

The logo for GDC Europe 2011. It features the text "GDC" in a large, bold, dark purple font, with a small "11" inside the "D". Below "GDC" is the word "Europe" in a similar dark purple font. The background of the slide is a complex, abstract design with overlapping circles and lines in shades of pink, purple, and white, creating a sense of motion and technology.

GDC Europe

Game Developers Conference™ Europe 2011
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www.GDCEurope.com

From Console to Facebook: Blue Fang Games and the Big Pivot

Hank Howie
President

Blue Fang Games

- Period 1998 to 2009:
 - Founded in 1998
 - Shipped the Original Zoo Tycoon for Holiday, 2001
 - 8 Million Units sold
 - Over \$200 Million in revenue



blue fang

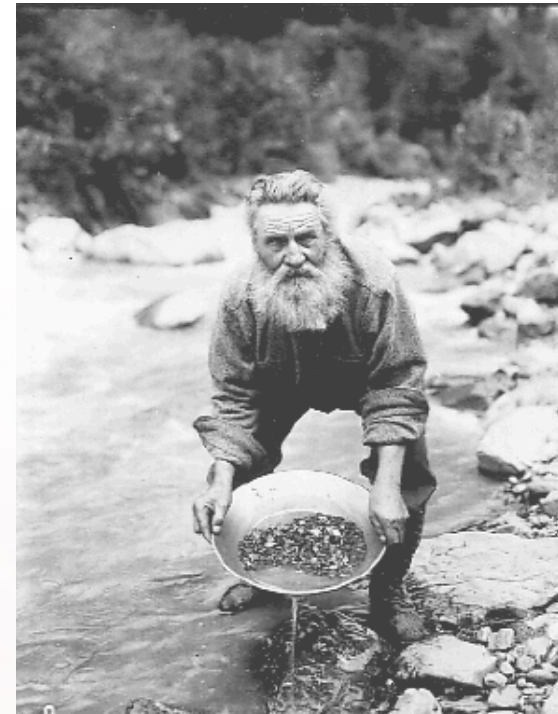
Who is Hank Howie?

- Grew up playing Avalon Hill and Strategy & Tactics (SPI) board games
- Began playing D&D when it was first published in 1974
- Over 17 years in the game industry, 13 as Blue Fang's President
- Closed more than \$35M in development deals
- Secured \$3M investment in 2006 & 2007



Situation: Late Summer 2009

- Finishing first (and last) console title
- Traditional game industry in free fall
 - Financial markets almost closed
 - Ongoing layoffs and reorgs
 - Few deals
- Rush to online gaming
- Farmville launches on Facebook
- Began shifting team mix
 - Small mobile/online swat team
 - Paring down the console team



Situation: Fall 2009

Abandon Ship?

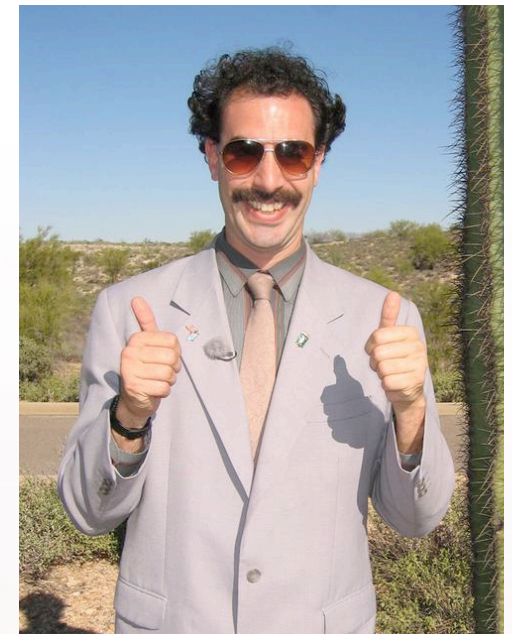
“If nothing pops soon on the console side, we’re going to Facebook”



Learnings...

What we did right:

- Had the bandwidth and perspective to see the online/social space taking off
- Recognized that the bulk of our customers were already on Facebook or headed there
- Acknowledged our current business was not sustainable



Learnings, continued...

What we did wrong:

- Didn't transition the team and cut costs aggressively enough
 - Talented, long-standing employees
 - Strung along by potential game deals that didn't materialize
 - Investor concern about the abandonment of the traditional business
 - There was clearly a real business in Facebook/social games, but could we take advantage?



Situation Today...

- Have shipped 3 games on FB
 - Zoo Kingdom
 - The Oregon Trail
 - Carmen Sandiego
- ZK popular and self sustaining, but poor monetization
- The Oregon Trail new users incredibly profitable, but retention poor
- Carmen – disaster!



Key Learnings...

- A partner who can effectively drive customer acquisition is a requirement
- Monetization needs to be core focus for entire team.
- Deviating from “established norms” of Facebook game play comes at a price
- Existing game brand equity can be of limited value on Facebook
- Front end experience is hyper-critical
- Provide multiple paths to progress – pay to skip grind
- Eliciting emotional investment in players is critical to retention

Tidbits

- Social games are the most purely scaling businesses in the world.
- Customer acquisition is much harder and more expensive than you think.
 - Big players have built-in audiences they can point at new products, AND they spend bucket loads of money on FB marketing as well...
 - Up to \$2M a day to drive traffic.
 - It's readily acknowledged that a large publisher spent north of \$50M to launch "A City Game".
- The blue sky has rapidly turned into a red ocean. What's next?

Social/Mobile... Round #2

- Key competitor(s) to Facebook coming hard, forcing changes: Google+
- Still no clear winner on mobile other than Apple – don't know there will be
- Trend to bring hardcore gameplay to FB not meeting the success of earlier, broader titles: my Mom won't play Empires & Allies

Conclusion

- Lean & mean is good
- If you're going to make the transition, it's hard to be halfway in... you're either in or out.
- Running live social games is akin to running little MMOs than it is to traditional game development – be ready
- You either need to have deep pockets, or a partner who can drive or buy customers (preferably both)
- Everything happens faster in this space than you're probably used to – everything. Be ready to run fast!
- The quality bar for games on Facebook is increasing every day, at an exponential rate.

The End!

Questions?

Don't forget – fill out your
evaluations!

Thank you!

Hank Howie