

Business Models for Network Distributors: Computer/Video Games

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Trymedia: The Largest Digital Game Distributor

Publishers



Portals/Carriers/Retailers



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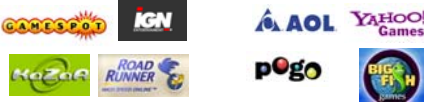
Who's Buying Downloadable Games

Core Gamer

- 35 Year Old
- Predominantly Male
- \$60K/Income
- 80% North American

Casual Gamer

- 45 Year Old
- Predominantly Female
- \$35K/Income
- 50% North American



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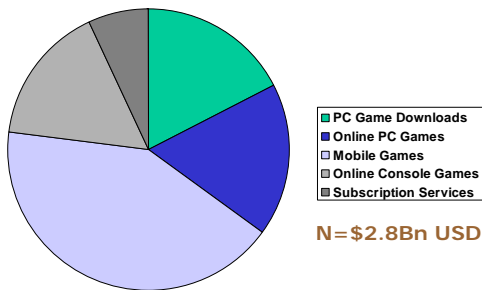
Business Models in Online Gaming

- Download/Sale
 - Dominant Model, Growing Fastest
 - Preferred by Consumers
- Subscription Services
 - MMOG/Casual Games
 - Preferred by MSOs/ISPs
- Advertising Revenue
 - Hot Sector, Additive
 - Preferred by Portals



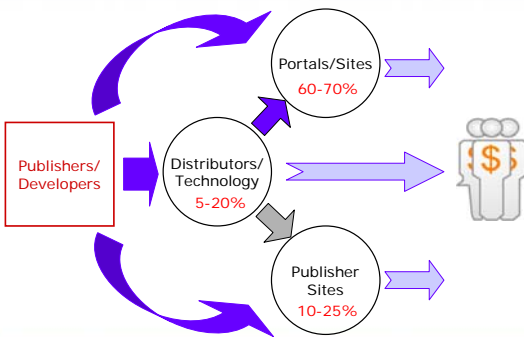
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U.S. Online Games Revenue, 2006



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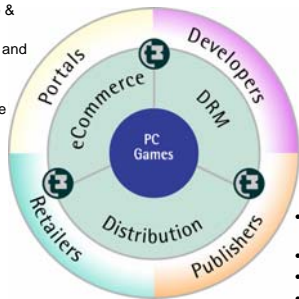
The Value Chain



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Distribution Technology & Services

- Catalogue of core & casual games
- Complete service and licensed options
- Reporting
- Publisher leverage



- Grade A, Worldwide Distribution
- Strong Security
- Real-time Reporting
- Fast Payments



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Games & P2P Distribution

That Was Then:

- I was the first person to post legitimate (for-sale) content to a P2P network, back in 2000
- Trymedia first made games available via KaZaa in 2001
 - Natural extension of our technology (superdistribution)
- Game publishers didn't object/didn't embrace

This Is Now:

- Over 250 titles available on P2P Networks
- Most of the top publishers use P2P
 - Some "chaff", others sell. Big movement toward selling
- "Casual Games" (e.g. Hearts) increasingly interested in P2P
- **Digital distribution of PC games will become the main sales channel within the next 2-3 years.**



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Why the Games Industry Doesn't Hate P2P

- Technology innovator "credibility" is important
- Developers are largely libertarian

- Industry cannot afford to anger its customers
- Need for alternative distribution channels

- **They know the networks are not going away**



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