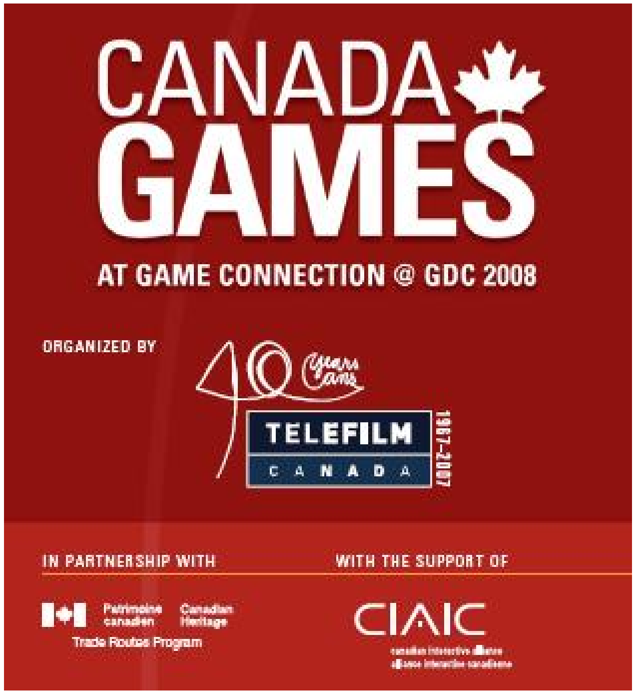

CANADA GAMES at Game Connection @ GDC 2008
February 19-21, 2008
Moscone Center, San Francisco

Report on the business benefits and satisfaction of participating companies

Submitted to
Telefilm Canada

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Methodology and Summary

Methodology

- An evaluation survey was developed by the consultant, Jean-François Arseneau
- Two versions were produced: French and English
- They were approved by Telefilm Canada:
  - Anne-Marie Charbonneau
  - Robert Maxwell
- Participants completed the evaluation survey online using the QuestionPro tool.
- Survey was e-mailed to participants March 6, 2008.
- All companies responded by March 25, 2008.

Summary

- Most of the 20 participating companies (85%) were aiming to sell original properties developed in-house.
- 70% also offered work-for-hire services (top demand at market).
- Most of the companies offer real developer service, i.e., complete game production.
- Subcontracting: 20% of the companies offered only services. Most (3 out of 4) offer artistic services – visual content (art).
- Total business meetings: 815
- Average meetings per company: 30 to 45
- 50% of the Canadians arrived with a fair number of appointments pre-booked via the Game Connection online tool.
- The operation created new business opportunities: most companies had meetings with new contacts.
- 50% of the meetings were with American contacts. All other countries accounted for less than 10%, notably UK (9%), Japan (8%), France (8%). 14 countries in all.
- The 20 companies reported about 100 signed and potential agreements valued at CDN$76,225,000.
- As of March 25, 2008, 7 companies reported 23 signed agreements totalling $3,575,000.
- The potential agreements are 80 contracts valued at $72 650,000.
- The participants reported high satisfaction with the entire operation and the services provided.
- The lowest level of satisfaction is for the Game Connection online meeting system (73%). Not very user-friendly. It has been widely criticized and the organizers are aware of the problem.
- The highest level of satisfaction is for “Game Connection as a good place to do business” and the support provided by Telefilm Canada (90% to 92%).
- 75% of participants said they intended to go back next year. 25% answered Maybe. No one answered No.

Most popular events (intentions for coming year)

No. 1: GDC and Game Connection @ GDC

No. 2: Game Connection Europe: Lyon

No. 3: D.I.C.E. Summit

No. 4: Casual Connect Seattle 2008 (yes 7, maybe 4)

No. 5: E3 Media & Business Summit (yes 4, maybe 7)

No. 6: Tokyo Game Show (yes 4, maybe 7)

No. 7: G|C Game Convention: Leipzig (yes 3, maybe 8)

No. 8: Austin Game Developers Conference

Results - Number of respondents: 20 companies

Number of times at Game Connection @ GDC

	Number of companies	%
1st time	7	35%
2nd time	7	35%
3rd time	4	20%
4th time	2	10%
Total	20	100%

- One third of the companies were attending Game Connection @ GDC for the first time.
- One third of the companies were attending for the second time.

Number of times at Game Connection Europe (Lyon)

- Only 5 companies had previously attended Game Connection Europe.
- Among the 5:
  - 1 has attended 5 times
  - 1 has attended 3 times
  - 2 have attended 2 times
  - 1 has attended 1 time

Only 25% of companies had previously attended the two main Game Connection events (Europe and GDC).

Number of times at GDC but not attending Game Connection Europe

- 5 have attended 1 time
- 8 have attended 2 times
- 1 has attended 3 times
- 1 has attended 4 times
- 1 has attended 6 times
- 1 has attended 18 times!

The companies initially attended GDC. Most chose to register for Game Connection @ GDC the 2nd or 3rd year.

Canadian company objectives

The participants reported the following objectives:

Business objectives	Number of companies	%
Sell or finance your games or original concepts	17	85%
Sell or finance the development of third-party intellectual properties to which you hold the rights	9	45%
Offer your work-for-hire services	14	70%
Offer your subcontracting services: art	3	15%
Offer your subcontracting services: quality assurance, tests and localization	1	5%
Find service providers	3	15%

- Most of the companies (85%) were aiming to sell original properties developed in-house (very difficult at market).
- Nearly half (45%) intended to sell the development of games based on third-party intellectual properties to which they hold the rights (presumably well-known properties chosen to win over publishers).
- 70% offered work-for-hire services (complete games – top demand at market).
- Most of the companies offer real developer service, i.e., complete game production.
- Subcontracting: 20% of the companies offered only services. Most of them (3 out of 4) offer artistic services: visual content (art).
- 15% of the companies reported looking for subcontractors. This probably reflects the labour shortage in the Canadian industry.

Business meetings

Number of business meetings		%
Pre-booked with Game Connection online system	411	51%
Booked on site with Game Connection participants	182	22%
Held at GDC with contacts not registered at Game Connection	222	27%
Total	815	100%

Number of meetings per company	Co.	%
Fewer than 20	3	15%
Between 20 and 29	3	15%
Between 30 and 34	2	10%
Between 35 and 39	6	30%
Between 40 and 49	1	5%
Between 50 and 59	2	10%
Between 60 and 69	2	10%
More than 70	1	5%
Fewest meetings: 14		
Most meetings: 122		

Proportion of meetings with new contacts	Co.	%
Less than 30%	1	5%
Between 30% and 49%	2	10%
Between 50% and 74%	5	25%
Between 75% and 90%	6	30%
90% or more	6	30%
Total	20	100%

Breakdown of meetings by country		Rank
United States	52%	1
United Kingdom	9%	2
Japan	8%	3
France	8%	4
Eastern Europe	6%	5
Canada	5%	6
Germany	4%	7
Nordic countries	4%	8
China	4%	9
South Korea	1%	10
Other	1 %	
Total		

- Total business meetings: 815
- Average meetings per company: 30 to 45
- 50% of the Canadians arrived with a fair number of appointments pre-booked via the Game Connection online tool.
- They held meetings off-site: 27% of the meetings were with contacts not registered at Game Connection.
- Meetings can be held on site at Game Connection.
- The operation created new business opportunities: most companies had meetings with new contacts.
- 50% of the meetings were with American contacts. All other countries accounted for less than 10%, notably UK (9%), Japan (8%), France (8%).
- The participants reported meetings with contacts from 14 countries.

Business benefits

Total business benefits	Number of agreements	Value (CDN$)
Agreements signed	23	3,575,000
Agreements in discussion	80	72,650,000
Total	103	76,225,000

Agreements signed by 7 companies (as of March 25, 2008)

Agreements per company	Total value ($)
2	10,000
1	15,000
2	150,000
3	200,000
9	200,000
5	1,000,000
1	2,000,000
23	3,575,000

Note: The high-value agreements were presumably in negotiation prior to the operation.

Breakdown of agreements in discussion

Number of companies	% revenue	Potential revenue ($)	Average by agreement ($)
6	4%	500,000 to 999,999	200,000
7	12%	1M to 2M	275,000
2	6%	2M to 3M	500,000 to 1M
2	10%	3M to 5M	500,000 to 1M
2	34%	10M to 15M	1M to 3.5M
1	34%	15M to 25M	8M
Total: 20	100%		

<table>
<tr><th colspan="3">Breakdown of potential revenue by offer</th></tr>
<tr><td>Sale or financing of original intellectual properties</td><td>44%</td><td rowspan="2">Original game development 60%</td></tr>
<tr><td>Sale or financing of game development with third-party intellectual property (complete games)</td><td>16%</td></tr>
<tr><td>Work for hire</td><td colspan="2">25%</td></tr>
<tr><td>Subcontracting</td><td colspan="2">15%</td></tr>
<tr><td>Total</td><td colspan="2">100%</td></tr>
</table>

- The 20 companies reported about 100 signed and potential agreements valued at CDN$76,225,000.
- As of March 25, 2008, 7 companies reported 23 signed agreements totalling $3,575,000.
- The potential agreements are 80 contracts valued at $72 650,000.
- The participants reported high satisfaction with the entire operation and the services provided.
- 60% of the companies reported at least $1M in potential revenue.
- 3 companies alone account for 68% of the potential revenue.
- For the companies with potential revenue of $2M or less, the average value per contract ranges from $200,000 to $300,000.
- For the companies with potential revenue of $2M to $5M, the average value per contract ranges from $500,000 to $1M.
- For the companies with potential revenue of $10M to $15M, the average value per contract ranges from $1M to $3.5M.
- Based on these scales, we can deduce that the agreements mainly involve handheld consoles (DS and PSP), PC and possibly Wii.
- 60% of the revenue would come from developing original games. 25% from work-for-hire and 15% from subcontracting.

Participant satisfaction

Participant satisfaction level	%
Game Connection @ GDC as a place to meet valuable business partners	91%
Quantity of participants at Game Connection @ GDC	85%
Quality of participants at Game Connection @ GDC	84%
Efficiency of online meeting system	73%
Private offices for meetings	84%
CANADA GAMES promo material (poster, flyer and clip)	78%
Telefilm Canada preparation, coordination and support	90%
Registration fee discount offered by Telefilm Canada (approx. 30%)	92%
Hockey Night: Canada Scores! networking event	84%
Overall experience	88%

Intention to attend Game Connection @ GDC next year	%
Yes	75%
Maybe	25%
No	0%

Reasons for attending Game Connection	%
The Game Connection online meeting system saves me lots of preparation time.	28%
I already have a good contact network, but I need a private room for meetings.	28%
I can meet business partners I wouldn't have access to otherwise.	23%
Most of the people I need to meet attend Game Connection. I have to be there too.	21%

- The participants reported high satisfaction with the entire operation and the services provided.
- The lowest level of satisfaction is for the Game Connection online meeting system (73%). Not very user-friendly. It has been widely criticized and the organizers are aware of the problem.
- The highest level of satisfaction is for "Game Connection as a good place to do business" and the support provided by Telefilm Canada (90% to 92%).
- 75% of participants said they intended to go back next year. 25% answered Maybe. No one answered No.
- Four reasons for attending Game Connection were proposed in the survey. The answers show them to be of nearly equal importance. The only observation is that having a private office and saving time in making appointments (online tool) rate slightly higher.
- 8 companies (40%) said the main reason is that Game Connection allows them to meet business partners they wouldn't have access to otherwise.

Canada / China Program

- 9 companies registered at Game Connection participated in the Telefilm Canada and Quebec Government program.
- 5 companies said that the meetings were useful.
- 7 companies said they want to further explore the Chinese market.

Intention to attend industry events in coming year

Event	Number of answers	
	Yes	Maybe
Vancouver International Game Summit: May 21-22, 2008	4	9
Vancouver International Digital Festival (VIDFEST): May 21-24, 2008	1	6
Nordic Game Conference: Malmö, Sweden, May 14-15, 2008	1	4
Paris Game Developers Conference: Paris, June 23-24 2008		7
E3 Media & Business Summit: Los Angeles, July 15-17, 2008	4	7
China Joy: Shanghai, July 17-19, 2008		2
Casual Connect Seattle 2008: July 23-25, 2008	7	4
Develop Conference & Expo: Brighton, UK, July 29-31, 2008		4
GC Developers Conference (GCDC): Leipzig, Germany, August 18-20, 2008	2	9
G|C Game Convention: Leipzig, Germany, August 20-24, 2008	3	8
Austin Game Developers Conference: September 15-17, 2008	5	5
Games Convention Asia (GCA): Singapore, September 18-20, 2008		4
China Game Developers Conference: Beijing, September 24-26, 2008	1	4
Tokyo Game Show: October 9-12, 2008	4	7
Game Connection Europe: Lyon, November 5 -7, 2008 (note: this event will take place one month earlier this year)	6	10
Montreal International Game Summit (MIGS): November 6-7, 2008	7	8
G*Star: South Korea, November 2008	1	2
GDC Prime: Fall 2008 (location and dates not confirmed yet)	2	6
Kids Screen: New York, February 2009	1	6
D.I.C.E. Summit: Las Vegas, February 2009	7	6
Casual Connect Europe: Hamburg, Germany, February 2009	3	5
GDC: San Francisco, March 27-29, 2009	18	1
Game Connection @ GDC 2009: March 26-28, 2009	16	4

Most popular events

No. 1: GDC and Game Connection @ GDC

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