



Game Connection Europe 2008

2008 Market Overview and Survey Results

In Telefilm Canada's five-year corporate plan, *From Cinemas to Cell Phones: Telefilm Canada Responds to the Multiplatform Challenge (2006-07 to 2010-11)*, Telefilm adopted international strategies to help build the audiovisual industry's capacities. In consultation with members of the International Initiatives Activities Committee (IIAC), Telefilm supports Canadian companies at selected international markets by:

- Providing support to the international launch of select Canadian productions with special marketing initiatives at festivals identified as priority opportunities;
- Bolstering the sales efforts of producers and distributors at international markets and festivals with initiatives directed at investors and buyers; and
- Enabling and encouraging Canadian and foreign producers to pool resources in co-producing film and television programs.

The following report summarizes intelligence gathered by an on-going research initiative officially commissioned Telefilm since 2005-2006 which includes sales activities and overall client satisfaction at international markets. The data is complimented by accounts of the activities and events at these markets.

Methodology

Game Connection Europe was surveyed using the Explorance based software tool 'Blue'. An on-line survey was conducted between December 22, 2008 and January 31, 2009.

Overview of the 2008 Market

In December 2008, a questionnaire was sent out to the Canadian participants at Game Connection Europe. Eight companies responded to the survey. Five of these companies' principal activity is Game Development, two are in services and one is in television production and game development. The average operating age of the participating companies is about six years. Almost all of companies sent two employees to the event.

While there was a relatively good distribution of platforms for which companies were offering services, all eight companies had some level of involvement with consoles.

Platform	Companies
Online	4
Downloadable	5
Mobile Devices (cellular phones, smart phones)	1
Hand Held Consoles (DS, PSP, etc)	7
Consoles (X Box, Wii, etc)	8

Game Connection Event

On average, responding companies had already attended three past Game Connection events. For one company, 2008 was their tenth time attending. Six of the eight companies intended to attend Game Connection in San Francisco.

Main business objectives at Game Connection	Companies
To sell or finance your own original games or concepts	6
To sell or finance the development of licensed IP for which you have acquired the rights from a third party	2
To offer services for end-to-end game development (work for hire)	5
To offer outsourcing services: art	3
To offer outsourcing services: programming	3
To offer outsourcing services: QA, testing and localization	1
To find outsourcing partners	1
Other(s)	2

Participating companies were very busy with meetings. The minimum number of meetings among the respondents was fifteen and the maximum was forty. On average, participating companies attended about twenty-five meetings. Of the 25 average meetings, 22 of them were booked with the Game Connection online tool. For the average company, about four 'on-the-spot' meetings occurred at the event. One company reported ten 'on-the-spot' meetings.

This event proved to be successful for new business contacts. For six out of eight respondents, a majority of the meetings was new business.

Percentage of meetings were...

	With new business contracts?	With existing business contracts?
None	1	0
0-24%	1	3
25-49%	0	3
50-74%	4	1
75-100%	2	1

There was a relatively diverse set of international players among the company meetings. The UK and other European countries appeared to be involved with the most meetings. Korea and China were involved in the least amount of meetings.

Percentage of meetings by country

	US	UK	France	Germany	Nordic Countries	Other Europe	Japan	China	Korea	Other
None	1	2	3	3	3	1	3	6	7	6
Less than 25%	5	1	2	4	5	5	4	2	1	2
25-49%	2	5	3	1	0	1	1	0	0	0
50-74%	0	0	0	0	0	1	0	0	0	0
75-100%	0	0	0	0	0	0	0	0	0	0

Sales Activities

Despite a good amount of meetings going on, actual sales activity at the event was low. Only one company reported a signed contract. This contract was worth about \$20,000.

Likely sales were more promising with an average of two potential contracts per company. The maximum potential contracts achieved by a company were five. An average potential contract was worth about \$700,000 whereas the highest potential contract among the companies was about \$2 million.

In general, there was a diversity of revenue streams among these companies. However, two of the companies reported that 100% of their revenue came from outsourcing services.

What percentage of your revenue is for...?

	Selling or financing your original IP	Selling or financing development of licensed IP for which you have acquired the rights from a third party	Work for hire (end-to-end game production)	Outsourcing (services)
None	0	2	0	1
Less than 24%	1	0	2	2
25-49%	3	2	2	0
50-74%	1	0	0	1
75-100%	0	1	0	2

Satisfaction with the Event

In general, the participating companies reported that they were largely satisfied with the event. Half of the respondents reported that they were 'very satisfied' with the overall event and the further 38%

were 'somewhat satisfied'. Only one respondent indicated that they were 'somewhat dissatisfied' with the event.

Most individual elements were rated highly, with the online meeting system getting the highest ratings with almost two-thirds of the respondents indicating that they were 'very satisfied'. The quality of other event participants received more lukewarm ratings and the only 'very dissatisfied' response came from a single company for their private meeting room.

	Very Satisfied	Somewhat Satisfied	Neutral	Somewhat Dissatisfied	Very Dissatisfied
Game Connection as a place to meet with the right business partners	57%	43%	0%	0%	0%
The number of participants in the Game Connection	50%	38%	0%	13%	0%
The quality of participants in the Game Connection?	38%	38%	13%	13%	0%
he Game Connection online meeting system as an effective tool for booking meetings	63%	38%	0%	0%	0%
Your private meeting room	13%	75%	0%	0%	13%
CANADA branding and promotional materials (banner, flyer, clip, advertising)	25%	75%	0%	0%	0%
Preparation, coordination and support by Telefilm Canada consultant	38%	63%	0%	0%	0%
Rebate on Game Connection registration cost offered by Telefilm Canada?	43%	43%	0%	14%	0%
Your overall experience	50%	38%	0%	13%	0%

Attending the Event

It appears that Telefilm does have some influence among these companies for Game Connection. Four (50%) of the respondents indicated that Telefilm's package contributed to their decision to attend. One company felt that Telefilm partially influenced their decision and three felt that it had no bearing on their decision to attend the event.

As for other elements that influence their decision to attend Game Connection, it appears the most important element was the rebate on registration costs offered by Telefilm. Half of the companies reported this element to be 'very important'.

How Important are the following elements in influencing your decision to Attend Game Connection

	Not at all important	Not very important	Somewhat important	Very Important	Not Applicable
CANADA branding and promotional materials (banner, flyer, clip, advertising)	1	3	4	0	0
Preparation, coordination and support by Telefilm Canada consultant	1	1	4	1	1
Rebate on Game Connection registration cost offered by Telefilm Canada (approx. 35% for developers only)	1	1	1	4	1

In total, all companies indicated that they were at least 'probably' going to attend Game Connection Europe 2009 with four companies reporting that they would definitely go.

GDC San Francisco was the most likely subsequent event that the companies would attend with all eight respondents saying 'yes'.

Are you planning to attend the following events..?

	Yes	No	Maybe
GDC San Francisco, March 23-27, 2009	8	0	0
Montreal International Game Summit (MIGS) November 18-19, 2008	5	2	1
E3 Media & Business Summit, Los Angeles July 2009	3	3	2
Casual Connect Seattle, July 22-23, 2009	3	5	0
Vancouver International Game Summit, May 11-15, 2009	2	5	1
Vancouver International Digital Festival (VIDFEST), May 11-15, 2009	2	5	1
Paris Game Developers Conference, Paris June 2009	2	6	0
Develop Conference & Expo, Brighton, UK, July 2009	2	6	0
GC Developers Conference (GCDC) Leipzig, Germany, August 2009	2	2	4
G C Game Convention, Leipzig, Germany, August 2009	2	3	3
Tokyo Game Show, September 24-27 2009	2	2	4
Kids Screen New York, February 11-13 2009	1	6	1
D.I.C.E. Summit Las Vegas, 18-20 February 2009	1	5	2
Casual Connect Europe, Hamburg, Germany, 10-12 February 2009	1	5	1
GDC Canada Vancouver, May 12-13, 2009	1	2	5
Nordic Game Conference Malmö, Sweden, May 19-20, 2009	1	6	1
Austin Game Developers Conference, September 14-18, 2009	1	5	2
G*Star and Korea Games Conference, November 13-16 2008	0	8	0
China Joy, Shanghai July 2009	0	8	0
Games Convention Asia (GCA) Singapore, September 17-20, 2008	0	8	0