



RESEARCHING POTENTIAL CUSTOMERS FOR THE VIDEO GAME AS A SERVICE IN THE EUROPEAN MARKET

International Business

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ABSTRACT

Apex Games Ltd is an independent game studio located in Tampere, Finland. Company is run by CEO Mikko Karsisto and believes in delivering high quality for the customers. Apex Games Ltd is in the middle of developing a video game called Demon Core. It is a tactical shooter with non-stop action, top-of-the-line graphics and compelling game play elements which are the most important parts for the developer.

The main objectives of this thesis were to find customers who are interested in the game, to determine what model would be the most suitable for the release of the game and to determine the pricing point for an intangible product in the form of a video game named Demon Core. Service marketing mix as well as questionnaires were chosen as a method to give recommendations based upon the prior research. Three questionnaires were made in the span of a few months to see the opinions of the potential customers of the product.

Based on the research and questionnaires that were made, recommendations on pricing and promoting the game were given to the team behind the Demon Core product. Furthermore, judging by the responses, some suggestions were made about the choosing of business model for the release of the game.

Keywords: video game, service marketing mix, promotion, price

1 INTRODUCTION

1.1 Background Information

The purpose of this thesis is to explain the difficulties that occur behind the closed doors of a startup company. In this case, the company is a developer of a brand new Intellectual Property in the form of a video game. Seeing as there are many developers that try to create their own video game with many being successful, a lot of people believe that the only problem that occur during the creation is developing itself, however that is only the tip of the iceberg. There are numerous obstacles which arise during the start of the development phase and through the almost finished product. While mostly focusing on soon to be ready "object" and its problems, other difficulties will also be mentioned and explained in the theory part. One of the main problems that will be discussed and examined in this work paper is how to provide this service in the form of a video game to the customers. With first problem being is how to sell something, which is not yet fully complete, but on the other side needs to be sold in order to be complete? What kind of customers should be looked upon? What price should be put on a video game, so that it will not "outshine" the project itself, while also not leave developers on the losing end? These are the few of many problems that independent developers of video games are stuck during the production phase. During this research work, author will try to answer these questions not based on the assumptions on "what would be best by only the logic", but first of all on the close communication with the potential customers of this exact game genre. However, there is another difficulty that pops out with it, which is - WHO is a potential customer and most importantly, why?

1.2 Apex Game LTD

Apex Games LTD is a new independent games studio that is located in Tampere, Finland. Team consists of highly skilled IT sphere professionals that are currently in the process of creating their new game. However, since the company is independent, they cannot invest into another professional that would troubleshoot their community related difficulties, and this is where the author came in. This thesis is a co-operation between the technology oriented professionals and business oriented person, which would offspring a complete product for the mass market.

1.3 Video Game Industry

Indie companies can be compared with independent filmmakers who usually are more creative than general large studios. The idea of an indie company is to create a game as it is seen by the developer team itself, without any outside interferences. With that being said, main advantage of an independent developer is to create his work as he sees fit without the need to please everybody, which is usually the case with big corporations

or companies. However, being independent has its own problems, and the first problem that usually occurs is the lack of funds. Indie companies often try to gather funds either by themselves or from the crowd, because in that way they will not have any obligations and would still be able to work and create the game they foresaw at the beginning. Sometimes indie companies ask for an additional funding from big indie friendly corporations like Sony or Microsoft, but that may take its toll on the project, as bigger companies might want to add or change in the course of the project which would leave the development team with a different game in the end. Furthermore, companies do not want to invest bigger amount of money into small teams as they have a bigger risk of failure and that would be a loss to the company. But sometimes being independent and having interferences from the bigger company might be considered a plus for both sides. In case the indie development team is talented, bigger company might hire them for the future, bigger projects. (Innovation and Marketing in the Video Game industry, Wesley, David, Barczak, Gloria, 2010, 184)

Former member of «Game Informer» magazine, Van Burkleo stated: «The best part about being indie is that we want to make the way we want to make it. We don't have to compromise our vision in order to make a game more marketable or to appeal to every demographic if we don't want to. We don't have to hit a specified release date, so we can take the time to make the game meet our high standards.» (Innovation and Marketing in the Video Game industry, Wesley, David, Barczak, Gloria, 2010, 187)

In the book «Innovation and Marketing in the Video Game Industry» by Wesley, David, Barczak and Gloria. Successful indie games that were supported by Sony are discussed, with an example being the game called "Flower". Xinghan Chen developed an experimental game which was called «Cloud» about heavily ill boy who can escape from the reality only by traveling among the clouds. It was developed on a high level with good context and lush hand-painted visuals to convey the whole atmosphere of the game. As many indie studios, «Cloud» developer faced with a financial problem which was later solved by Sony. The reason why Sony supported the game was that they wanted to see innovation in the video game industry by pushing the limits of video and sound. «Independent studios that pushed the boundaries of game design were not really necessarily looking to appeal to a mass market» said Simon Carless who is the chairman of the Independent Games Festival. Besides, Van Burkleo whose name was already mentioned above said: "They are really looking to appeal to certain people that like alternative games...they value design over profits, they create games as an exploration of medium or as an expression, they take bigger risks in the process, and they work in small teams" Game Informer , 2009. Unfortunately, the long path of developing the game for indie companies is not as easy and transparent, and today many studios are in search for a solution of such problems as budget, finding customers and putting the game on the market. (Innovation and Marketing in the Video Game industry, Wesley, David, Barczak, Gloria, 2010,184-187)

One of the first things that should be done by the game development studio is to create a "base" game project. The idea of so called "base" game project is to save time for the future development of games. Having a "base" means that the working team does not have to rebuild the basics and focus on the content of the game. Furthermore, having few "bases" allows developer to reuse the assets and core to create new games in the future faster. After "base" is done many developers make a very common mistake in that field and that is the development of multiple stock keeping units (SKU) simultaneously. In that field, that would mean that instead of focusing on one thing at a time and polishing the product for one launch system developer starts to tackle more challenges.

Consequently, it pushes the developer to decide which platform to choose but it is very complicated step as there are a lot of available platforms during this time. (The Indie Game Developer Handbook by Richard Hill-Whittall, 2015, 80)

Every studio, small or big, needs a protection of their intangible work of mind, in other words, they need to register their intellectual property (IP). Nowadays if you want to create something, you have to register it so that no one will steal your work, and with games it means that no one will steal what was developed. Usually strengthening of IP is a collective work of owners, publishers and distributors. There are four main categories of IP and they are the following:

- Trade secret-it protects private business information such as contract terms which establish a competitive advantage.
- Copyrights protect usually the tangible forms of idea which can be either just works of art or software.
- Trademarks are considered to be the most valuable category of rights for game developers. Trademark protects brands, for instance, the company's name and the characteristics of the games.
- Patents are one of the most powerful categories because they give many rights. On the one hand, it is very qualifying category among other ones but on the other hand, it is much more expensive than others. (Game Development Business & Legal Guide, Salisbury, Ashley, 2003, 185)

After developer has finished its game, comes time to publish the game for its customers to see and buy. The market of the PC games has faced with a significant decline over the last few years especially compared to the early 90s when the PC games had a peak of the demand and success. There are a lot of indie-game developers that became extremely famous in that field because of their successful products such as Minecraft, Hotline Miami and others which were initially launched on PC and only later ported to other platforms. It can be said, that developers of these projects distributed their resources thoughtfully and as a result they received critical acclaim which allowed them to work further with their project. (The Indie Game Developer Handbook by Richard Hill-Whittall, 2015, 81)

Making PC a launching platform has both its pros and cons for a small time developer. When choosing a platform, PC looks more user friendly to the developer as it gives indie teams many opportunities with a low-cost

entry to the market when compared to the consoles. With that said it may look that PC is a better place to start selling the product, however it has its own minuses as well. While being user-friendly is a good thing, it means that a lot of indie developers are preferring PC over consoles which means a bigger competition between the developers, so a good marketing campaign has to be done prior to the release of the game to ensure the success of the game. On top of that, PC market has a problem with piracy, which means that some users may not want to pay for the product and download it for free illegally, which is almost impossible to do on consoles. When comparing those numbers, there is no exuding platform, so it is up to the developer to choose what he prefers. (The Indie Game Developer Handbook by Richard Hill-Whittall, 2015, 81)

If developer ends up choosing the PC launch platform, it comes with many options, and one of the is the many different portal websites that sell games. By choosing the PC, indie developer can release his game on different portal websites, so unlike the consoles that have only one, their own, market for games, on PC there are many. Steam is the first choice of indie developers on where to put their game for selling as it has the biggest user base and as a result Steam has a big gap in sales when compared to any other game portal as it is stated in the indie sales report. Steam is a digital distribution platform which has the highest volume of sales developed by Valve Corporation. Steam has a service called "Greenlight" where indie developers can put their games for user base to either approve it or not, and if it is approved, it would be published for selling in Steam service. At the time, Valve increased the number of approved games to 75 a week. When a game was launched on Greenlight campaign it puts the game under the voting queue where the developer should invite players to vote for the game. If the creator wants to greenlight his game, it should get a high amount of «Yes» votes and it is better if a game stands in Top 50 of the top votes which means that the game should get 55% of «Yes» and 45% of «No» votes. Fortunately, there is no time limit to get a game greenlit. Additionally, there are some criterions that can help the game to be successfully greenlit. Firstly, the description of the game is very important to promote a game, developing team has to add images, video trailers, improvements over the development period to attract the customers. Secondly, it is better to release a Demo version on your site and put a link on the Steam page to give people a chance to play a game. A good Demo can push people to vote for the game. If the game is already available on the developers' website or any other platform besides steam, developer can make a promise to provide a steam digital key (i.e. game) to the owners if they already have bought the game, and that may drastically reduce the time for the game to be released on steam. (The Indie Game Developer Handbook by Richard Hill-Whittall, 2015, 92)

Other than steam, there are some other key portals that are reported to have high sales numbers which indie developers like. GOG, which is one of the choices for developers, has the second highest sales after Steam, splits 70% of the revenue to the developer and 30% to GOG while Humble Store divides it 75% to the developer, 10% to charity and 15% to Humble Bundle but the revenue per sale for each game in the bundle is relatively low. Moreover, Amazon US splits its revenue as following: 70%

to the developer and 30% to Amazon and it gives indie developers an opportunity to promote and sell the software via distribution channel and to have subscriptions to millions Amazon customers. In addition, Amazon US gives a chance to promote the game on PC via Indie Games Store which was made specially to help indie creators to advertise the game and players to find a large number of indie games. Regards to Desure, it is reported that it splits 70% to the developer and 30% to the Desure and it is very developer friendly but sales are pretty poor. (The Indie Game Developer Handbook by Richard Hill-Whittall, 2015, 88)

Apart from publishing a game on the digital distribution portals, there are many ways to promote the game. One of the easiest and useful ones is to introduce the game to potential customers by using a press distribution service where players can get information about the game. Most of the time a distribution service takes a fee for targeting a release to various industry press contacts. However, not all distribution services take a fee and some of them such as GamePress which is the definitive one-stop public relations (PR) resource for the game industry are very preferable by many developers. There are some advantages of GamePress which most of the users distinguish and they are the following:

- The site is under control and it is updated every day with press releases from publishers, developers and etc.
- Automatically sends emails about new material every day
- The most effective way to promote the game
- Used daily by over 50,000 users
- People who visit the web site are from various positions in games industry starting with specialist games magazines and ending with fan sites.

GameRelease.net is another service that can deliver press releases of the indie games to the journalists, and the latter then make their review of the game which is basically a promotion of it as some journalists have a dedicated to them community that share their views and might buy the game if he/she liked it. They use the indie license which costs \$30 per two releases for a safe distribution of press releases and it relates only to small indie studios who want to promote the game via email and Twitter announcements, it gets the developer access to the members of PR service and members of game developer's community. (The Indie Game Developer Handbook by Richard Hill-Whittall, 2015, 152-153)

Alpha demo build is a limited version where customers can play the game which lasts about one hour and explains the overall picture of the product. It is very important to show players all the specific details which full release version will contain. The key-point of releasing an alpha demo is to showcase what the gaming community can expect with the full release being even better. Having a playable alpha demo few months prior to the release can also be used to gather feedback and make some changes that community might demand for the release. However, it is better to send a link where players can read that the final version is in progress and the demo version is only a small part of it. There are a lot of developers that release a free demo version of the specific sites as indiedb.com in order to attract a pre-release audience. (The Indie Game Developer Handbook by Richard Hill-Whittall, 2015, 81)

In addition, the Early Access of the game can also help attracting customers at early stages of the game. The Early Access of the game is a model where customers can send funds to the developer in order to get the early stage of the development of the game and an access to the unfinished version of it while the creator can use this money to continue his work on the game and make improvements. From the developer point of view, Early Access is a good way to get funds for the development and help the creator to make changes in the game which will better fit the customers. (The Indie Game Developer Handbook by Richard Hill-Whittall, 2015, 81-82)

Valve and Steam platforms play an important role in the development of the Early Access. From the Valve perspective, the Early Access is a service which gives players an opportunity to be a part of the development of the game as they have a big influence on the process where the developer takes into account the feedback of the players and updates the game accordingly. Valve supports the developers who want to involve customers to the process of the game development which leads to a close relationship between player and the creator that helps to get the final version completed. It is important to collect the feedback and information which customers write because usually they offer honest reviews by discussing the game and say what they would like to see in the game, what does not work and what can improve the game because they are interested in the product and want it to be as good as possible. It is crucial to follow the comments of the consumers because the developer can make the game more efficient and add the feature which appeal to the product and turn it into the best version of itself. Customers are very delighted about the early access games because gamers can be part of the development process of the game which in most cases creates a trust bond between the developer and community. (The Indie Game Developer Handbook by Richard Hill-Whittall, 2015, 82)

It is obvious that the early access games have many risks and the most common risk and the biggest one is that the developer will not finish the game. In fact, in November 2014, PC World reported that 75 percent of games on Early Access go unfinished. (Jared Newman, November 17, 2014) (ow.ly/R7dBU) Sometimes, dishonest developers of the games can use Early Access as a fraud, by posting games that they do not plan to complete. One of the biggest complaints against Early Access model is that this kind of service turns the testing and debugging of games into paid privilege instead of the usual free one (where developer was fixing the game himself instead of relying on other users). When customers participate in the development of the Early Access games, they help to figure out what should be fixed as infringement in the codes of the games. If customers will purchase the early access game for 5-30 euro's, there will be no need to find testers because gamers end up footing the bill for an essential stage of progress. Sometimes, people are paid to find some problems in the games for later fixation and improvement of the game. (Games in Eearly Access, M. Brandon Robbins, 2015, 49)

1.4 Research Question and Objectives

- *How can indie games such as «Demon Core» by Apex Game ltd be presented to potential customers in the European Market?*

Based on the Research Question objectives for the thesis are:

To describe and analyze

- Management and Marketing
- Direct Sales
- Opportunities and Challenges
- Recommendations – Based on a survey

1.5 Research Methods

Research methods include desk research: books, internet and field research: questionnaires.

2 MANAGEMENT AND MARKETING

Advertising the product is one of the key aspect of having a success, however, due to the high costs, many indie developers abandon it as they have limited funds that are better spent on the actual production of the game. For a small team with limited funds, setting aside around 5000\$ is a big investment and most of the time is simply not worth it. Due to the high costs, small teams are using other, cheaper methods. There are many ways to promote the indie game via advertising and most popular are the following: Cost per click, Cost per impression, Cost per day.

- CPC works very easy; the indie creator has to pay the website owner for every time when the advertising is clicked.
- CPM the indie developer should pay for every time when the advertising appears on the screen by making this type of advertising very useful as the potential customers can see the advertising every time when they open the webpage.
- CPD counts the time of the advertising on the webpage. Basically, the indie developer pays every day fee (or sometimes monthly payment) to make the advertising displayed on the webpage. (The Indie Game Developer Handbook by Richard Hill-Whittall, 2015, 190)

Advertising can be very different depending on the budget. Nowadays with majority of people having an easy access to the internet, developers can choose to promote their game by themselves by using some of the free websites, image boards and forums to talk about their games.

The most known one is Reddit. It is a website where one user can submit the social news by sending a link or a text to the site while others can access the post and vote «up» or «down» and determine its place on the site. The indie developers can submit the link to their games at the special place on the site by using the «subreddits» which are areas of interest. There are two types of advertising which indie creators can run on Reddit: front-page and targeted. The only thing that developer should do is to set the start and end dates between which Reddit will promote the indie game. On top of that, Reddit is the best place to keep in touch with the community to promote the game firsthand. (The Indie Game Developer Handbook by Richard Hill-Whittall, 2015, 191)

Facebook is another essential way for advertising the game. The main idea is to promote the post about your game to the right kind of people (potential customers) who can be somehow interested in the game. Usually boosted posts last for only a few days but even these days can extremely increase the followers count. If the developer wants to achieve better results, it is a good idea to wait for a few hours before boosting a post because it pushes the customers to the actions. In addition, it is crucial to specify the duration period of the promotion and select how much money the creator wants to pay for it and it will end when he is run out of the selected amount. (The Indie Game Developer Handbook by Richard Hill-Whittall, 2015, 191)

2.1 Management

” Management is guiding human and physical resources in to dynamic organizational units which attain their objectives to the satisfaction of those survived and with a high degree of morale and sense of attainment on the part of those rendering services” American Management Association. “To manage is to forecast and to plan, to organize, to command, to co-ordinate and control”. Henri Fayol-the developer of a general theory of business administration which is called «Fayolism».

The main purpose of management is to achieve a performance by moving people to a particular direction. Overall different authors and thinkers of management state that Management is a process of getting things done by obtaining functions such as planning, organizing, staffing, directing and controlling. Management cannot be performed without implementing skills, approaches and techniques on the part of managers. There are certain activities such as decision-making, communication, coordination, creation and maintenance of inter-personal relations which managers usually do in order to perform a successful management in the company. (Business Organization and Management by Mahajan, J.P., 2009, 170-171)

In addition, management has several main characteristics and they are the following:

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1. Management is a process. It is a process of achieving a performance by using other people in the organization. This process includes various functions as planning, organizing, staffing, directing and controlling.
2. Management is goal-oriented. Management has a well-defined purpose of seeking better economical results for reaching organizational goals of efficiency and effectiveness.
3. Management is a social process. It defines as a social process because it behaves toward people. The management can be successful only if the manager fully understands the behavior of employees both as individuals and as member of a group.
4. Management involves use of authority. There are a lot of functions which managers has to comply and they can be obtained only if a manager has enough authority. He can direct activities and control them by exercising authority.
5. Management is multi-disciplinary. To get better results and easier understand employees' behavior, managers have to use knowledge of disciplines such as economics, psychology, sociology and mathematics.
6. Management is a combination of science and art. Management is defined as a science because it has concepts, principles, functions and techniques and moreover, it requires skills and experience. On the others hand, management is treated as an art because the skills got by a manager are his own possession.
7. Management is a dynamic process. If a manager wants to be effective in the organization, he has to improve his knowledge all the time, study the processes and determine them in accordance with situations as organizational environment is unstable and dynamic.
8. Management is a continuous process. Management has to solve problems and directs the events on continuous level because most of the time it is a long process.
9. Management involves efficient utilisation of resources. Management always focuses on efficient and effective use of sources, for example, reduce costs, improve productivity.
10. Management knowledge has universal application. Management has universal rules of knowledge and can be applied to business enterprises such as educational and cultural set-ups. (Business Organization and Management by Mahajan, J.P., 2011, 171-172)

2.2 Management in the Game Industry.

The key aspect of successful business in any industry is a top-level management. The main rule of Management sounds as following: «Learn enough about all aspects of your chosen field of management to be able to recognize when something is not right». (Secrets of the Game Business by Laramee, Francois Dominic, Charles River Media 2002, 85)

It is impossible to be knowledgeable in the whole game industry business. In that sense, a manager should be hired who in return will invite other people to

the team that will take care of small details which sometimes game designers do not know. In a small company, one person can and usually wears different roles. Usually the head of the company is a developer, manager and CEO at the same time. That person has to explain the team his expectations and how he sees their project in its full glory. That is mandatory as people that are involved in the development should see the overall picture. (Secrets of the Game Business by Laramee, Francois Dominic, Charles River Media 2002, 86)

In game business people usually have communication problems as they are working in teams and sometimes there are more than one or two of them as they all have their own tasks in a project. That is when manager comes in hand. Manager should direct the lines of communication within the company so that information would be passed on between people as soon as it is made. Successful management should also contain a business structure in term of interfaces. Interfaces in the business are the lines of communication between workers and everything else. With that comes one of the main responsibilities of a manager and that is to manage and control, because if something goes wrong, it can introduce interferences into the working system and have harsh ramifications. Interference is a «noise» in the system which can be concrete interference or abstract one. Concrete Interference usually presents visible communication problems such as a lack of internal messaging system or environmental obstacles which can influence on the performance of the employees at work. Abstract Interference is usually invisible and affects with no obvious cause, for instance, morale can be dramatically dropping for no visible reason. This type of interference can have inferior effect on productivity but also can be contradicted by improving the flow of information between management and the employees at the front line. Overall, interference of any kind will cause failure. All business management can be abridged to interface communication. It is sufficient to know how to communicate with the colleagues and employees as long as the game business needs to know how to communicate with customers-both game players and publishers. (Secrets of the Game Business by Laramee, Francois Dominic, Charles River Media 2002, 87)

2.3 Marketing in the Game Industry

Marketing plays an important role in the service process because it is a source of competitive advantage. It is defined as a process for defining markets, determining the value proposition to meet needs and delivering these value propositions to the chose market segment. (Marketing Plans for Services, McDonald, Wiley, 2011, 11)

When an indie developer creates a new game he must think about the audience. Team should consider their potential customers and the community that will be interested in their project. Developer should keep in touch with the community and lock on the exact community that should be interested in the teams chosen genre. Basically, if developer wants to achieve success, he cannot ignore the marketing aspect.

A marketer Seth Godin promoted the idea of creating a «Tribe». Concept of a Tribe is to build a community that enjoy what you are doing and want to be a part of it. «Tribe» works in a way that developer gathers them to-

gether on his website or forum and feeds them information about the game, talks with the community, shares information and asks for a feedback. As a result, people will start to spread the word about it which in return would bring more and more interested users. Audience must believe that the project is not purely objective, they have to follow the developers' creativity and believe that this product is the better one amongst many other. From the very beginning developer should clarify for the audience how his game is special and why it is unique when compared to other games in that genre. (The Indie Game Developer Handbook by Richard Hill-Whittall, 2015, 169)

When creating a marketing campaign for a game unique selling points has to be made. Responsible person should characterize company's game to distinguish it from others. Having something that makes project stand out is crucial as it will make a difference between own product and the product of competitors. Most of the time, customers are searching for a game that is worth their money and most importantly their time. Community does not want to invest into a game that does not have any special characteristics or options, thus presenting the product must be done with a sense that community will believe that their investment will not be in vain. Another great advantage of indie games is that team can include a slightly oriented niche which can make a big difference when compared to the other games. Unlike big budget titles that must try to satisfy every single group, less funded titles (in this case indie games) can focus on lesser amount of interested groups and focus on delivering the gaming experience at their best. (The Indie Game Developer Handbook by Richard Hill-Whittall, 2015, 169)

As it was explained before, success of a game depends on many factors besides USPs and development, and sometimes focus on marketing should be one of the biggest. Developer should try to involve the target audience as often as possible. Best scenario is when community stays with the team from the beginning until the release as that ensures the first sales. Developer should constantly update his audience and let them be excited all the time. In this time and age people want to know and hear about everything, so it does not matter how good a game is, if nobody knows about it, nobody will buy it. Experienced developers know that it is crucial to warm up the feeling of the followers all the time and to do that, some of the following aspects can be done in advance to ensure that the word about the product in development will spread out:

- Tell the story about the game
- Post the pictures on the website of the development process of the game
- Share the experience and interesting facts in a blog
- Live-stream development progress
- Talk with the followers and send them offline videos about the game

(The Indie Game Developer Handbook by Richard Hill-Whittall, 2015, 169)

Nowadays developers have a wide variety of ways of how to promote their game, and one of them is to market activities via YouTube service. Developer can diarize what he is doing and what improvements he has done by posting videos about his game on YouTube. By posting videos regularly developer makes sure that potential customers know that they are treated well in a way that development is progressing and they have something to be excited about as well as that there is traction between these two sides. Having a dedicated account on YouTube also gives the option of writing "About" the game. It means that developer can provide the viewers with full information about the game with all the links essential. Another loveable by every community thing is how the presenter, in this case developer, reacts to the community. If developer responds quickly and answers on every question user base will be more friendly towards that developer instead of the competitor that does not care about the communication.

Company's website should always be updated and used as a developer's diary as it plays a big role in the marketing aspect. Having a thoughtfully created website means that developer takes seriously his work. Furthermore, writing down some personal information about the team is a good thing as community usually wants to socialize and seeing the team being the same regular "humans" ensures a positive thinking about the company. When creating a website for own indie company, developers should add their previous experience, their ups and downs, difficulties that they encountered during development, how they came up with the idea, how they see themselves in the future, what they would like to accomplish, etc. Users want to know the team and that ensures it. Developer should be prepared for criticism, constructive and not and bad feedback. All of this should be accepted easily and if the negative feedback is constructive, then developer must show that he understands it and will try to fix everything. Another small trick is to interconnect every social media where the game is being promoted. Putting a link to websites like Facebook, Reddit or YouTube every time something is posted on the website allows users to see it in their social media of choice. It is a lot easier for user to see updates about the anticipated game on his newsfeed in Facebook than to check the website on a daily basis. If developer has many projects going simultaneously it is better to create websites for every game with detailed explanation and links to the other projects by the same team. (The Indie Game Developer Handbook by Richard Hill-WhitService Marketing, 2015, 170)

On the one hand, service has been characterized as an act, a process and a performance, for instance, banking or hairdressing. The progress of the service marketing concept has developed in correspondence with the philosophy of customer orientation which is demonstrated in terms such as «customer is a king». (Gilmore, Audrey, 2003, 6) On the other hand, it is also an economic activity which ensures benefits for the customers and creates «added value» (Gilmore, Audrey, 2003, 4). The main point of the service marketing is the rational approach which is focused on the customer satisfaction and profit for the organization. When a service business is provided, it should be focused more on the embraced value of the offering to the customer than on the goods offering. In return, scope of the service can be wide and various and it is divided on service activities which

include customer service, service-based activities and on service as a concept which includes a service organization as a core product, as an augmented product and etc. For example, service as a core product is a commercial output of a service organization while service as a product augmentation is a circumferential activity which is provided to reinforce the delivery of a core product. (Gilmore, Audrey, 2003, 5)

The early service literature concentrates on analyzing the specific characteristics of services, classifications of the service products and defining how it should be managed. The research conducted by Marketing Science Institute of Cambridge, Massachusetts and authored by Languard et al. (1981) indicated three separate themes which recognized as key topics for service researches over a long time: consumer participation in service production and delivery, management's ability to understand customer's needs and the relationship between operations, marketing and personnel functions in a service organization. (Gilmore, Audrey, 2003, 7)

2.4 Service Marketing Mix and Service Dimensions

«The service marketing mix is the set of tools and activities available to an organization to shape the nature of its offer to customers» (Gilmore, Audrey, 2003, 10). It includes the following aspects: product, price, place and promotion (4Ps). The «product» dimension of a service is principally intangible but for defining what the service involves it may need the tangible substitutes. The «pricing» element is vague to assess as it is related to perception of the value and it varies from customer to customer and sometimes there is no direct price. The next aspect is the «place», which determines the importance of the appropriate environment especially if the service is delivered in many locations. The last dimension is «promotion» and it is associated with the «image» of the service which should be promoted and it should be concentrated on the creation of the demand as there is no physical form to promote. (Services, Marketing and Management, Gilmore, Audrey, 2003, 12.) There are several characteristics where the earlier researchers paid much attention and they are crucial in the design of a proper marketing mix. The core characteristics are the followings: intangibility, inseparability, perishability and heterogeneity. Firstly, intangibility means that there is no physical form of the service, it cannot be stored or exposed and the benefits of buying a service are based on the nature of the performance. Sometimes customers faced with the problem of assessment and comparison the services and usually customers use the price as the first evaluation criteria, however, it can be a mistaken opinion because it is very complicated to set a relevant price for the service. Secondly, the service can be separated from the buyer and seller and also sometimes from other consumers because they are all engaged in the production environment and can be needful at the same time in one place to make service happen. Perishability is another characteristic of the service which cannot be inventoried or re-used. The delivery of the service at the appropriate time is very important because it exists only at the time of its production. The last characteristic is heterogeneity, as it was already mentioned that the service is very difficult to evaluate and moreover, to

control. It is complicated for the consumers to evaluate the quality of the service as they rely on the attitudes, opinions and expectations of other users of the service. (Services, Marketing and Management, Gilmore, Audrey, 2003, 10-11)

Regarding to the dimensions of the service market, it is argued that the following variety of them help to deliver customer satisfaction: technical, functional, tangible, intangible, physical facilities and service-scopes, accessibility, reliability, responsiveness, communication, competence, courtesy, credibility, security, empathy and understanding the customer and image dimensions. Technical dimension includes the result of a customer experience which is the interactions with a firm which provides the service. The functional dimension focuses on the evaluation of the service, for example, the assessment of the image of the firm, behavior of the staff, the delivery time and etc. This dimension can be varied from time to time depends on the consumer's experience but it is crucial to have the overall evaluation of the service. In addition, the intangible dimension is the main aspect of the service and it focuses on the importance of the customer treatment. Concerning the physical facilities and «service-scopes», it takes into account the environment where the action occurs because it influences the overall perception of the customer. Accessibility entails the easiness of the company, for instance waiting time to receive the response via e-mail or phone. Moreover, the reliability refers to the service performance, which means the level of the fulfillment of the customer expectations by implementation of the promises with «zero defect». Talking about the responsiveness, it takes into account how the workers of the company are willing to deliver consumer requirements which usually include the actions as the immediate response to the customer's demand. With respect to the communication, dimension includes the ability of the staff to inform customer in a language they understand and to respond to the customer's requirements with providing guidance on how to solve a specific problem. Competence dimension enquires the ability of the suitable skill and knowledge of the stuff to deliver the appropriate service to the customer. Courtesy refers to the readiness and preparation of the workers to deliver the service politely and with respect to the customers. Moreover, security has impact on physical and financial safety which concentrates on the control of the risk and danger during the interaction with the customer. Talking about the empathy and understanding the customer references to the understanding of the individual customer wishes and the ability to satisfy them in a suitable way. Last dimension is the image which plays an important role in the service marketing because it refers to the mental representation of the reality which includes the combination of the experience and the evaluation of other factors and it guides the behavior of the customer. The "image management" is crucial for the service organization because it has a great influence on how communication is received. All in all, the various dimensions can help managers who are working with the service delivery to evaluate its suitability and quality. (Services, Marketing and Management, Gilmore, Audrey, 2003, p.14-16)

As it was already mentioned, the main characteristic of the service is intangibility, which can create a problem for a consumer to catch its meaning unless the full interaction between consumer and producer is

established and promised service is delivered. Usually the tangible goods are used to show exactly what is on offer as a service. Furthermore, there are different parts of the service packages where some of them can be dominant and others are subsidiary aspects and they all have a wide distinguish, sometimes it can be clear or not. If the service operating wants to distinguish from the competitors it may offer almost the same core service but it should additionally give secondary dissimilar aspect in order to attract customers. Obviously that the subsidiary aspect is not going to work if the service package does not include core aspect which customers expect. Swan and Combs (1976) are convinced that the customer expectations are divided in two aspects: instrumental and psychological ones. The «instrumental» dimensions of the customer's expectations can be characterized as «what» of the service delivery, and it is very similar to the «technical» aspects. The psychological dimensions include more intangible aspects and refer to the «functional» aspects of service delivery. Later development showed that if the company wants to have an appropriate image of the service package and service company, it should focus on both «functional» quality and «technical» quality because they all have a great influence on the company image. (Services, Marketing and Management, Gilmore, Audrey, 2003, 19)

2.5 Service Quality and Customer Satisfaction

«Service quality is defined in the literature as the ability of an organization to meet or exceed customer expectations». (Services, Marketing and Management, Gilmore, Audrey, 2003, p.23) Customer's expectation usually determines the feeling of the consumer about the service which should be provided. It is crucial to know with which type of expectations the consumer matches the efficiency of the certain service. There are a lot of various types of expectations which include ideal, expected, deserved and the minimum tolerable to customers and not all of them equally explain the satisfaction of the customer. «Perceived service quality has been defined as the discrepancy between what the customer feels that a service provider should offer and his or her perception of what the service firm actually offers». (Parasuraman et.al., 1988). There is a difference between «perceived service» quality and «satisfaction» and it is the following: first one relates to the general judgement of the service while the second one refers to a specific case. (Services, Marketing and Management, Gilmore, Audrey, 2003, 24)

If seller wants his service to be successful, he should pay attention to every little detail in the service process because it is very complicated to implement service in practice without any obstacles. Usually customer expectation can be satisfied by providing him normally expected factors during the service process because if the basic level of service is delivered, consumer recognizes it without any hesitations. On the other hand, the dissatisfaction happens when consumer recognizes that there is a lack of normal service which he expected from his previous experience or promises from the advertisement. A good company has to deliver a full service package for needs and expectations to keep customer satisfaction. There are different ways on how to come up with it: firstly, the manager has to

listen carefully to the customer, what they think and want, let them express opinions while trying to sort only relevant information because it is important to understand that sometimes it is not appropriate to give the customers what they want. In addition, sometimes consumers do not know what they want, what they need, what can be better for them in a specific situation, consequently, it is better for the deliverer to decide what can be relevant to the customer and to be able to deliver right service to various groups of people. Secondly, it is important to know about pre-purchase, purchase, and post-purchase experience of the customer because it can help a manager to plan all service aspects in details. The purchase experience of the customer depends on everything what happens with him during the service process and it varies according to the situation. Factors which can influence the experience of the consumer can be product, staff, information, accessibility, promotion or offers and etc. Pre-purchase experience can include consumer amenability to promotional activities which can lead the customer towards a decision. Post-experience may include direct customer contact, for example, mail-shouts which influence customer post-purchase motivation. Overall, three stages of the customer experience have different objectives at each stage but they are all important for making a service delivery. If appropriate aspects of the service package are delivered at the right stages of the service process, it means that a consumer receives a full service delivery. (Services, Marketing and Management ,Gilmore, Audrey, 2003, 189)

3 DIRECT SALES

Direct sales can be very profitable earn about 90% of each sale if developer uses it in the right way. There are many famous people who have earned big money by using direct sales and Cliff Harris of Positech Games is one of them. He convinced that direct sales grow over time and it takes some time to start working. He said that direct sales became only one way of earnings for him and he could easily quit his job but it took five years before he has done it.

When a developer is selling directly from the website it is important to check that the website hosting package has big bandwidth to ensure that it will not fail if a big wave of people will try to connect to the website at the same time. Website might go down (offline) because shared service policy will disconnect website if there will be a traffic overload. There are many indie developers who are convinced that the best way to use direct sales is to release a demo version on Kongregate which helps to force traffic to the website.

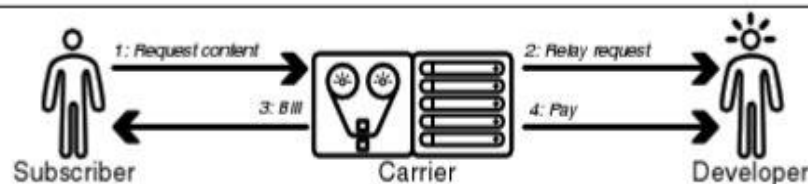
There are some advantages of this approach:

- Earn up to 50% revenue from the advertisement posted on your game's page
- Has virtual currency which help developers make much more by charging it for content in game

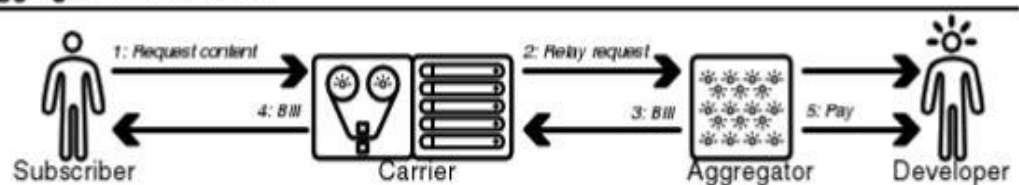
- Opportunity to promote the game to the customers of GameStop who is the world's largest video games retailer (The Indie Game Developer Handbook by Richard Hill-Whittall, 2015, 85-86)

The next step after promotion is to sell and there are three distinct models how to sell the service or a game. First model is «Carrier Sales» which means that the carrier should buy the game directly from the game developer. Next step for a carrier is to offer the service to subscribers, he has to give a bill to them and afterwards pay the developer. Second model is called «Aggregator Sales» where the main point is for a carrier to get an access to multiple products from multiple developers via aggregator where in his turn he just connects the gap between developer and carrier. Last model is «Direct Sales» where the developer just sells his service directly to the subscribers. Talking about subscribers they should basically pay to the carrier and the developer in order to receive his game. (Secrets of the Game Business by Laramee, Francois Dominic, Charles River Media 2002, 132)

Carrier Sales Model:



Aggregator Sales Model:



Direct Sales Model:

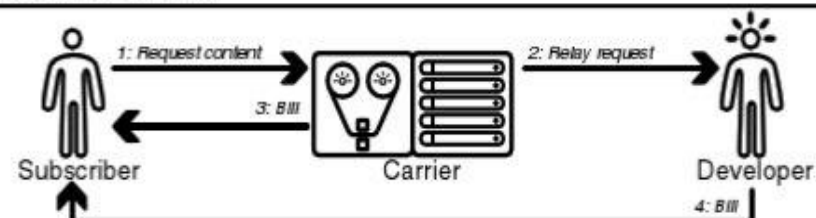


FIGURE 2.6.1 Sales models.

Figure 1 Sales models (Secrets of the Game Business by Laramee Francois Dominic, Charles River Media 2002, 132)

3.1 Promotion

There are numerous websites for indie developers and games where companies can put the expected release date and attract potential customers. Trick is to make an Excel spreadsheet to track all the websites where developer decided to share information about his work. Most of the time the first choice of indie developers is «Indie Games» site where they can find indie news, features and interviews and where they can successfully promote the game. (The Indie Game Developer Handbook by Richard Hill-Whittall, 2015, 156)

As it was stated before, YouTube became one of the most popular choices for indie developers to promote their game. Not only because it is free of charge, but the community is usually friendly towards indie games. If developer decided to put an early access of the game for sale it is a good idea to spread the word about it to the YouTubers. If the developer can cover at least two genres; there is a big chance to attract players to the game. The first rule for not losing the success is to be on time and that is why, the developer should contact YouTubers in advance before the game is out because the competition is high and there are a lot of games coming out every day. The creator can send the game out some time before it is planned to be out and give the access to preview. Besides, it is essential to get attention of potential customers because most of the time YouTubers want to choose a game which is already popular. Finally, the indie creators should remember that YouTube market is strong and large and they should not forget that YouTubers are one segment of a big press strategy. (The Indie Game Developer Handbook by Richard Hill-Whittall, 2015, 159-160)

Another way to promote the game is via «Let's play». It is basically a recorded video where people can see how gamers play a game from the first person view usually with different comments and sometimes jokes and know the subjective experience of that person.

“Along the way, we realized how powerful these videos and YouTube casters are in getting the word out, especially for indie developers like us.” For instance, one YouTube video had incredibly generated over \$35K in sales for us on its first day of going live. The players who got the game through videos of casters such as TotalBiscuit, Jesse Cox or Yogscast were generally enthusiastic and engaged.” Howard Tsao (The developer of Guns of Icarus Online and game designer)

There are a lot of game critics who are convinced that YouTube played a very important role for achieving success for most indie stories who released a game on PC. They believe that indie studios will never see a crucial promotion of the game from written press while YouTube can attract an extremely big amount of potential customers. (The Indie Game Developer Handbook by Richard Hill-Whittall, 2015, 161) Moreover, there is one more popular service which can help the creator to gain fame. Twitch is a live game-streaming service where developers can show the process of playing the game at the current moment to other players. Today indie creators start to use Twitch to broadcast live to show the potential customers

the process of the development and designing the game. «Discoverers» of the Twitch was Vlambeer, they first used it to broadcast footage of their game and nowadays it is used by many developers because it helps to establish a close relationship with the followers. One of the easiest game streaming applications is Gamecaster where you can even show your face when you are streaming the game which makes you close with your followers. (The Indie Game Developer Handbook by Richard Hill-Whittall, 2015, 161-162)

3.2 QA Bug Tracking

Quality Assurance (QA) department which includes testing is one of the most complicated areas because it is time consuming with self-funded development. If a developer does not have enough money for this part, it is better to try testing during the development process. It is a big mistake to leave testing until the end of the development because it should be under control from the early gameplay stages all the time otherwise the game will never work properly.

Furthermore, there are many other reasons why test should be done in advance:

- To correct is easier during the process than at the end
- Bugs can slow down new features which the developer will want to add to the game in the future
- Player control and movements features can never be balanced properly if the game has some crash bugs (The Indie Game Developer Handbook by Richard Hill-Whittall, 2015, 130)

3.3 Selling a PC Game

The first way to sell the product which developers can use is directly via own website. The first important step is to choose a right e-commerce partner such as BMT Micro, FastSpring and PayPal. It is crucial to make appropriate website with good domain name and webhost because it is a huge collapse if a site fails when it connects a few people at the same time. Today there are many e-commerce systems for indie developers and the most popular are the following: Humble Store Widget, BMT Micro, FastSpring and Pay Pal.

There are some advantages of Humble:

- Collects the payment and transfers the revenue to account each month
- Options to pay via PayPal and Amazon Payments
- Humble Bundle-digital distribution platform helps to deliver the builds to the customers
- Provides customer support
- Easy way to check sales, reviews and people who purchased the game
- The advantages of the BMT Micro:

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- Cost-effective payment processing service
- Flexible
- Options to pay via Credit card, PayPal, Google Checkout, Amazon Payment, instant bank transfer, wire transfer, phone/fax

The advantages of the FastSpring:

- Highly customizable
- Flexible e-commerce solution concentrated on adding value and increasing revenue for clients
- Options to pay via Credit card, PayPal
- The advantages of the PayPal:
- Fast payment
- Options to pay via Credit card, PayPal

3.4 Funding

Funding is a complicated area as there are many various funding methods where each of them requires a special way of development. Because of that, sometimes it is better to hire a treasurer or another specialized person that will handle it professionally. External funding can be useful for building a game, but usually it is very difficult to get it and most of the time it can come with complexities.

There are various ways of getting funding:

- Debt Financing-is a loan from a bank but most of the time it does not work for a game development business as it has a high risk of failure.
- Grants-is another source of funding which can be useful in the game sphere as there are many government programs which can help a creator with money.
- Investment is the most appropriate form of funding for game business. The point is that investor puts money into the game business in exchange for a share in money in the future. Usually investors assess the level of risk to failure because they do not want to put money into the business and lose them all. Less risk-better deal with the investor you achieve. If a developer has a finished product and he is just looking for money to improve his marketing, it can be a very nice situation for investors. In contrast, if a creator asks for money from the investor without having anything like product, team and plan it can be seen as a high risk situation for the investors. Basically, there are four main sources of funding where indie developers can raise money from and they are the following: friends and family, publishers, angel investors or a game-focused financing entity. Additionally, there are also advantages and disadvantages of these types of sources which have to be analyzed before the developer starts to think about creation of the game. (The Indie Game Developer Handbook by Richard Hill-Whittall, 2015, 151-153)

- Friends and Family-people who already know you, they can rely on you and trust. It is considered to be the most useful source of early finance because friends and family can give you money just basically because they like you. On the other hand, there are also some difficulties of taking investment from them because sometimes they can expect something from you and they will not take your failure. Sometimes it can also influence your relationship with them in the future if you lose. (The Indie Game Developer Handbook by Richard Hill-Whittall, p.151-153) Besides, it is very important for people who are close to you to know about your plans for their money, which means that the creator should show his future plans and explain that probably they will not get their money back because there is a big risk of failure for a new indie developer on so competitive market. (Game Development Business & Legal Guide, Salisbury, Ashley, April 2003, 82)
- Angel investors are basically rich people who like investing in business just because they want it without any difficulties after and most of the time they are good at coping with losing money. There are also no doubts that they will want more control or shares over the business. (The Indie Game Developer Handbook by Richard Hill-Whittall, p.151-153) A big advantage of getting money from the angel investors is that it is a quick process where no one controls the developer but only some advices can be given. In contrast, a big disadvantage can be that they don't really know how the whole process of the development works and they don't bring the same knowledge as other financial sources do. (Game Development Business & Legal Guide, Salisbury, Ashley, April 2003, p. 84)
- The publisher gives money to the developer with a development advance which gives creator the confidence that he will have money from each installment of the game through the whole life. On the one hand, to rise money from the publisher is at developer's ease because the publisher will never want to be on charge or to be in the business, so, it gives a good chance to get a financial freedom. Likewise, publishers are always people with a great experience behind and they can give creators many useful advices. On the other hand, the most risk is taken by the publishers and they will ask a quite big reward at the end. Usually the publisher invests in the business a big amount to make the business works and when the game becomes popular on the market and starts to collect money, some percent will be send back to the publisher. (Game Development Business & Legal Guide, Salisbury, Ashley, 2003, 83)

Production Company is the main model which is based on the Hollywood film finance. The idea of this kind of financing is that the development company should pick one of the ideas of potential game from Hollywood film and promise to make it with the financial support. There are also some pros and cons of his model:

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Pros:

- Possibility of getting original intellectual property developed.
- Advices and help for the production company.

Cons:

- The production company is strictly under control
- The developer company will not see any regalities before the production company compensate its investment

(Game Development Business & Legal Guide, Salisbury, Ashley, 2003, 84)

Advantages/Disadvantages of Funding Sources				
	Friends/Family	Publishing Deal	Angels	Financiers
Advantages	<ul style="list-style-type: none">■ Easiest■ Quick fundraising cycle■ Less demanding■ Probably won't take your company if you default	<ul style="list-style-type: none">■ Won't own any of the company■ Commitment to your product■ Experienced advice	<ul style="list-style-type: none">■ Quick fundraising cycle■ Not as demanding as other fundraisers■ Probably have business experience	<ul style="list-style-type: none">■ Value-added investors■ Can help with publisher relationship
Disadvantages	<ul style="list-style-type: none">■ Can cause relationship stress■ Not value-added investors	<ul style="list-style-type: none">■ Publisher takes most of risk and profit■ May be erratic<ul style="list-style-type: none">–Early termination–Late milestone payments	<ul style="list-style-type: none">■ May not have industry knowledge■ Unless you know the angel, solicitation may violate securities laws	<ul style="list-style-type: none">■ May cut into developer margins/require significant stake in development■ Default can lead to losing your company

Figure 2 Advantages and disadvantages of funding sources (Game Development Business & Legal Guide, Salisbury, Ashley, 2003, 84)

3.5 Early Access and Additional Funding

Early Access model means putting unfinished, but playable product for sale. It is a type of funding which is considered the most appropriate for indie developers. Early Access funding is an extremely risky way to ask for money because sometimes games cannot impress the community which leads to a big failure before they are even released. It is crucial that the creator sets the right price for the Early Access because sometimes indie developers overcharged the prices and no one was interested in their product. Furthermore, all core game features should be already set in the game before an Early Access will be released as people should see the overall picture before they send money for the further development. It is equally important to take into account all the feedbacks and criticism from people. Minecraft's creator Markus 'Notch' Persson says: "Alpha funding

your game can also help with marketing,” he adds, “as it can draw in a large crowd of players who spread the word through social media channels and their friends.” In addition, he states: «Be clear. Absolutely, unambiguously, massively clear on what it is your game is offering today, what you’re planning to add in the near future and what your vision is for your game.” (The Indie Game Developer Handbook by Richard Hill-Whittall, 2015, 221)

Conjointly, there is another type of funding which is called «Crowdfunding» where the game developer asks for a small amount of money from a huge audience. This method of funding is «All-or-Nothing model» which means that creator should set a limit of time for a certain amount of money. The main aspect of crowd funding is that developer can get money only if the goal was met, otherwise money would be sent back to donators.

There are several tips from Jay Koottarappallil who is CEO of WhiteMoon Dreams and who collected \$1,578,950 from Kickstarter (the most popular crowdfunding platform for games).

- Research is very important because an indie developer should know other Kickstarters and his market.
- A product should be viable because people will finance only if the concept of the game is good.
- An indie developer should build a community and attract people before he launches the Kickstarter.
- A creator has to have a strong relationship with his community and take care about his followers. Chatting, comments, updates are very important for people; basically he should be in contact with people every minute.
- A developer has to demonstrate his game to attract potential customers, so the game must be shown at least on video, never on paper form. The game must be playable. (The Indie Game Developer Handbook by Richard Hill-Whittall, 2015, 227)

3.6 Going Indie

The first tip for a small indie company is to plan very carefully the demo version of the game, what context should it have and what can be used as the basis for the full game. There are two features which should be figured out according to Salisbury and Ashley, authors of the book «Game Development Business & Legal Guide»:

1. How much does it cost to build a demo version of the game to get a deal?
2. How much does it cost to make the full game?

There are many financial and non-financial difficulties which developer can face with. Usually small team should spend from \$ 50,000 to \$200,000 before they get published. However, if team gets an offer from a publisher, that is considered half the job done. (Game Development Business & Legal Guide, Salisbury, Ashley, April 2003, 77)

Having a simple demo version does not ensure that publisher would like to make a contract. Furthermore, developers should try to make their product stand out from the masses as much as possible. Game development team should focus more on the technology than art because usually publishers are more interested in well-developed technology in the demo version. Technology helps publisher to get deep into the idea of what the gameplay is but art shows only the features of the actual game. (Game Development Business & Legal Guide, Salisbury, Ashley, 2003, 77)

Sometimes developers can underbudget the time, resources and money which the development of the game requires and in the future this indiscretion can lead to some problems. At the first glance budgeting looks simple because in general these questions have to be answered:

- What equipment is necessary
- What technology is required
- What people you need and how much you should pay them

Developer should analyze the whole situation and ask in advance about the needs of the team. Developer should not forget to count the taxes and add the profit margin which gives the confidence that the developer can pay everybody in time. In addition, margin of error should be added.

Finally, the equation of budget looks like that:

$$\text{Budget} = [(\text{Time} * \text{Salaries}) + \text{Equipment} + \text{Technology} + \text{Overhead}] * (1 + \text{profit margin}) * (1 + \text{error margin})$$
 (Game Development Business & Legal Guide, Salisbury, Ashley, 2003, 79)

4 OPPORTUNITIES AND CHALLENGES

In game development when it comes to making decisions the most important thing is numbers and data gathering. Especially, since it was dealt with independent game studio, team does not have the option to make the wrong decision as the budget is limited. Unlike big companies that have the opportunity to make some mistakes because of a bigger budget and investments, independent studios like the one the author has worked with does not have one. As a result, the writer has decided to make a numerous amount of long-term questionnaires with different type of questions to narrow down the potential customers. One of the goals of these questionnaires was to determine the pricing point of the game as well as if people would be interested in the early access model or if having some extra content for example for pre purchasing the game would be greeted by the crowd or not. One of the reasons why the writer decided to make more than one questionnaire with a time interval in-between of more than one month is because the author wanted to see if the answers to our questions would remain still, change slightly or change drastically. Another important thing was to see if the amount of money people are willing to pay is different depending on the time of the year and having big intervals between these questionnaires helps writer to see clearly if the price point declines or grows. The reason to that is because deciding on a release date is very important in this type of business as releasing a niche

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type of game like Demon Core with which the author is working in the same month with another big release could leave the game in the shadows of the big budget title and seeing how much people are willing to spend in times of year shows writer which would be the most profitable time of year in terms of sales, however since the work with the game development itself is still not done, this is a secondary and on-going task.

4.1 First Analysis

Moving on to the first analysis, it was covered step by step to gather the most information out of it. The first analysis was made in the month of April and it covered the following topics based on the first 260 responses. Another addition to the analysis, was the "conversation" with the interested respondents to see how they describe their feelings towards the indie development and the later mentioned early access model. That is crucial to this research, as having constructive conversations with potential customers is crucial in the gaming industry, there are numerous examples of this having positive effects, especially the AMA's or Ask Me Anythings on www.reddit.com with the appropriate subboard, where developers or marketing team talk with the respondents to get the better idea of their feelings.

4.1.1 Questionnaire

As it is seen on the pie chart which is attached below majority of the interested in the project people are in the age gap of 18 to 25 standing at 46.5% with a close second age group of 25-35 standing at 35.4%. Underaged people as well as people of older age than 35 are minority in this questionnaire. Based on this chart it is seen that underaged people (11.5%) are only a smaller part of this questionnaire which leaves with around 230 out of 260 respondents of paying age.

Age (260 responses)

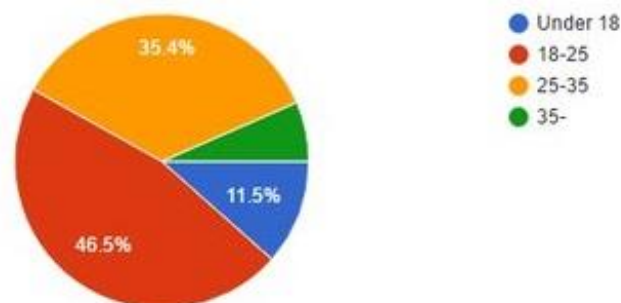


Figure 3 Age of the respondents

Next thing was to determine the gender of the respondents. While it is not one of the most important factors, it should be noted that majority of buyers in the field game industry are males and females tend to buy a lot

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less products, especially since our game is a shooter genre, which is considered to have a lesser appeal to females in general. However, as there were less than 5% respondents, it is not a major factor.

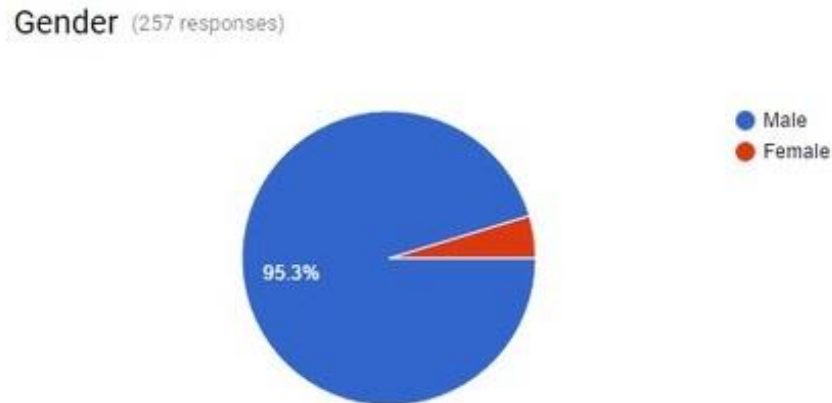


Figure 4 Gender of the respondents

Next thing on the questionnaire was to determine what are the favorite genres of the respondents. This is one of the most important steps in the questionnaire, as it would determine if the next answered questions would be relevant to the analysis or not. To put it more simply, if majority of answers would state that their favorite game genre is a racing game and none of the others (as the question was a multiple-choice one) that would leave the whole questionnaire useless to us. Simply because the game of this thesis is in a genre of shooter/action adventure with the elements of RPG, having 80% or so of answers with for example racing games or JRPG's would leave us without any responses to work with. As it would mean that respondents are not target oriented and they would not consider buying this product. If that were the case, that would leave us with less sources on where to gather the responses. Luckily, this is not the case as majority of respondents appeal to our genre. Having Action/Adventure, RPG's and FPS (First Person Shooter) at the first three spots respectively, it is likeable to state that this questionnaire would be a success. The reason to that is because even if the future responses would be negative and consist only of criticism, these answers would still be possible to work with as they are related to our topic, and not the others.

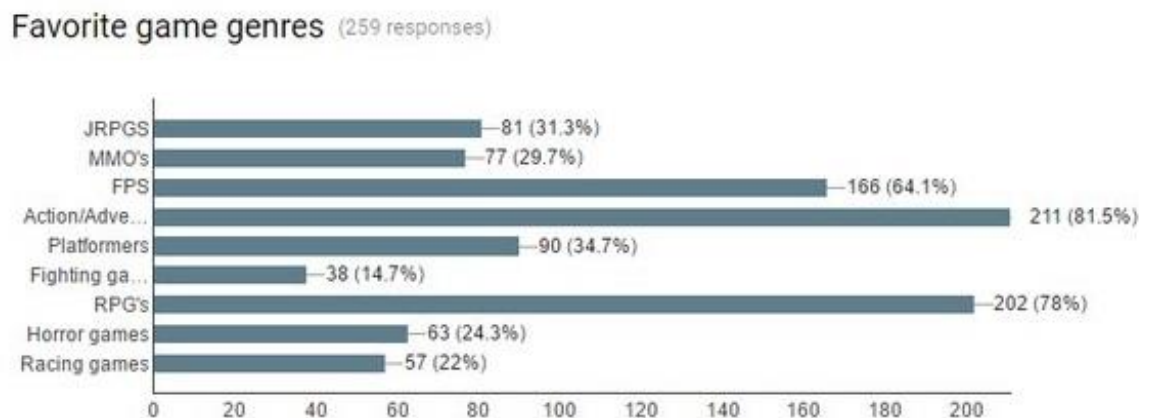


Figure 5 Favorite game genres

After checking the basic information (that answers from the participants are suitable to the work) next point was to see how many of the respondents are interested in the "indie" products. It is of importance to the research as people that tend to buy 0 or 1-2 "indie" products per year are of lesser importance then these that buy them of higher amounts. This is important as independent developers have a bigger competition between themselves than with bigger companies, the reason to that is because "indie" products tend to release in bigger numbers as they are typically smaller games that take less time to develop (however, there are some exceptions, for example product Demon Core is in development since 2014). In this case, only 11.2% of the respondents answered with 0 and 25.2% with 1-2, meaning that people are generally interested in "indie" products, with almost a fifth of the respondents buying over 10 products a year, which leaves us with over 50 people only from this questionnaire.

How many Indie games did you buy in the past year (258 responses)

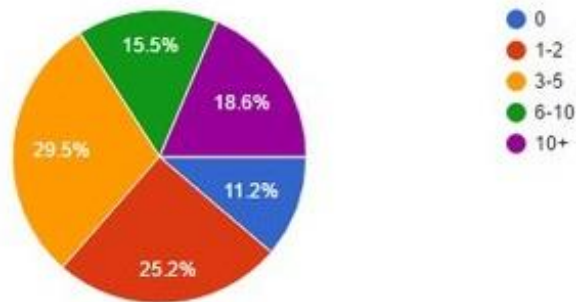


Figure 6 How many indie games were bought in the past year

Next question was about Early Access model and based on the answers, it would be seen how respondents see and what do they think about it in general. In the theory part is seen the difference between the "indie" product and "early access" product, with the latter being released with on-going support. By seeing how many early access games were bought in the past year, it is possible to make the assumptions if that would be wise do so or not. After getting the answers, without a second thought it can be seen that 53.8% and 31.9% did not buy early access games at all or bought 1-2, respectively. Before this questionnaire, CEO of the Apex Game LTD had some thoughts about releasing an early access version in case if respondents would be interested in that, however judging by the outcome of the questionnaire, it is seen that there is little to no point in that, as that would not provide the developer with any insights nor a big a raise in the fundings, while it may decline the player base on the actual release if for example game would not appeal to the players.

How many early access games did you buy in the past year? (260 responses)

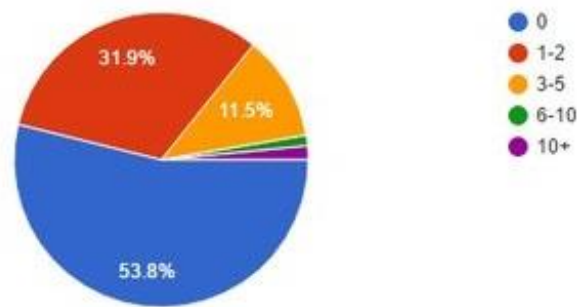


Figure 7 How many early access games were bought in the past year

4.1.2 Feedback from the Community

In-between getting the responses for the questionnaire, small talks and conversations were had with people that are interested in the product. Below will be attached some of the most constructive criticism about Independent Game development and related concerns about it.

A lot of people expressed their feelings on why they don't buy Early Access products and don't support this business model in general. One of the biggest concerns about this business model is if developer "won't deliver". It means, that people are afraid to paid money for an unfinished product and end up with developer not finishing the product as it was in case with a game called DayZ which went early access at the end of 2013 and is still in early access with no nearby plans to finish the product.

I hate it. It seems like most Early Access games never come out of EA because the developers have no incentive to, and why would they? They can just brush off any complaints about bugs or missing features with "It's still in early access, what did you expect?" when the game has already been available for purchase for years (I'm looking at you, DayZ, The Forest etc) and they have no intention of declaring the game finished for a very, very long time.

This is one of the reasons why people vote against the Early Access model and prefer the game to be completely finished before getting a release date.

Below is attached another example from a different person, on why he or she does not support the early access model on the example of the same game.

I really dislike early access. I would say I never buy them but that would also be a lie. I've only bought 1 EA game (kickstarted a few if that counts?) that seemed interesting but prior to buying I still pirated it to try it out. I could definitely see the value in this game so I bought it EA.

My problem with EA games is that you never know when it will be finished. Early access in my book is just like releasing the game for real. You just release an unfinished version. No ETA on when it's finished.

You know while writing this I remember that I also bought DayZ. Has that game even gone out of EA? God knows. The games I kickstarted was more of a charity kind of thing than me hoping to play the game. I liked the devs idea, I wanted to support it. Do I expect the game? Not exactly. So more like charity with a slight chance of getting something back.

I have even kickstarted games that don't personally interest me but they devs got passion that I did like.

*While there were many negative responses on the example of the before mentioned product, there is no need to attach a proof of every single one, as it is only there to support the graph, where people voted against the Early Access business model.

Another topic that was discussed with the community is "if you would decide to pay for an early access game, how much would you pay?"

While there were many answers with people saying that they shouldn't pay for an unfinished product to report bugs and malfunctions in the game, some, the minority, were still willing to pay. Most of the people that expressed their willingness to pay stated that they feel comfortable with paying as much as 10 Euros for a promising early access game with some of the community members going as high as 20 Euros, however, as it was seen from the chart, majority of players are against paying to help the developers.

Next topic for discussion arised unexpectedly with some members of the community expressing their willingness to help with the development. Working with the community is one of the key points for the development as well as marketing an indie product as the budget is very limited compared to the big companies that have staff for different kind of works. While talking with the interested community, a lot of respondents expressed their willingness to test the game and report bugs and problems with the game to the developer so that the team could focus on the actual development and continue polishing the game instead of searching for the bugs themselves. That was one of the "achievements" of the first analysis as a lot of people left their contact details. With one of the users being an experienced tester on Linux platforms that expressed his interest in case if the Apex Game LTD. decided to port the game on other OS's. While there are no such plans for the nearby future, CEO of the Apex Game LTD responded positively that community was "hyped" about the game that is being developed and the positive outcome of the research.

4.1.3 Conclusion

While that was the gathering of the basic information, team managed to get some great results and information out of it. While some of the responses were obvious and could be thought out by the development team itself, it is great to have a tight connection with the community as it is seen on the examples of the great Indie Titles like the not so long ago released No Man's Sky that was in close connection with the interested in the game community base which resulted in the game being a commercial success. Another big plus for that research was that interested and experienced in testing the games people were found and they were willing to help the development of the game, which is a nice addition to the information gathered.

As for the analysis, based on the responses from the respondents it can be seen what people prefer to see in the products they buy and what ways of marketing they try to avoid (e.g. early access). It can be seen from the

gathered information that most of the answers were either suitable for us or gave us insight on the topics that interested us. Generally speaking, first research is considered a success.

4.2 Second Analysis

Second questionnaire was made more than a month after the first one and the product in question was more specified this time around with a direct link to the Steam Greenlight page to show off the gameplay videos, screenshots as well as the description about the game. Mainly, the research was made using the same website board named www.reddit.com with using the same subreddit as before. The reason to that is that previous research was mostly successful because of that website, as community there were more interested in the new project than other websites. Furthermore, people at reddit were providing a more constructed criticism and were generally more positive about the indie development as majority felt that nowadays big corporations are making games too much alike each other, while independent developers use some niche ideas that are not oriented for a mass market with a result being a completely new and creative product.

Another major point as well as a difference between this questionnaire and the previous one was to see how people will change their answers and feelings towards the early access model after seeing the gameplay videos, screenshots, descriptions, etcetera. As it was stated in the book about indie development, part of the marketing of a game is to be connected with the community even before the release and create a "tribe" that will follow with the production of the game and be interested and feel being a part of the team whose criticism and opinions are taken into account. In a way, that way of "marketing" provided us with a small community that now knows about the product and are interested in the further development. If previous questionnaire was all about getting the opinions about the independent game development, now it is strictly about the game that is being developed by the Apex Game LTD.

When compared to the previous "conversation" with the community and general research, now there is no need to ask such questions as the preferences of the game genre's. The reason to that difference is quite simple, on our first research an attempt was made to determine the best place to gather information from people that are interested in exact type of game in development. If for example www.reddit.com in the first research would provide majority of answers with people preferring strategy or racing games, that would leave Apex Games LTD not interested in that community's opinions or criticism as they are not the target market, which would in return leave us with another problem of finding a better source of constructive feedback. However, in this case www.reddit.com spawned a numerous amount of people interested in our genre, probably one of the reason is because "reddit" has one of the biggest community bases on the internet.

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Below will be attached screenshots as well as the analysis about every question in talk as well as some of the most constructed feedbacks. This time the number of responses is significantly lower than in the first one, because even though people were generally happy with the game, it was not possible to meet the needs of every single person, as stated before, independent game is a very niche product and it is not oriented for mass market.

4.2.1 Questionnaire

The first question is exactly the same as in the first questionnaire. As it is seen from the percentage, people of not paying age are the minority just like it was in the first research. That shows us that after some numbers of responses, it is possible to make assumptions as the percentages tend not to incline that drastically.

How old are you? (72 responses)

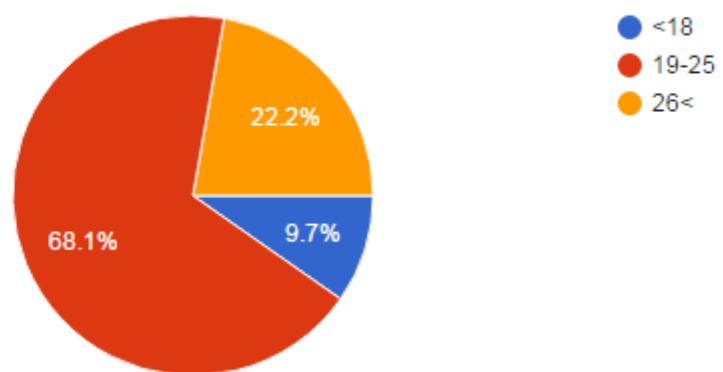


Figure 8 Age of the respondents

The next question was to determine if the respondents are the potential customers or not, with less than 1/3th of the respondents not buying any indie games in the past year, it is safe to state that respondents are interested with 18.1% buying over 6 indie products a year.

How many indie games did you buy in the past year? (72 responses)

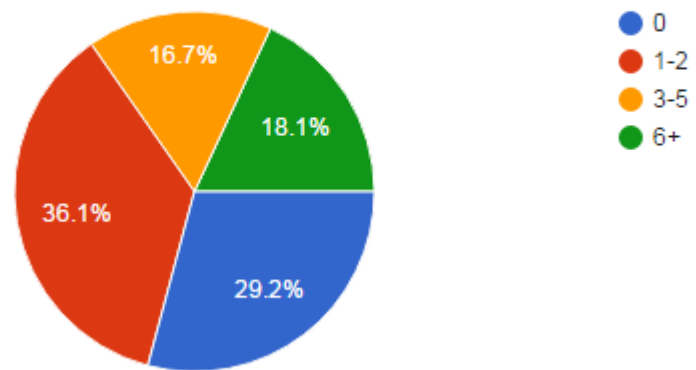


Figure 9 How many indie games were bought in the past year

Next question was made to see if this time community is more interested in the early access model or not. Even though that in the previous questionnaire the percentage of people that did not buy a single early access game was as high as 54% , this time it dropped to 40.3%, which is a plus. However, the biggest percentage were the respondents who bought 1-2 EA games in the past year, which leaves us at 83.4% of respondents not interested in buying not finished products.

How many early access games did you in the past year? (72 responses)

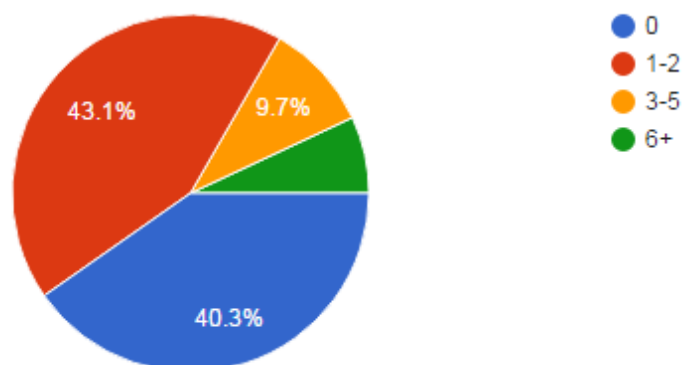


Figure 10 How many early access games were bought in the past year

Next question was to determine if people that do buy early access games, prefer the polished, but episodic format of the game or still in development with some issues full game. As it can be seen, majority of respondents preferred the full game standard describing the episodic format as a good way to present the game, but with time in-between the release being too wide, people lose interest in the game.

If you would buy an early access game, would you prefer the game in episodic format (for example like Telltale games series or upcoming Hitman game) or full game with some bugs and game not being polished to the end (lower quality game on the launch)?

(70 responses)

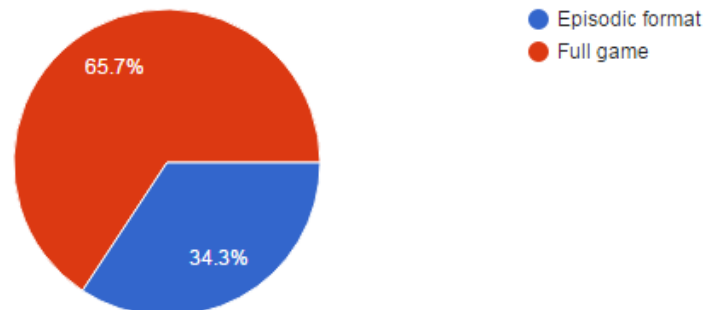


Figure 11 Opinions of the respondents

Another thing that is often used by game developers is having some extra bonuses that don't affect the gameplay for making either a pre purchase or buying an early access version. That way people that are interested in the project would feel that their money is not a complete waste even in the case of the game not being on the level that the customer expects at that point of time and at the same time would provide the developer with additional funds. As it is seen, over half of the respondents feel that having some bonuses is a great way of promoting the early access version, and that is something that Apex Game LTD can work with in case if the company stumbles on some financial problems.

Would having some bonuses for buying a game while still in early access (for example customization items) make a difference to you?

(71 responses)

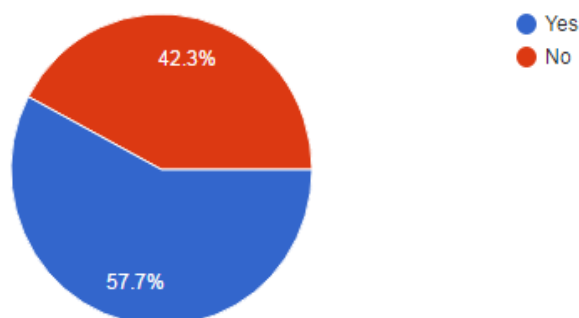


Figure 12 Bonuses

Another question that was a personal request by the CEO of the Apex Game LTD was to check if having a game developing background was a point for the respondents or not. As a result, it is seen that majority of people don't care as long as the project in work is interesting.

When buying a game made by Indie developer does it matter if team had any previous games made or not?

(72 responses)

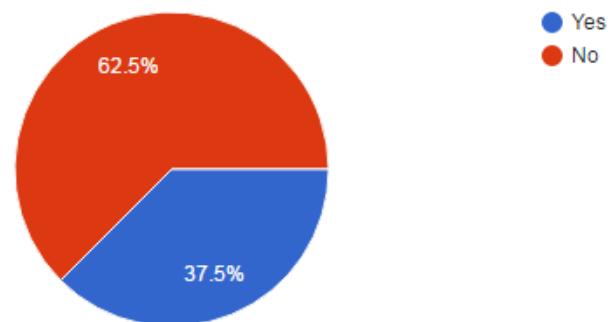


Figure 13 Opinion about experience

Next question was made to compare with the first research to see if showing the actual product would somehow change the amount of money respondents feel good spending. However, it is hard to make any assumptions, as 3 out of 4 answers have practically the same results, so more researches are needed to see if the answers would somehow incline towards one specific amount.

How much are you willing to pay for an early access game? (72 responses)

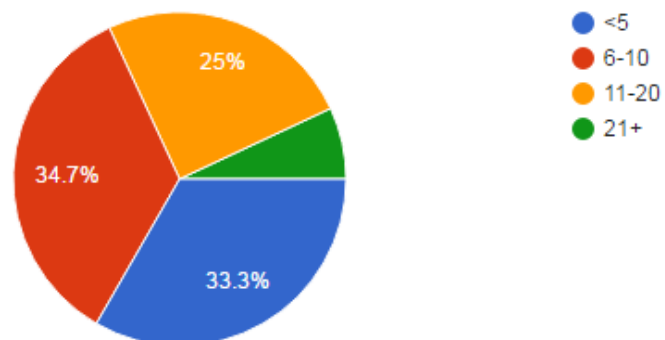


Figure 14 Price

After gathering the first batch of information that was more or less related to the product, it was time to ask some questions about the marketing aspect. More precisely, how people decide if they want to buy the game. The majority of people prefer either reviews or game play videos, which comes in hand for an indie developer. Because if the most favored option was "friends" that would mean that the developer has to somehow show the game to these "friends" which is a hard thing to do as usually indie

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games are not in spotlight where people can hear about them just by sole chance.

What is a deciding factor to buy a game or not? (72 responses)

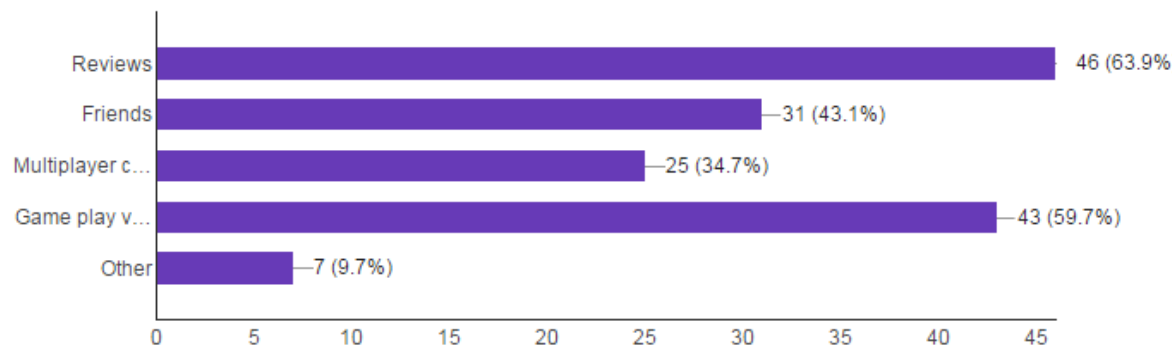


Figure 15 Deciding factor

Last, but not least was to see if people are interested in the game to give it a try if they had a chance to do so. And the result was very positive for the company, as 63.8% of people enjoyed what they saw they would like to give it a try.

Would you give Demon Core a try if it was in open beta? (69 responses)

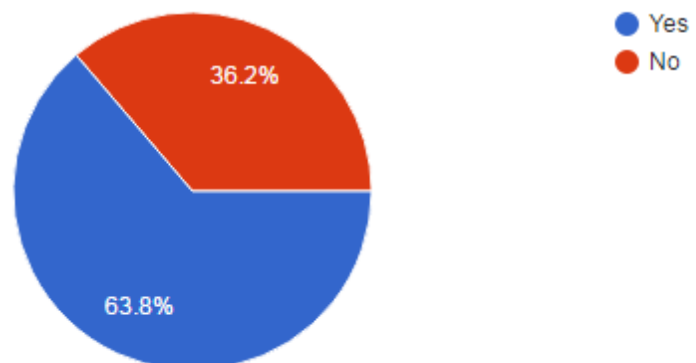


Figure 16 Opinion about open beta

4.2.2 Feedback from the Community

After seeing the answers from the respondents, it is safe to state that the questionnaire was a success. The gathered information is useful and mandatory to determine the task which was put with this paper. Furthermore, it is a positive note that majority of people were either giving a constructive feedback and criticism, which shows that they felt

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interested and hopefully will feel as part of the community. Another great point was that some experienced testers were so interested in the game that they proposed their skills to help the development if needed. That shows us that the "tribe" which was mentioned before as well as in the theory part was made, and people feel that they are part of the team, which is a great success for any indie company. Even some experienced players offered their support for the game.

from [redacted] sent 1 day ago

Hello! Did u plan linux support? Well if u need some testing, let me know here))) or u can add me on steam ([https://steamcommunity.com/id/\[redacted\]](https://steamcommunity.com/id/[redacted])) I really glad to help with testing and bring that game to linux community!

I was tester in this projects:

- The Mean Greens - Plastic Warfare (<http://store.steampowered.com/app/360940/>);
- Splatter - Blood Red Edition (<http://store.steampowered.com/app/281920/>);
- QUASAR (<http://store.steampowered.com/app/375740/>);
- Robot Roller-Derby Disco Dodgeball (<http://store.steampowered.com/app/270450/>);
- Gnomes Vs. Fairies (<http://store.steampowered.com/app/406220/>);
- Junk E.T. (In GreenLight right now) (<https://steamcommunity.com/sharedfiles/filedetails/?id=486850564&searchtext=Junk+E.T.>);
- Hypersensitive Bob(<http://store.steampowered.com/app/444270/>);
- The Isle (<http://store.steampowered.com/app/376210/>);
- Ultimate Chicken Horse (<http://store.steampowered.com/app/386940/>);
- Defect (<http://store.steampowered.com/app/352370/>);
- Chronoclysm (<http://store.steampowered.com/app/368690/>);
- Silence (In GreenLight right now) (<http://steamcommunity.com/sharedfiles/filedetails/?id=641097535>);
- AuroraRL (<http://store.steampowered.com/app/437890/>);
- Warden: Melody of the Undergrowth (<http://store.steampowered.com/app/338310/>);
- Lavapools (<http://store.steampowered.com/app/401510/>);
- Istrolid (<http://store.steampowered.com/app/449140/>);
- Dashy Square (<http://store.steampowered.com/app/461230/>);
- Rocket Fist (<http://store.steampowered.com/app/413500/>);

[permalink](#) [delete](#) [report](#) [block user](#) [mark unread](#) [reply](#)

re: Demon Core linux port
to **fallout4all** sent 4 minutes ago

Hello,

Thanks for the interest! I forwarded this message to the higher ups and see what they will answer to that! It might take up to a week or so for an answer.

Kindest Regards,

Apex Games

**Personal message from one of the interested users.*

Furthermore, some people simply wrote down their feelings about what they have seen and how they would like to see the game in the future. That is another part of being the "tribe" of the game in development. Below will be attached some screenshots.

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Game looks promising, but traps look kinda "strange" and nails on main character are too bright

From the screenshots provided on the green light page I can say I like the overall aesthetic of the level design.

Overall the game looks good, what could be improved would be a playermodel that you can see (like the arma models, as far as that isnt in the game yet, the videos didnt really show). What would also be really cool is if you added actual russian dialogue between the enemies (with subtitles). And most important of all add a weapon that is iconic for the game and only this game, something to have the fans and players easily recognize the game by. Nice work sofar

Interesting game, but it is needed to make more realistic things. Good luck, guys :)

[English is not my first language] You did a lot of promise, and I am a bit cynical about you delivering all of them. Nonetheless the concept is interesting, and what you have on the Greenlight page looks very good. I will surely follow it.

These are some of the screenshots of people's opinion about the game. Of course, some of the responses were not positive about the game, but considering that the game is quite new and it only started being promoted, that is a great start with some people following the project.

Your game looks quite interesting and probably I would play it if it was released. Not sure if I would buy it in EA as there were too many developers not finishing their games *cough* DayZ *cough*

**Another point at the infamous DayZ that has been in the early access for too long.*

4.2.3 Conclusion

In conclusion it is safe to state that second research is considered a success. Not only the gathered information was of great use to Apex Game LTD but the first batch of community members that felt interested in the game was assembled. People were showing support in different ways, including offers of their help to the development team. While the response from the community answered a lot of questions and helped solve numerous tasks, it was decided with the CEO of the company that it is still not enough and further researches are needed to be done. As it was mentioned before, gaming industry is completely different from any other and sometimes, choosing a release date might either make the game commercially successful or vice versa. Sometimes it is better to postpone the release of the game by few months and sometimes it is better to release the game early to catch the time window in which the game would have the most success. To do that, numerous researches have to be done, and by the end of this thesis work, at the very least 2 researches would be made as well as more community work. One of the researches is currently in works and was not included in this version of the paper and considering the time limits of the paper, one more will certainly be made for the fall window. As for now, this concludes the practical work made for this period of time.

4.3 Third Analysis

Third and last questionnaire was made in the late August and early September. It is the last questionnaire before moving on to the recommendation part. Same as before, this questionnaire was made to finalize the results and is the most straight forward out of three. Links to the game were provided and questions were limited to determine the price that was comfortable for the potential customers. Should be noted that since developers haven't decided yet on the model which they will use (Early Access or full release), questions about both variations were added. That way potential customers will decide how much they are comfortable spending for an early access version and full version. Furthermore, since links to the actual product in development were provided before the questions, it will show us the feelings of community after they see the game, that way it is possible to use this data for this exact product. As an addition, some of the respondents gave some constructed feedback that shows people's interest in the product.

4.3.1 Questionnaire

When compared to the previous questions, this time it will be straight to the point. Same method was used and 104 answers were given. That allows us to make the assumptions, as they are more or less similar to the previous questionnaires, and since there are over 100 respondents, it gives the general thinking of the community about this product.

First question shows the age of the respondents. In this case point of interest are people of paying age, which means that everyone who is over 18 are prioritized. Only 12.5% of respondents are underaged, which means that we are left with 91 confirmed of paying age.

What is your age? (104 responses)

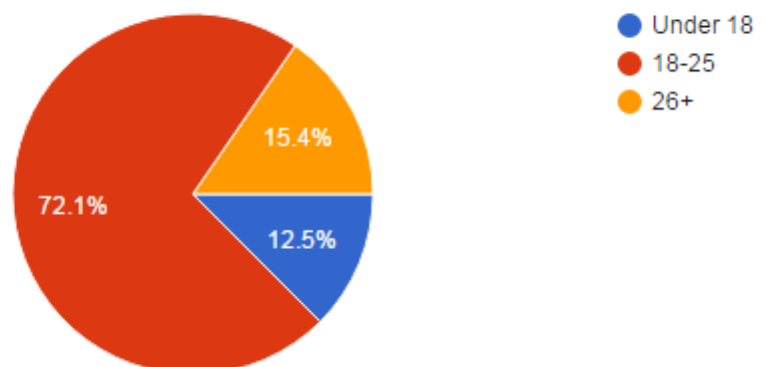


Figure 17 Age of the respondents

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Next is to get the general idea about the audience that is answering the questions. Since this paper is about the indie game development, it is interested to see how popular are these kind of product among respondents. In this it can be seen that majority of answers state that indies are popular. Result with such a low amount of zero buys shows that people that did not enjoy the content of the game provided through the links at first simply quit the questionnaire as they were not the target audience. Results state that majority buy from 3 to 6 and even more indie games.

How many indie games did you buy in the past year (104 responses)

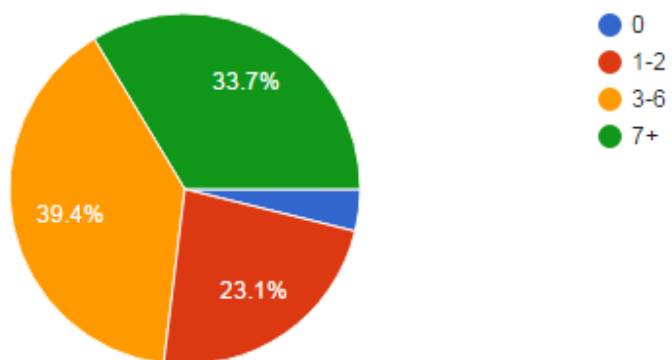


Figure 18 How many indie games were bought in the past year

As it was mentioned before, this questionnaire shows if the community is interested in the early access or not. While it may not give specific data, it still shows if respondents like this kind of model or prefer the fully finished games. As it can be seen below, for this question user base split, so the recommendation of either going early access or full game will be determined later depending on the comfortable pricing point with different models.

Are you interested in the early access model? (102 responses)

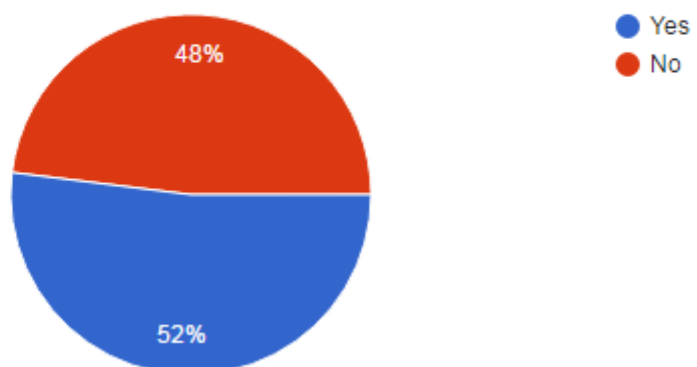


Figure 19 Early access model

Moving forward, it is crucial to see if people are interested in the demo version if there were to be one. Since team behind the game is small, it is important to see if people are interested in providing feedback. In this case it shows that 52% of respondents would provide feedback if there was a free trial. This question is especially important because in indie development resources are scarce and developer has to know if spending resources for demo version would pay back in the end or would completely go to waste. In this case demo version should be thought about, as 52% is a big percentage of positive responses

Would you be interested in providing feedback if there was a demo version available?

(102 responses)

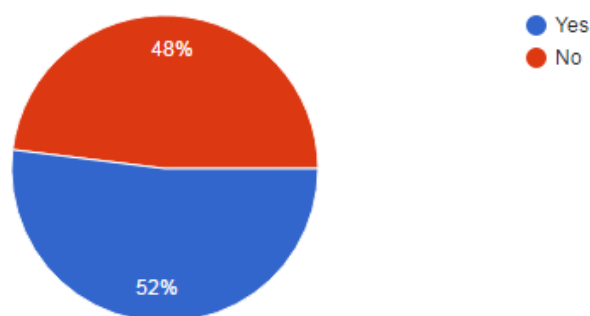


Figure 20 Feedback about potential demo version

After getting the general idea about the preferences of audience comes the first of two questions about the pricing points. Since there are no exact plans about the model that will be used by the company first comes the question about the finished game model. Because links were provided at the beginning of the questionnaire, and questions about the comfortable pricing point later, it can be assumed that respondents were giving answers because of what they saw. The answers are satisfying with 49% choosing the pricing range of 11 to 20 EU which is one of the general pricing points of indie games.

How much are you willing to pay for a finished indie game? (104 responses)

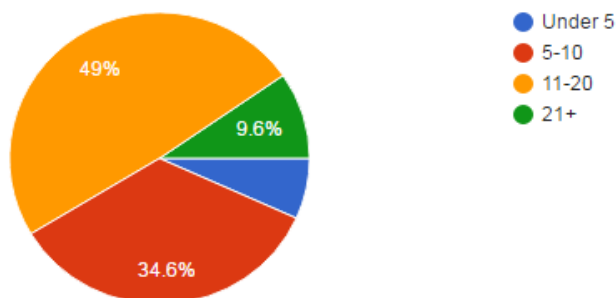


Figure 21 Price for a finished indie game

Last but not least is the question about the Early Access model price. Just like the previous question, since respondents watched the videos and got familiar with the game before, it can be assumed that these answers directly respond if there was an early access model of the product. Unlike the last question, majority (64.4%) answered that for an early access they are comfortable with paying 5-10 EU, which is understandable for a not finished product. Second comes 11-20 EU with 20.2%, however since that is only about 20 people, that is minor compared to the preferred opinion.

How much are you willing to pay for an early access game? (104 responses)

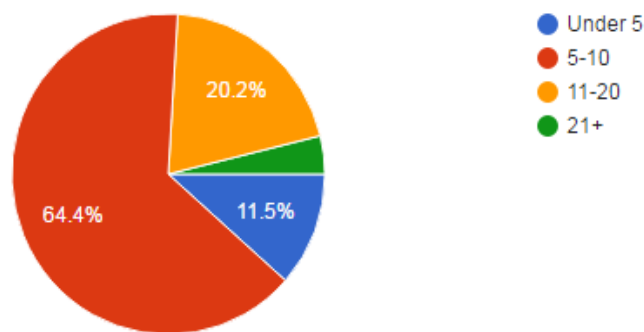


Figure 22 Price for an early access game

4.3.2 Feedback from the Community

Just like in the previous questionnaires, some of the respondents shared their feelings from what they saw. While mostly feedback was about the game itself and what they thought about it, part of the audience gave their thoughts about the pricing point as well as the model they prefer.

While respondent mostly talked about his feelings about indie games, he mentioned that while he buys a lot of indie products, he prefers the ones with a free trial, beta or demo to see if it is worth his time and money. Another respondent also wrote about his support of indie development as well as enjoying providing feedback in case of an open beta, free trial or demo. That shows us that some people are interested in providing the feedback as they want to take even a small part in development.

While I enjoy indie games in general and prefer them to AAA games, I am still very picky of them. Last year alone I have bought about 20 indie games and at least 1/3 of them were average at max, so a free trial would be nice, considering that game looks to have some complicated features. Good luck anyways!

Hello, I actively play lots of indie games and love to communicate with the teams behind games. I have provided feedback for many games and if there was some sort of open beta I would definitely participate. I prefer to support small teams instead of big corps! Good luck and hope for a release as soon as possible!

4.3.3 Conclusion

At the end of the third and last questionnaire it is safe to state that results showed positive. With all the gathered data it is possible to move on to the actual recommendations to the company. As a result of this work, it is seen that there is a market for both the Early Access model as well as the finished product model. The difference is that in the first case people are not willing to spend a lot, as they are mostly frightened of developer not delivering on his promises. Statistics show that while almost half of the respondents buy Early Access games, they want some sort of a discount compared to the fully released game. In this case results showed as 5-10 EU for an Early Access and 11-20 EU for a finished game. Considering this difference, it is entirely up to the developers' team to decide on the model they would like to use depending on their current time funds. Another major point that was shown during this questionnaire is that people are generally interested in the demo version of the game. That is interesting to this paper as respondents were shown the game play and their decision of wanting to participate in a free trial is due to their liking of the product. In conclusion it is safe to state that questionnaire was a success and it is time to move to the actual recommendations to the developers' team.

5 RECOMMENDATIONS

This paper was made to give a recommendation to the Apex Game LTD company based on the research made in the time period of few months. Recommendations are based on service marketing mix. The idea is to divide the recommendation into four stages - product, price, place, promotion. There were three different questionnaires that were given to the interested in the product community in different time periods. Based on their responses and feedback, recommendation was made possible to do. Since there are four points in the service marketing mix, recommendations were divided into four bullet points to make a more thoughtful response.

1. Product

Product is the first thing to talk about in service marketing mix method. Since described product in this paper is a video game, or as intangible service, it is better to describe what this service involves. Main advantage of product being a video game is that nowadays there is a high demand for that kind of service. Compared to what was a decade ago, internet and media is open to the majority of people, especially in Europe which is one of the main market place for the described game. Furthermore, being independent developer means that there is always a fan base that enjoy supporting small "scenes" which is also a plus.

2. Price

Putting a price for an independent video game is one of the most important stages. This paper was made with this thought in mind and putting a pricing range for the described product was the requirement of the company. Based on the research that was made, people are comfortable with different pricing ranges depending on the things like the business model (i.e. early access or full release), format and bonus features. As it was seen from these questionnaires, a lot of people are generally in favour of indie development as they feel "tired" of cliché's in big gaming titles, while indie games provide gamers with unique things that they have not seen before and that positively scales with the amount of money they are comfortable spending. However, it was seen that while community splits when it comes to the game being either early access or full release almost 50/50 with half the community not caring about game being still in development. Majority of users are willing to pay more for a full release than for still in development title. One of the many issues with that is people having lack of faith in the development team. According to the researches made, biggest percentage of the respondents are comfortable with spending from 11 to 20 euros for a fully released game, while only from 5 to 10 euros for a still in development title. It may be noted that some people chose different comfortable pricing ranges, but they can not be taken into account as percentage for different pricing ranges were significantly smaller. Based on all of that, plus the fact that game is close to being finished, it was recommended for the game developer to put a price within the range of 11-20 euros as it would be more profitable than releasing game early and selling copies of the game for a smaller price. Between 11 to 20 euros an average of 15 was suggested, as that is also one of the general pricing points for solid indie project. It should also be noted that people were suggesting these prices after they saw the game play, so that suggestion is highly related to the product. Even though that some people noted that since the product looked good they felt comfortable with paying even a higher price, since the product is intangible, larger amount of copies sold at a lower price would benefit more than lesser amount of copies at a higher price.

3. Place

One of the objectives was to enter into the European market. The biggest advantage of selling intangible product is that since it is virtual, there is no need to think about things like transportation, communication with different specialized shops or the actual production of the game. As it was stated before, game in this paper was already Greenlit by Steam, the largest game publishing service in the world. It means that only promotion is left, because game is already in the market and currently simply waiting to be available for purchase. Since Steam service is widely known in Europe just like the rest of the world, it is already in the market. Furthermore, being accepted into the Greenlight program means that game was already accepted and it is already known among the community, because being greenlit means being voted by the community. It was suggested to the team to continue working with steam and firstly release the game there and only afterwards move on to the different publishing services like GOG, which was also mentioned before.

4. Promotion

In the video game industry, especially in the indie development field, where competition is high, having a great promotional campaign gets half the job done. As it was stated before, people love being part of the development and it was suggested to the company to organize a "tribe" around the game. After receiving feedback from the community, it was clear that community wants to know about different stages of development as well as they want their opinions to be taken into account, so it was suggested to use popular service like Reddit to keep in touch with the potential customers. Speaking about Reddit, it was shown that many developers make AMA's (ask me anything) where they show their game, answer the questions from the community both about the game and about their personal goals. It is seen by the community as a great way of feeling close and being part of the game, plus it shows that developer cares about his customers and wants to provide them with the best possible experience. While it is possible to make a dedicated forum for that kind of communication, it was advised by many users that it is easier and more convenient to use already popular website like Reddit. Building that sort of a relationship eventually makes a "tribe" that is interested and "hyped" about the product.

Another way of promoting the game was suggested and that is making a free trial, demo or an open beta. Many potential customers were not sure if they would like to buy the game and stated that having a demo means that developer is confident in his/her product. Not only that would promote the game by making a statement that "there is this product and you can try it", releasing it early also provides developer with "free" testers that would respond about what they liked, what they disliked and if there were any bugs in the game. Being independent means that resources have to be spent thoughtfully, and releasing a demo version can cover two jobs simultaneously, it can promote the game while also provide team with some valuable feedback which may have gone unnoticed before.

Another way of promoting the game was suggested and that is a YouTube with let's players. As it was stated before, YouTube is famous for e-celebrities that are playing different video games and give their opinions about them. That is a great of promoting the game within a group of people as usually these kind of YouTuber's have a dedicated fan base that would try out the game that was liked by their person of interest (i.e. YouTuber). It was suggested to the team to contact one of many YouTubers and provide them with a copy of the game for the promotional reasons.

6 CONCLUSION

In conclusion it is safe to say that this paper was considered a success and was taken into account by the Apex Game LTD. Since the gaming development business is long, these suggestions may not be implemented in the

near future as development is still going on, but it certainly left the team with less problems.

This thesis was conducted with several parts and each chapter is summarized below, with the exception of introduction as it was a straightforward intro.

- Chapter 2 - Theory

This chapter fully consisted of theory about the game development industry. With the first subchapter describing the company that this paper was made for and rest of the chapters getting information about the business in that field. Another major point of that chapter was to provide reader with the knowledge about the independent "indie" development and what it meant. This chapter covered things like base projects that are suggested to new developers so that they would have a "base" which can later be used for future development, as well as role of Steam in the gaming industry with it being the largest publishing service in the world. Plus, things like demo version were talked about.

- Chapter 3 - Advertising + Management

Like every business, it is supposed to have management as well as marketing part. It was stated that in small teams (i.e. indie teams) a manager is usually also a developer, a code writer, an HR person and many more, which leaves team with all sorts of difficulties. This chapter also explained the service marketing mix method that would later be used for writing the recommendations. Basically, this chapter provided information about how to present the product and show its quality to the potential customer.

- Chapter 4 - Direct Sales

As straight forward as it may sound, this chapter covers all the things about the independent game development. There are topics about promoting the game, quality tests, finding customers, different ways of funding as well as early access model. Each one of these topics is described thoroughly in each correspondent sub-chapter. For instance, subchapter about early access explains all the pros and cons of using that model and difficulties that may arise when that model is used. Things like lack of trust in early access by the community and others are detailed.

- Chapter 5 - Research

Research and analysing was one of the main parts of this paper. Questionnaires were made in a long time period of few months to get the idea about people's feelings about the game. Three questionnaires were made that later shown the community's thoughts. Reason behind making questionnaires with big gaps between each other was to see if and how responses would change. Furthermore, each questionnaire narrowed down the questions with the first one not including the title of the video game at all to see and check out if people are interested in that sort of genre at all.

- Chapter 6 - Recommendations

Last chapter was about making recommendations to the company based on the questionnaires which were mentioned before. Based on the gathered data, it was suggested to put a pricing point of 11-20 Euros for a fully released game or 5-10 Euros for an early access version, with a suggestion of waiting until the game is finished as it is close to that point. Other suggestions include things like promoting the game, where it was suggested based on the previous chapters to keep in touch with the community, organizing a "tribe" with the community and make the user base feel related to the development.

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Researching potential customers for the video game as a service in the European market

