GDC 09 China

October 11–13, 2009
游戏开发者大会·中国

Game Developers Conference® China
Shanghai International Convention Center
Shanghai, China

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Evolving International Partnerships – from Outsourcing to Exporting

Aaron Pulkka | Director of Production | Activision

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Overview

- Key Ideas
- My Background
- Development Outsourcing
- Game Exporting
- Conclusions
- Questions

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Key Idea #1

Exporting requires shift from Replication to Adaptation

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Key Idea #2

Outsourcing is still important for global development

My Background

[1995 – now]

Walt Disney Imagineering

- Disney
- Sony Development

SONY

- Hyper Entertainment
  - Chinese art outsourcing for EA, Midway, Activision, Sony
- THQ XDG

THQ

- Vivendi Games (Activision Blizzard)

vivendi GAMES

- Activision

ACTIVISION | BLIZZARD

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Art Outsourcing

- Facilitated outsourcing for many different games

- Worked with outsourcing partners worldwide, including many in China

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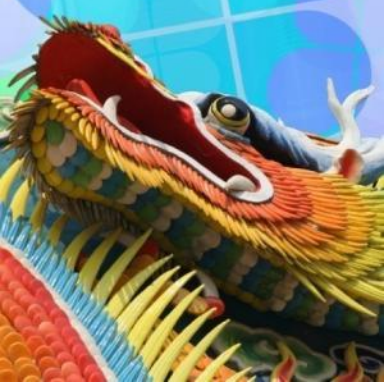

Chinese Partners

... and others

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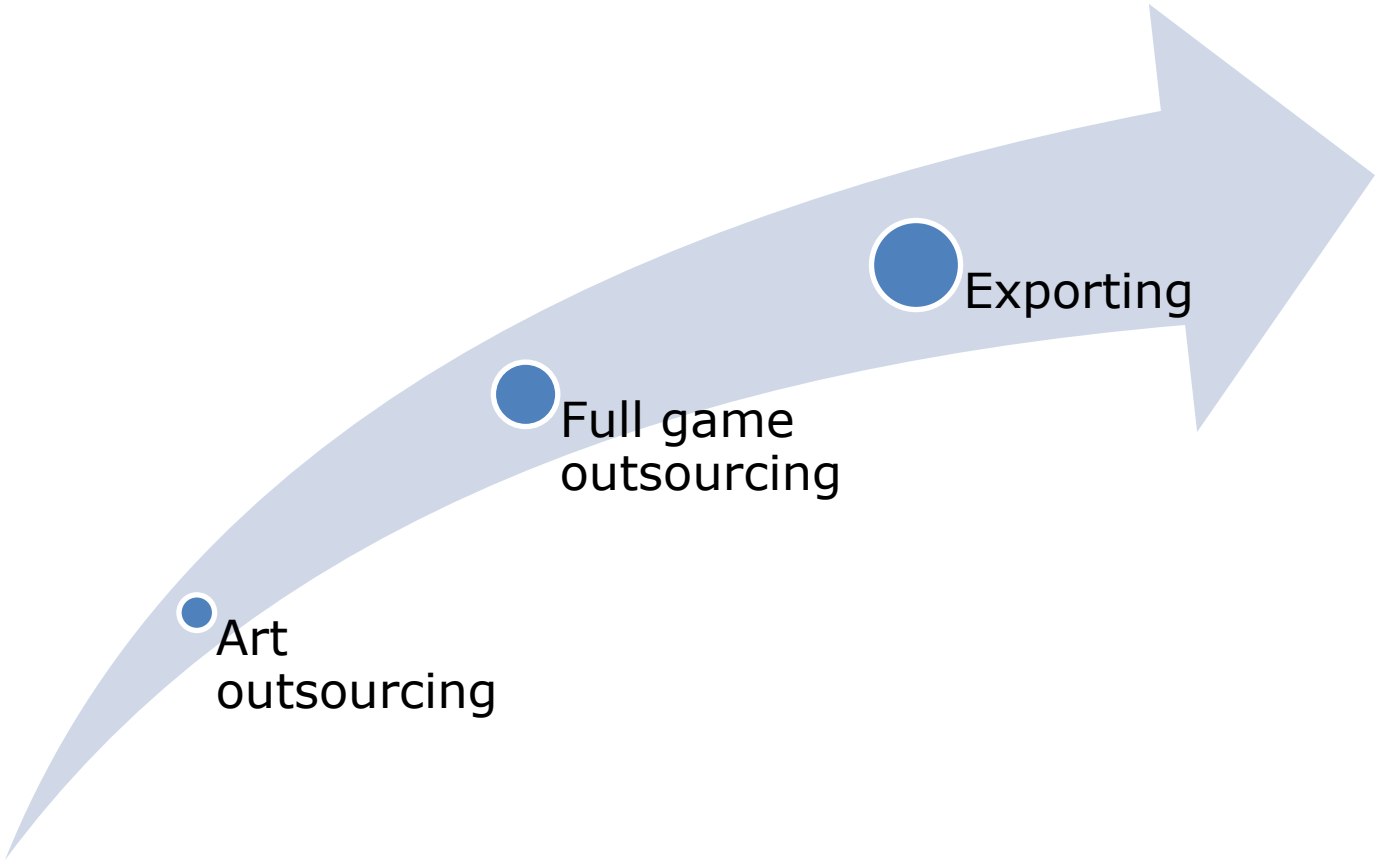
Evolving Partnerships



What publishers want from art outsourcing

- Reliable partners
- Cost effective solutions
- Fast turnaround
- Scalable teams
- Easy communication
- Experience with current techniques and engines
- Ability to learn new tools and adjust to changing requirements
- Skilled duplicators

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Art Outsourcing

What works well:

- Clear requirements
- Detailed reference/concept
- Internally created sample/benchmark assets
- English speaking producers/managers
- Robust production pipeline
- Efficient replication

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Agreement Types

- Asset list based contract
  - Fixed price
- Retainer agreements
  - Minimum guarantee
- Distributed development
  - Man-month rates

Development Outsourcing

Publisher needs developer to make game based on specific owned or licensed IP

- Game Porting
- Work-for-Hire Development
- Global Co-Development

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Game Porting

Conversion of game from one platform to another

- Down-porting to handheld from consoles, or secondary platforms
- Up-porting to new platforms
- Ports of existing games to XBLA or PSN

Faithful duplication

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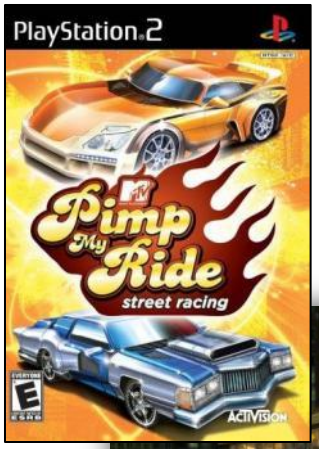
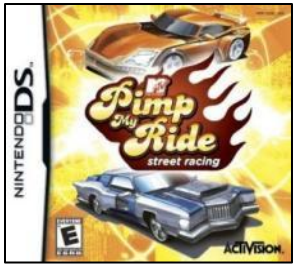
Work-for-Hire Development

Independent developers hired to make entire game





VIRTUOS

Global Game Development

Different companies working together to develop game by working in parallel on different parts

Hot Wheels Battle Force 5

Virtuos

sidhe

Hot Wheels: Battle Force 5

Mattel: Licensor in Los Angeles, USA
Nelvana & Nerd Corps: TV show in Canada
Sidhe: Console developer in New Zealand
Virtuos: Nintendo DS developer in China
Activision: Localization in Dublin, UK
Activision: Publisher in Minneapolis, USA

What publishers want from developers

- Reliable partners
- Cost effective solutions
- Fast turnaround
- Scalable teams
- Easy communication
- Experience on latest platforms
- Ability to quickly respond to changing requirements
- Skilled duplicators
- Creativity and innovation

Submitting Proposals

Anticipate questions to secure development deal

- ✓ Visually appealing presentation to capture attention
- ✓ Clear concept of what game will be, including key features and mechanics
- ✓ Competitive analysis
- ✓ Relevant experience and capabilities
- ✓ Staffing plan
- ✓ Complete cost estimate
- ✓ Expectations for publisher
- ✓ Risk assessment
- ✓ Must have playable demo on necessary platforms

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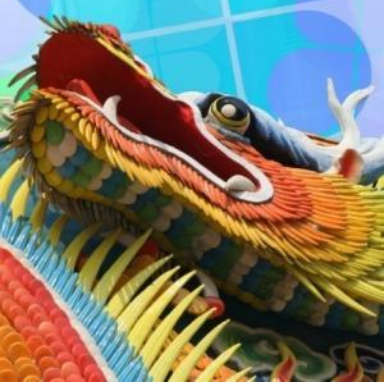

Game Exporting

- From USA to China
  - Focus on PC Online games
    - Blizzard & NetEase for WoW
    - EA & The9 for FIFA Online
    - THQ & Shanda for Company of Heroes Online
- From China to the World
  - International publishers always looking to grow and take on new IP
  - Requires more than marketing

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US & Global Platforms

- PC
  - Boxed Products
  - Online / MMO
- Mobile
- Handheld
- Console
  - Downloadable games
  - Boxed Products

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PC Online

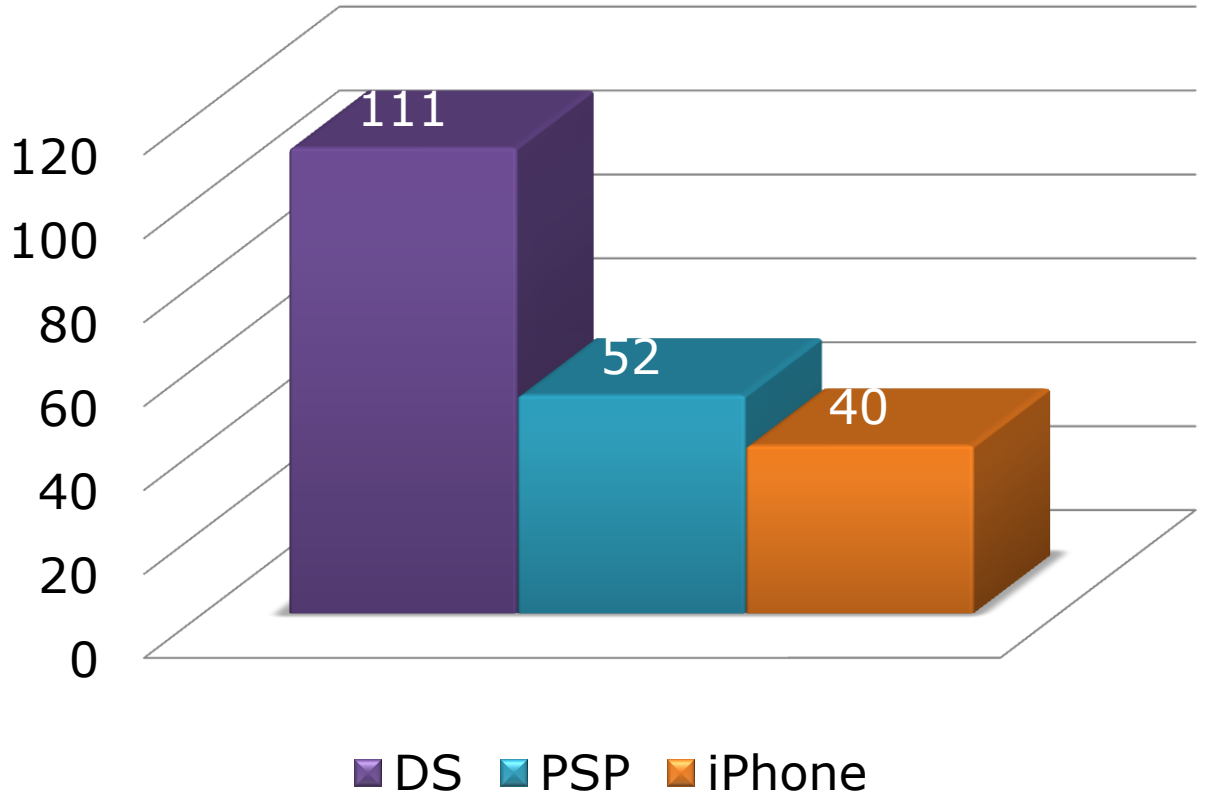
- Subscription based
  - Large barrier to entry
    - WoW is market leader
  - Loyal players
- Free-to-Play
  - Fastest growing model
  - Immature in USA

Free-to-Play

- Game design must support both free and paying players
- Expect only 5-10% of players to pay anything
- ARPU of $1 to $2 = successful
- Payment options
  - Online credit cards
  - Retail cash cards
- Lower barrier to entry than subscription
- Longer term investment required of partners than console games

Handheld Devices

(Millions of units)



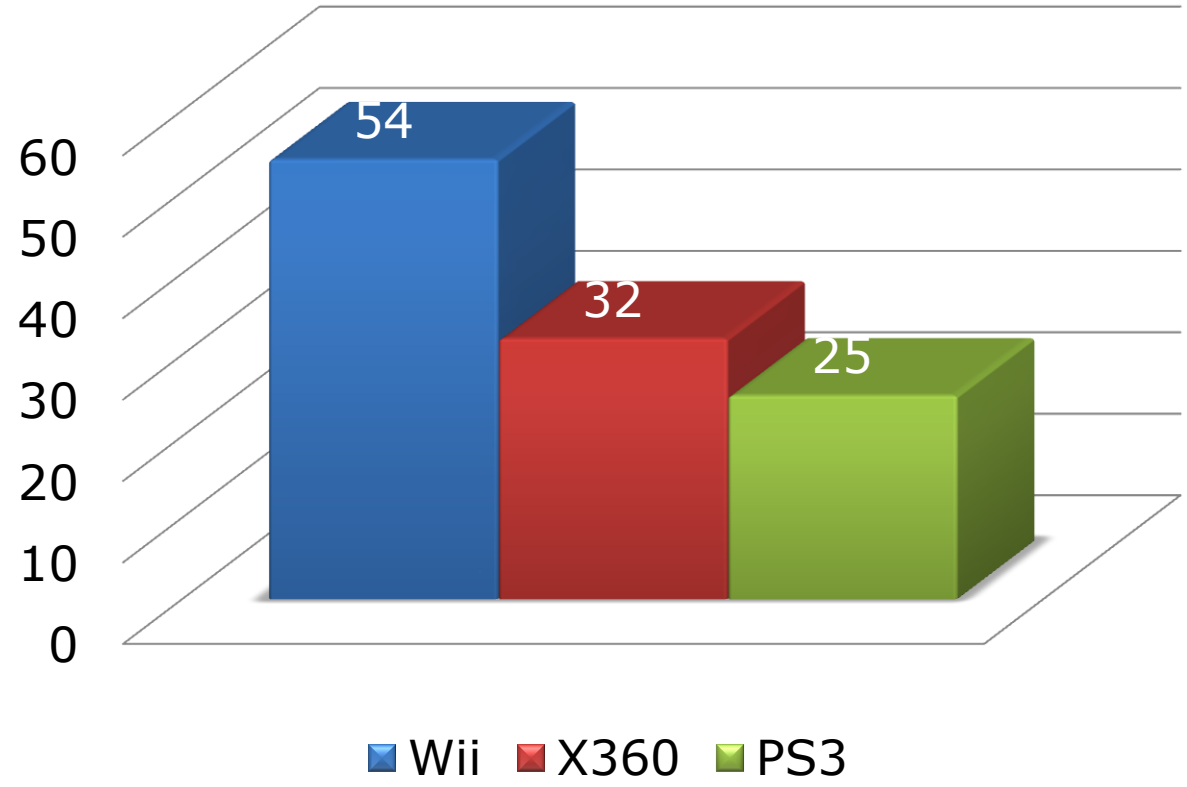
Larger install base than all except PC

Mobile / Handheld

- Mobile is huge business
  - Unfortunately small margins for developers
- Handheld
  - iPhone / iPod Touch
    - Hard to get noticed (13,000+ games in app store, 23% free)
  - NDS, PSP
    - Large install base
    - Low price point, high cost-of-goods

Game Consoles

(Millions of units)



Games have higher price-point, lower cost-of-goods than handheld

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Downloadable Games

- XBLA, PSN
  - Potential for long term growth
  - Small user base - less than 10% of console owners buy downloadable content
- WiiWare / DSiWare
  - Primarily for first-party games
  - Hard to get noticed

Game Consoles

- Largest source of game sales revenue
  - Unique user interface opportunities

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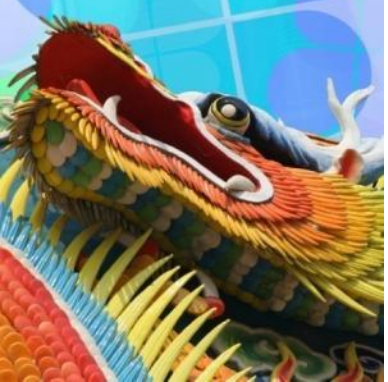

Exporting

- Games successful in one territory may not be successful in others
- More than translation
- Must adapt to local markets

Examine:

- Global games
- Multicultural literature
- Movies

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Global Online Gaming

World of Warcraft stats, from Blizzard presentation at GDC Austin 2009:

- 12+ million active subscribers
- 7,650 quests
- 40,000 NPCs
- 13,250 server blades
- 20,000 computer systems
- 75,000 CPU cores
- 1.5 million game assets
- 5.5 million lines of code
- 1.3 petabytes of storage
- 10 languages
- 4,600 staffers in offices worldwide

Free-to-Play

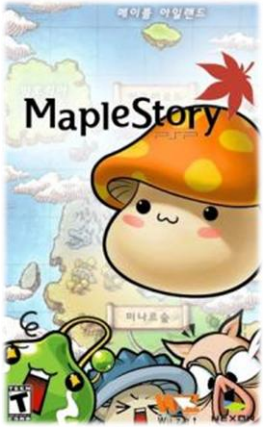
- Nexon
  - MapleStory, 2D fantasy MMO (50M players)
  - Combat Arms, 3D FPS (3M players)
  - Nexon Cash Cards

- TOSE Software Shanghai
  - Goal Or No Goal (GONG)
  - Soccer MMO

TOSE SOFTWARE SHANGHAI
ELEPHANT entertainment

Nexon's MapleStory

- Different features available in different regions
- Some exclusive to appeal to local markets
- Local offices required to maintain



Console Exports

1987	Final Fantasy
1988	Final Fantasy II
1989	
1990	Final Fantasy III
1991	Final Fantasy IV
1992	Final Fantasy V
1993	
1994	Final Fantasy VI
1995	
1996	
1997	Final Fantasy VII
1998	
1999	Final Fantasy VIII
2000	Final Fantasy IX
2001	Final Fantasy X
2002	Final Fantasy XI
2003	
2004	
2005	
2006	Final Fantasy XII
2007	
2008	
2009	

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Global Appeal

- How do we achieve global appeal?
- All myths worldwide adhere to a single universal "monomyth" structure (Joseph Campbell)
- Archetypes are universal, but Manifestations are influenced culturally (Carl Jung)

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Multicultural Literature Research

Crossing cultural borders:

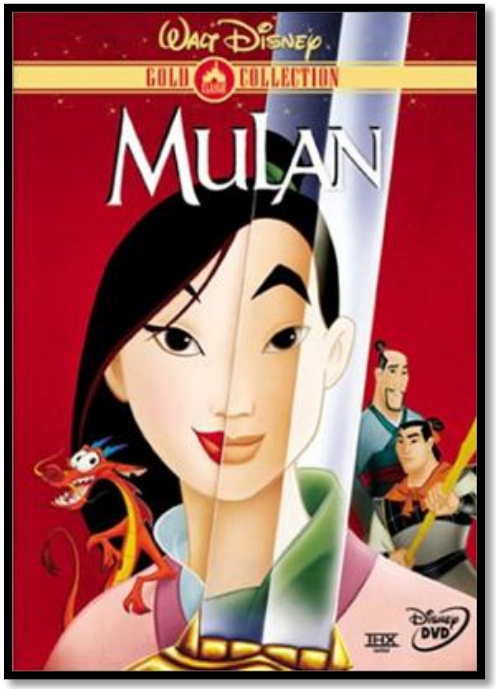
- Physical
  - location, appearance
- Historical
  - beliefs, values, experiences, history, tradition
- Inner/Psychological
  - fear, prejudice

Multicultural Influence

Borrowing language and other surface differences can imply exotic, foreign or futuristic

Disney's Mulan

- Westernized version of Chinese Story
- Mimicked physical appearance
- Borrowed and adapted background, yielding different story



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7 Basic Plots of Western Literature

1. Overcoming the monster (Beowulf/Jaws)
2. Rags to riches (Cinderella)
3. The quest (Lord of the Rings)
4. Voyage (The Odyssey)
5. Comedy (Pride and Prejudice)
6. Tragedy (King Lear)
7. Rebirth (A Christmas Carol)

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Chinese Storytelling

Qing dynasty Lu Ruiting "five secrets" (wujue) of storytelling:

- li (credibility)
- xi (intricate description)
- qi (novelty)
- qu (interest)
- wei (flavor)

Inner workings of one's mind used to increase credibility or create 'feeling' (qing) rather than explore an individual psyche as a Western novelist might

Japanese Adaptations

- Seven Samurai = Magnificent Seven
- Changed appearance

Ju-on vs. The Grudge

- Japanese horror fundamentally different than traditional US
- Western audiences expect closure

Quentin Tarantino

Borrowing techniques from movies of different cultures to break from US traditions

Jackie Chan

Long list of films successfully exported internationally, as well as films created for worldwide market

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Shift from Replication to Adaptation

- Games will likely require more than language changes
- To excel, developers must adapt products to global marketplace
- International partners can help understand cultural differences in each region

Challenge

- Must identify core features of game to keep, then consider changes to the rest
- Break down game into discrete elements:
  - Visual appearance
  - Game mechanics
  - Story, locations, characters
  - Challenge and progression
  - User interface
  - Business model
- Evaluate what is important about each element for each territory
- Never lose sight of core elements

Adaptation Options

- Change setting or appearance to appeal to wider market
- Keep appearance and adjust structure to leverage popular game genre instead
- Incorporate global or localized pop-culture references and events
- Adjust difficulty
- Port to new platform

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Concept Testing

- Work with partners to test assumptions
- Unanticipated results may occur from small changes
- Iterate on game based on feedback
  - Continual iteration required with online games

Approaching Publishers

International publishers review hundreds of game proposals each year

- ✓ Must clearly and concisely communicate vision
- ✓ Identify key differences and successful similarities with competition
- ✓ Highlight core elements
- ✓ Develop solid demo on target platform
- ✓ Specify clear budget, timeline and other requirements
- ✓ Address potential risks

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Evolving Partnerships

- Outsourcing builds confidence in partnerships
- Easier to focus on innovation when building on established relationship
- Partner may bring IP, technology, or expertise to better leverage core concept

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Conclusions

- Outsourcing still important part of global development
- Exporting requires different skills and focus to successfully adapt
- Exciting opportunities exist to work together to create world class products

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Opportunities

- Online gaming fast growing, potentially crowded marketplace
- Handheld games require minimal investment
- Console gaming is a large market with room to grow, plus advanced motion control

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Questions?

- Contact:
  - aaron.pulkka@activisition.com
- References:
  - Multicultural Literature for Children and Young Adults: Reflections on Critical Issues
    - By Mingshui Cai
  - The Hero with a Thousand Faces
    - By Joseph Campbell
  - The Seven Basic Plots: Why We Tell Stories
    - By Christopher Booker
  - Plum and Bamboo: China's Suzhou Chantefable Tradition
    - By Mark Bender