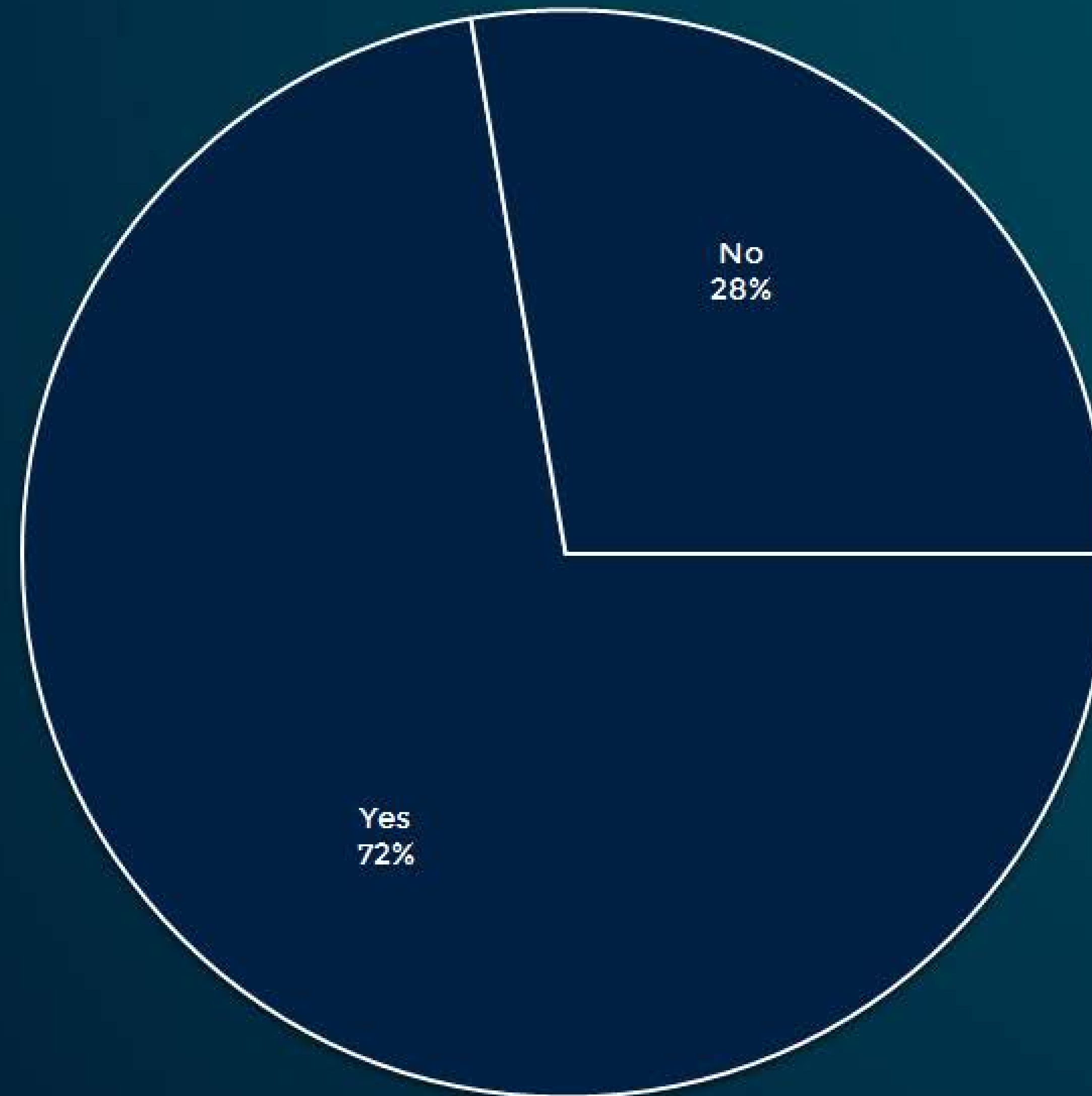
## How often do you typically use Steam?



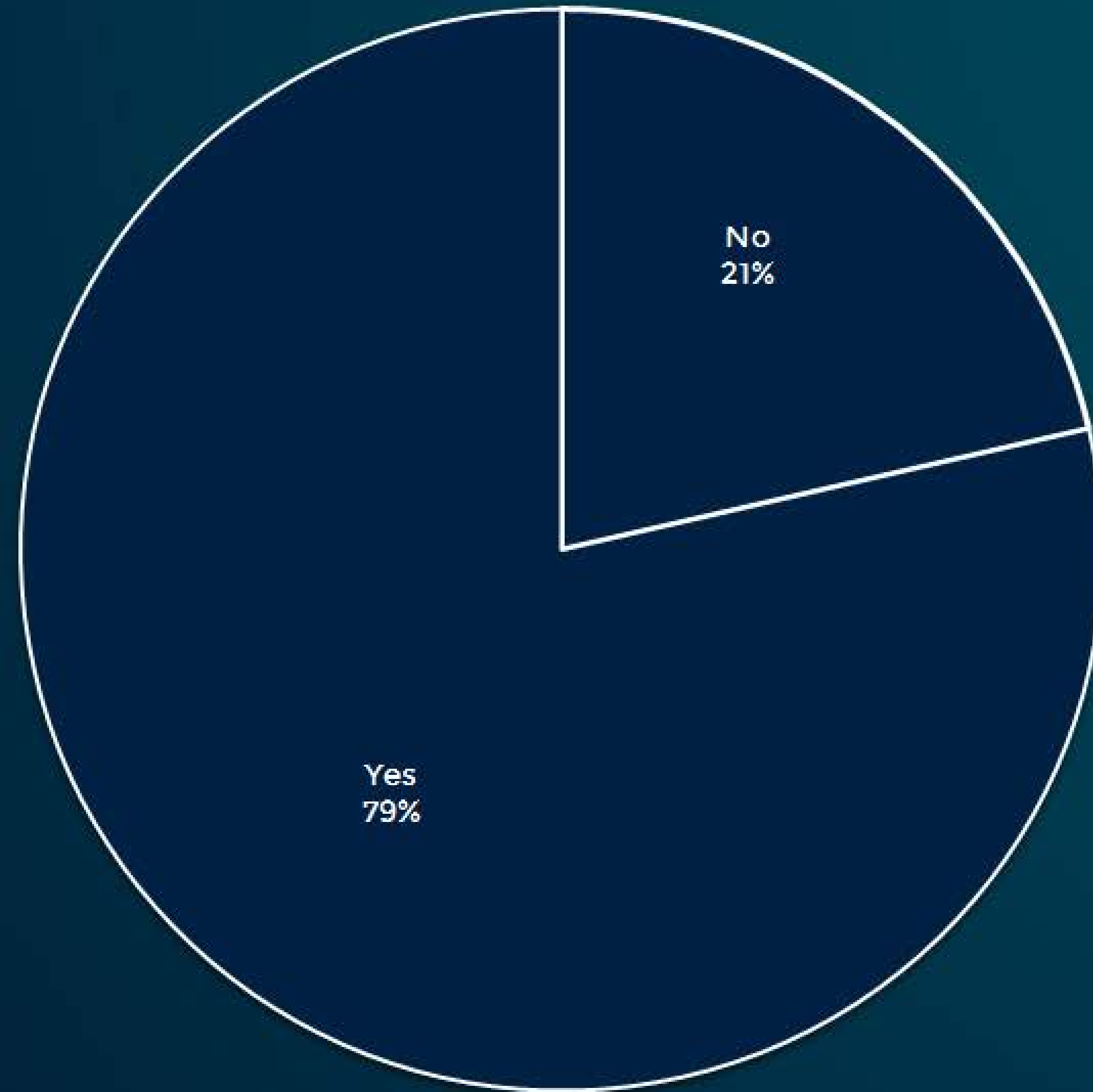
# **SURVEY DATA:** **Daily Users Only**



**In the past 6 Months, have you purchased a game  
because your friend recommended it to you?**



**In the past 6 months, have any of your friends purchased a game because you recommended it?**

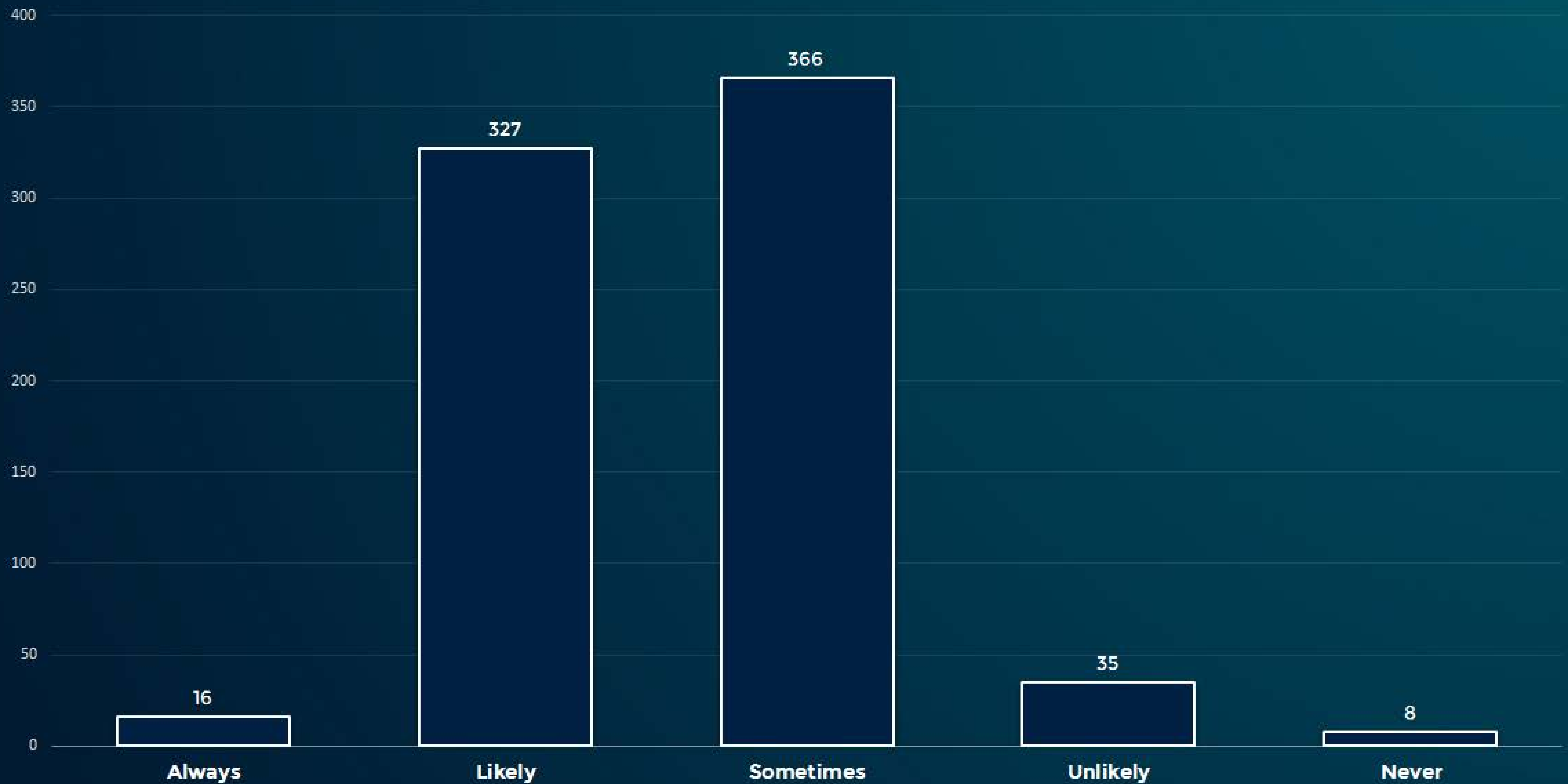




# How many games have you purchased in the past 12 months? (including expansions)

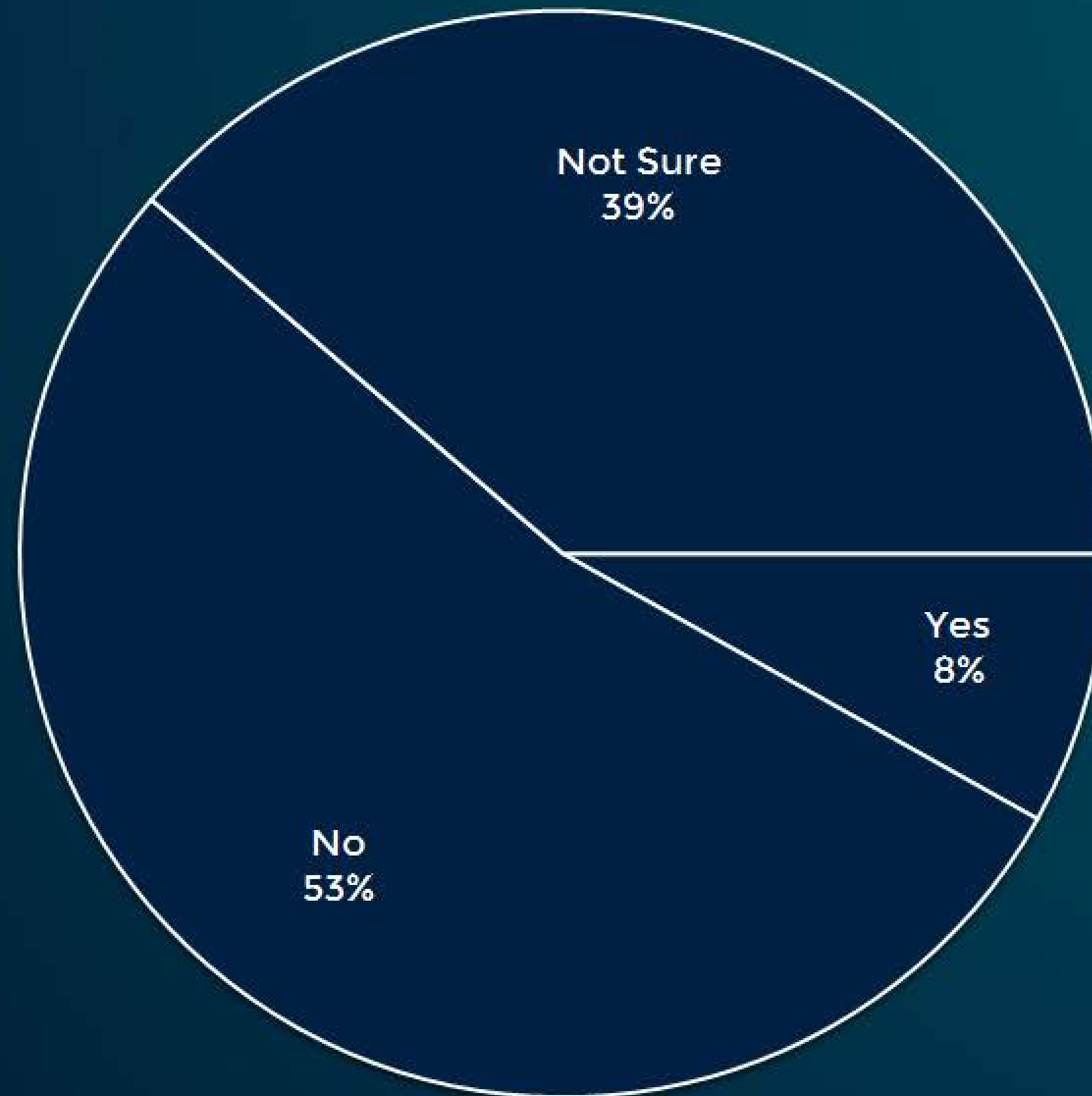


## How likely are you to purchase a game recommended by a friend?

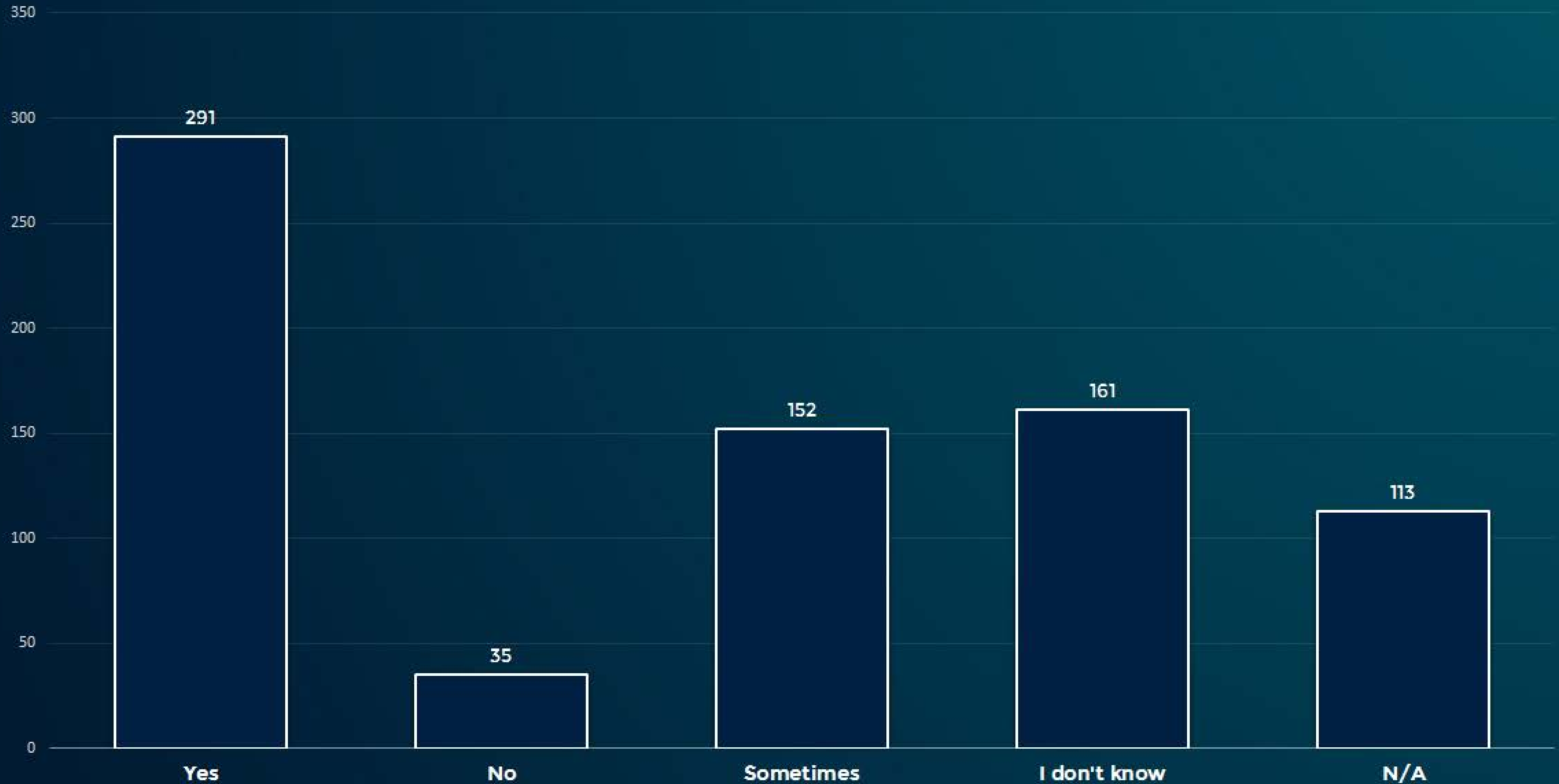




**Do most games you purchase offer demos?**

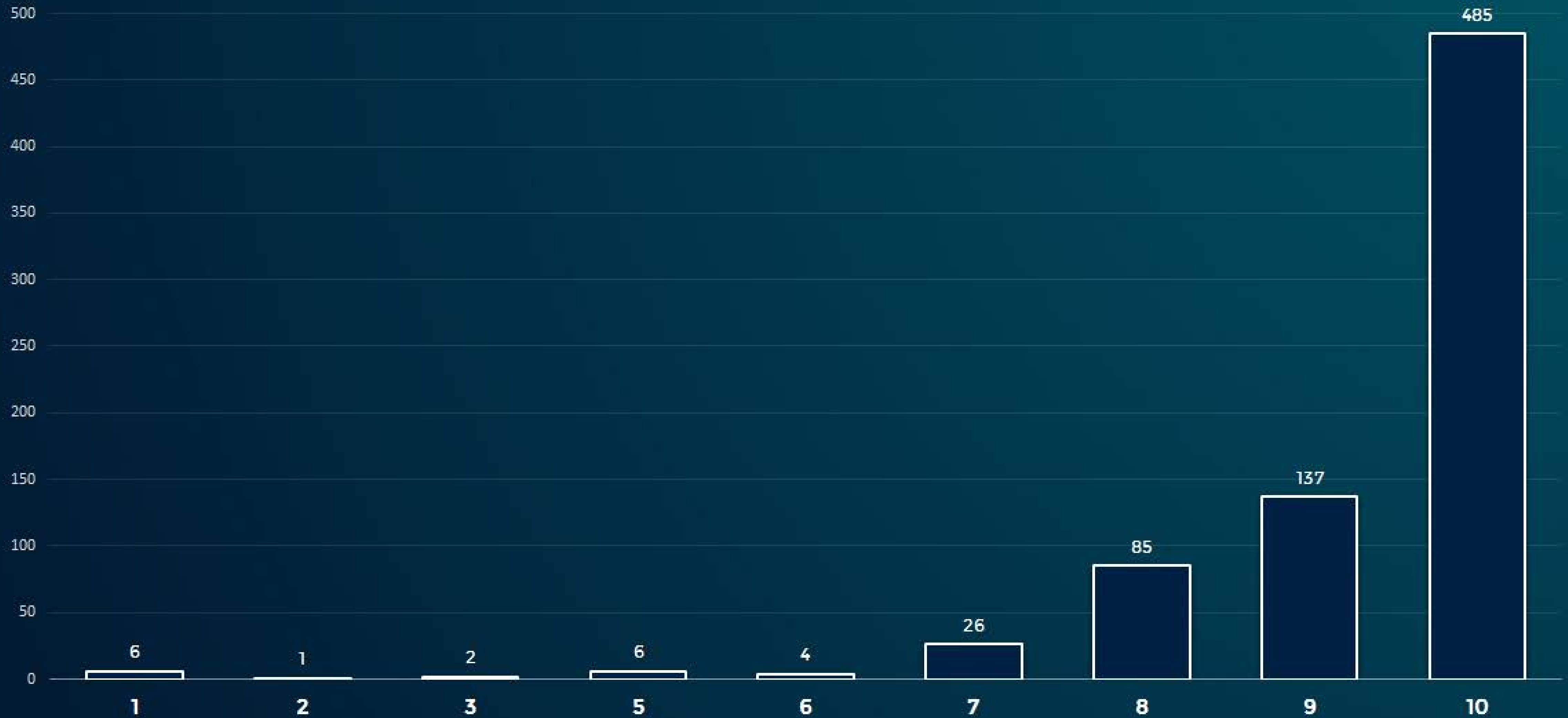


## When you encounter demos, are they typically limited in social capabilities/features?





**On a scale of 1 to 10, how likely are you to recommend Steam to a friend or colleague?**



# USER INTERVIEWS

## Select Quotes

### User 1:

*“Demos are a thing of the past; trying friends’ games before I buy them is something I’m interested in.”*

### User 2:

*“More often than not, I end up buying games my friends reccomend.”*





STEAM™  
*Test Drive*

ROUGH MOCKUP

# PRODUCT ROADMAP

## Overview | Steam Test Drive:

Week 1:

### Beta Sign-up

Promo Campaign to sign-up for Beta Test of Test Drive feature.

Beta Test campaign to target core user group (Hardcore Social Gamers); based on usage data.

**First 10,000** sign-ups get into Beta.

Also confirms interest (acts like simple MVP)

Week 2:

### Beta Release

Release for select Valve Corp. Games (Direct Sales Only) to Beta Test Group.

Can also sample a **second group** of core users (again, based on usage data); perhaps the second 10,000 users to signup (miss the Beta) to run **Split Test** metrics in Validation Phase.

Week 3 - 15:

### Collect Data

Collect data on Beta Test usage.

Compare to second group (Split Test) of Non-Beta core users as well as overall metrics for core users.

Week 16:

### Validation

After 3 months of data collection/comparison, **determine if Test Drive hypothesis is valid.**

• **IF YES:**

Roll out to larger audience for select Valve Games (Direct Sales Only).

• **IF NO:**

Kill Test Drive feature development

Week 17 + :

### Long View

• Release Test Drive option to 3rd Party Developers/Co.s. (Retail Steam Sales).

*\*B2B\**

• Dashboard/Analytics features for retailer back-end.

*\*B2B\**