

The Community Network Game CNG

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Report on 2nd Meeting with Stake-holders

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Executive Summary

The Community Network Game (CNG) project is focused on applying new network technologies to support community activities over highly interactive centrally managed massively multiplayer online games (MMOG). CNG intends to research and develop in-game community activities using in-game graphical insertion technology (IGIT) and a combined Client Server for the MMOG activities and P2P for the User Generated Content (UGC). The InGame Graphics Insertion Technology (IGIT) is an innovative technology of replacing or inserting content to the game in real time without the need to change the game's code in the client or server. The User Generated Content (UGC) proposed by the Community Network Game Project includes 3D objects and Video to be streamed from one user to another user or from one user to many users. This UGC traffic represents a real challenge to the network already occupied by the MMOG client server data. The project intends to research and develop new techniques for P2P 3D/Video streaming that are "friendly" to the MMOG client server traffic.

The Community Network Game being a small or medium-scale focused research project (STREP) intends to research, develop and implement the following:

- In-Game Content using new techniques of replacing existing texture with a new one and inserting new 3D objects, WEB2.0 based tools and Video elements (IGIT).
- Massive P2P delivery of user-generated content while being "friendly" to the MMOG data flow.
- Enhanced Video and Content delivery protocols for P2P.

The 2nd meeting with the Games' Development Community was in Malmö Sweden during the Nordic Game conference. CNG managed a one-day panel discussion to get expert opinion as well as audience comments on the outcomes of the project and presentations by CNG researchers. The discussions of the panelists underlined the high potentiality of the project outcomes.

The invited experts found the following CNG innovations the most interesting from the market perspective: the ability to exchange textures and add items in a game as long as a game developer has a complete control over what graphical elements are added to a game, and the ability for a game publisher to integrate CNG tools directly into a game and use it to promote the game, with video tools being acknowledged as being of special importance for the gaming community itself.

The experts identified various ways how CNG tools could be exploited. Especially they underlined the various ways CNG tools could be used to engage and attract gamers to a game and help them to promote the game and monetize the games through advertisements. Furthermore, experts identified that gamers themselves could use CNG to create video walkthroughs. Beyond games themselves the experts saw CNG tools as a way to add a social layer over Internet that could be used to enable consumers to take the content of a brand, share it and evangelize for it.

One expert highlighted that because of strong competition, CNG might find it hard to launch its toolset successfully as a standalone product, and that therefore a better strategy might be for it to unite its forces with actors who already have an existing user base. CNG's research and development on exploitation (in D7.1.3) will discuss this question in more detail, as it has explored the relative strengths of several market entry approaches.

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1 Introduction

1.1 Objectives

The idea of this workshop was to support the successful exploitation of project outcomes by bringing industry professionals to discuss their market potential and different ways they could be exploited.

Malmö was selected as the venue for the workshop to enable it to capitalise on attendance at Nordic Game Conference, which ran concurrently to the workshop. Nordic Game Conference is one of the oldest game industry events in Europe and due to a recent boom of the Nordic games industry it is becoming a more and more important industry event year on year.

The conference was however not so large that a concentrated one day workshop would risk not being noticed. Not only were consortium members able to share their experiences with game developers of all sizes and interests, but the Nordic Game Conference participants could log into the workshop, actively participate and learn about European research opportunities.

The consortium carefully evaluated the best possible panelist for the event that could bring the maximum input for the exploitation plans of the consortium. In the end following experts were selected

- Mark Donovan, President X-Fire, Calgary
- Patrick Rau, KunstStoff GmbH, Berlin
- Josep Puig Rojas, <http://www.freemorpqlist.com/>, Barcelona

It can be concluded that the collaboration with the conference ran smoothly, flexibly and effectively. It successfully engaged game developers in discussions on the exploitation of the outcomes of the CNG project. It was also able to input to the consortium's WP7 research and development work in relation to exploitation planning.

The workshop resulted from cooperation between the EGDF (www.egdf.eu), Nordic Game programme and the CNG Project (www.cng-project.eu). The workshop assembled important industry players and researchers with worldwide reach in order to discuss the opportunities of this rising European industry.

The main topics covered were:

- The economic potential of CNG tools,
- what the European players of massive multiplayer online games expect from communication tools used in massive multiplayer online games.

1.2 Implementation

This international workshop, organized by EGDF (European Game Developers Federation) in cooperation with Nordic Game took place at Malmö on May 25th. The event followed the following agenda.

25 May: 13:00-13:45 *CNG: Community Network Game*

The community network game is focusing on social tools and user generated content for online games. The session will present and discuss results of research – partly funded by the European Commission – on the subject. Two main questions will be addressed: How do gamers use external social toolsets (like Xfire, Overwolf, or the tools, which have been developed by the CNG consortium) ? How strong is the influence of user generated content? Can social tool sets increase revenues for Game developers and operators?

Moderation:	Malte Behrmann, EGDF, Helsinki/Berlin
Presentation:	Alex Shani, Exent, Tel Aviv
Panel Discussion:	Mark Donovan, President X-Fire, Calgary Patrick Rau, KunstStoff GmbH, Berlin

25 May: 14:00-14:45 *The user of online games (CNG):*

Users of online games in Europe are a broad and evolving species. Who are they? i2 media, a research team from the UK, working as part of the CNG project (part funded by the European Commission) has analysed this question with the support of EGDF. The research results are presented providing deep insight into the characteristics and preferences of typical online gamers in Europe.

Moderation:	Malte Behrmann, EGDF, Helsinki/Berlin
Presentation:	Jonny Freemann, Managing Director, i2 media research, London
Panel Discussion:	Kerry Fraser Robinson, CEO Redbedlam, Brighton Josep Puig Rojas, http://www.freemorpplist.com/ , Barcelona

2 Minutes of the workshop

2.1 Session 1: CNG: Community Network Game

2.1.1 Keynote: CNG: Community Network Game

Dr. Malte Behrmann: Good morning ladies and gentlemen, I am very happy to see you here on the Nordic Game Conference. We are doing two sessions on the CNG project. You have these nice brochures about the CNG project everywhere. My name is Malte Behrmann. I'm general secretary of European Game Developer Federation. We are a partner in this project. I will hand over immediately to Alex Shani. He is the consortium coordinator. He comes all the way from Israel to explain to us what CNG project is about.

Keynote by Alex Shani:



COMMUNITY NETWORK GAME (CNG)



The research conducted has received funding from the European Union's Seventh Framework Programme ([FP7/2007-2013]) under grant agreement n° ICT-248175



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So again, good afternoon. CNG, Community Network Game is the project that was funded by the European Commission under FP7.

In the CNG consortium we have both commercial companies and research institutes, I'm speaking here also on the behalf of Exent.



Exent Technologies



Exent is a **global leader** in digital distribution bringing games and players together. Exent is **the #1 Games on Demand provider** in the world.

- Established in 1992, Exent has 120 employees, 60 of which are dedicated to research and development and technical support.
- Highly successful veterans of the games and multi-platform entertainment space
- Offices in New York, San Francisco, Bethesda & Tel Aviv
- Experienced provider with 20 integrated services across 15 countries
- +50 CAGR in revenues for past seven years; profitable for last three years
- Extensive game licensing expertise –over 2,000 PC and Mobile games from more than 150 publishers and developers; Tablets, Mobile & PC

- Exent shareholders:



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Exent is dealing with game distribution. Exent commercial activities are in providing the platforms either for users to play games on subscription or as ad-supported.



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CNG Objectives



- **Making the MMOG players' screen the junction for Gaming and Community activities.**
- The *CNG project* (Feb. 2010 – July 2012) Innovations:
- **In-game Graphical Insertion Technology (IGIT):** new techniques to replace existing textures with new ones and adding new elements, including:
 - In-game spot identification
 - In-game asset replacement and asset insertion
 - Insertion of an in-frame Web browser for hosting
 - Web 2.0 applications (IM, blog, polls, etc.)

Injected into the game without requiring games developers to re-code the games or to compromise any game features

- **Enhanced peer-to-peer (P2P) streaming** to allow MMOG players to stream screen-captured live game without damaging the game experience (MMOG-friendly P2P)
- **New business models**



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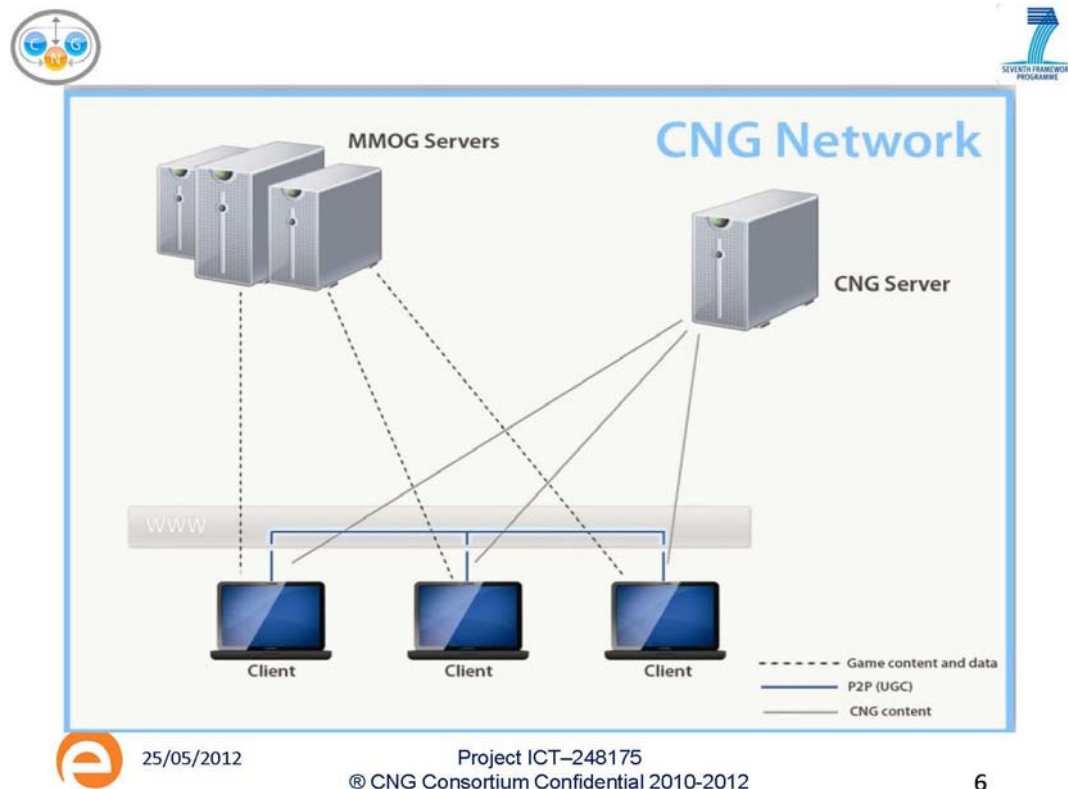
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CNG client software was developed to be a junction of MMOG and communities. The junction is on the screen of the user. We know many developers, vendors and publishers, who are

already providing some community services. We have been trying to develop a system that will fit any Direct X game without the need to change the code of the game.

I would like to inspire your imagination on what can be done with such a system, because such a system is not only for MMOG's. It will fit in any kind of game. It will fit in any kind of application where users would like to use community activities among themselves while using the different application.

In general, while speaking about MMOG's, our statement is that there is no need to make a change to game itself to use the community services. We can take any DirectX game, available on the market and have community activities on them. Our innovations is in-game graphical insertion technology that is the way we are doing the overlay over the user's screen. CNG has also a unique ideas on screen capturing and steaming it as video via Peer-To-Peer.



The general structure of the system, if there is a MMOG server, which communicates with different users individually, we allow distributing of video as well as broadcasting, CNG allows users to collaborate with one and other. Those collaboration tools can be used in sharing activities within the game or for one to coach another player.



CNG Video Streaming

- Any MMOG player can stream screen-captured video of its game play to a selected group of other players.
- Coaching, showing skills, sharing experience with friends, coordination in strategy game.
- Player can watch several videos simultaneously.
- CNG can set up Players “levels” with regards to watching video before players in lower levels.



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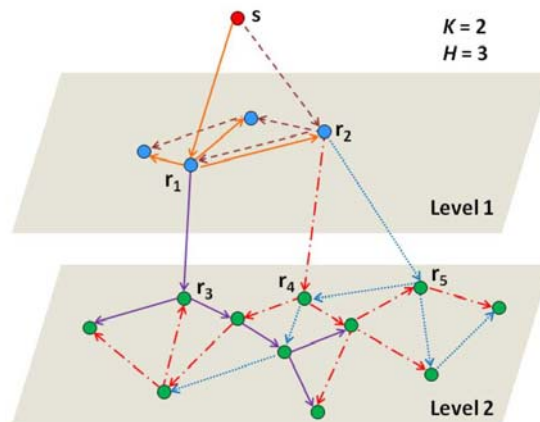
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A Peer-To-Peer (P2P)–system is quite complicated issue. The P2P was used in the past for file sharing. Later on there has been some try outs to use it to broadcast TV. To the best of my knowledge without too much success. Big part of our innovation in the project is to create a situation, where two peers can communicate with each other in real time by using other peers that are on the network.



Multi-Level Overlay

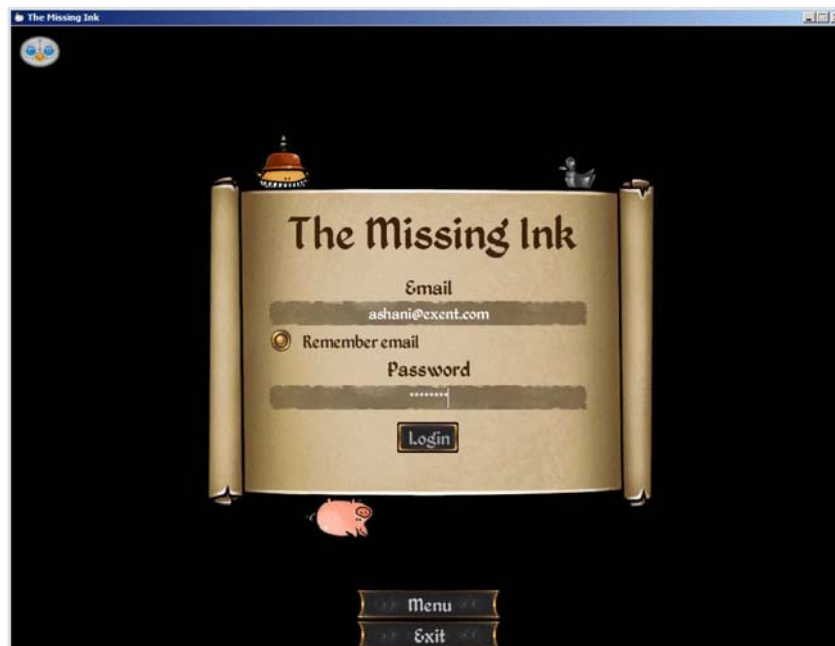


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We are using several levels of communication. In each level the communication will be between the peers and from one level to the level below it.



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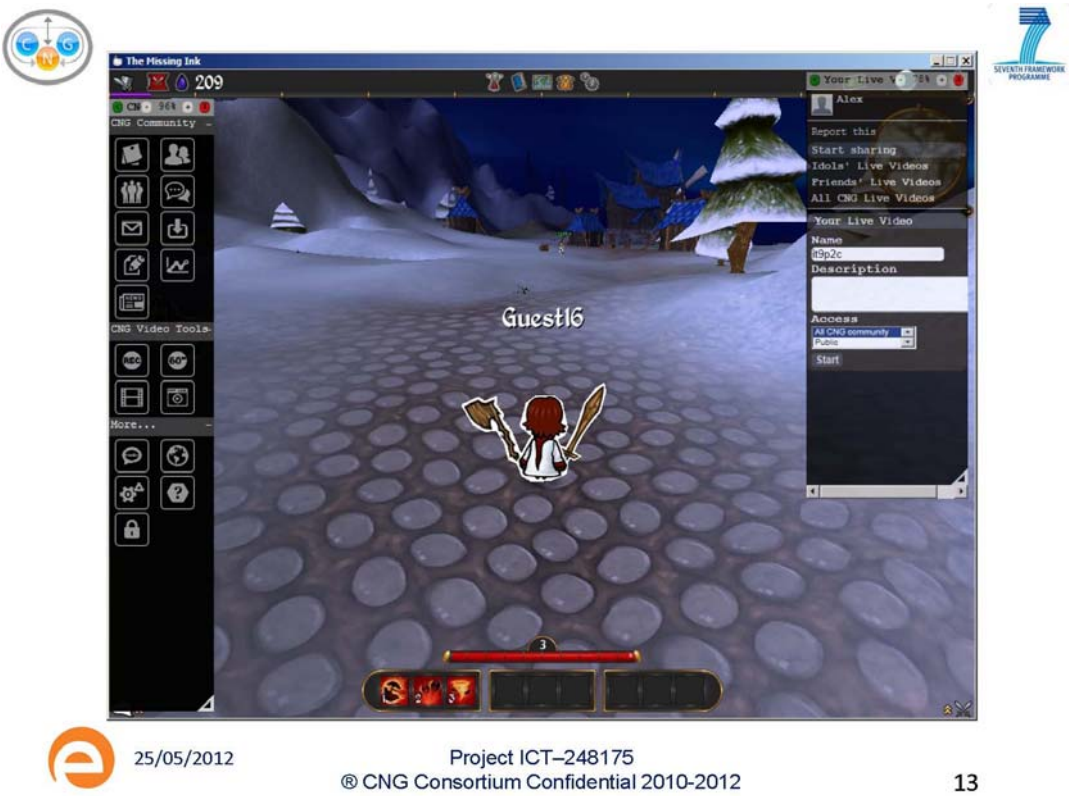
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- “People” is the tool for connections administration
- Offers access to the CNG community and the possibility of inviting new members
- Game-oriented user-to-user relationships are supported:
 - Fans: players having added the user to their friend list (followers)
 - Idols: players that the user has added in his friend list (following)
 - Friends: players that are both fans and idols at the same time
 - Friends of Friends

I’m showing you some screen shots from The Missing Ink. It is a game that was provided by RedBedlam, one of our partners. Of course, when using the CNG service there is identification process securing that the user really is you. So in the end of the day, and this

was also important for the Commission, we are able to keep track on what is happening in this community activity.





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Social Networks



- Interconnection with Facebook and Twitter with single sign-on once the user authorizes CNG Server to access his accounts
- The credentials are used to acquire a permanent token and are not stored in the CNG Server
- User can post CNG wall-posts to his Facebook/Twitter with just one click...

Authorize CNG to use your account?

This application **will be able to:**

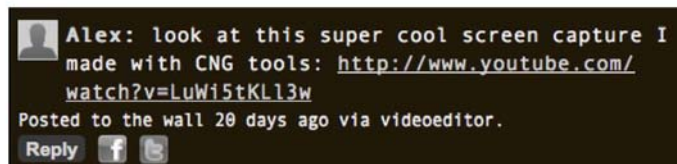
- Read Tweets from your timeline.
- See who you follow, and follow new people.
- Update your profile.
- Post Tweets for you.

Sign In

Cancel

This application **will not be able to:**

- Access your direct messages.
- See your Twitter password.



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CNG tools provide groups, friends, a simple method for voting in a network etc. as community tools. Other part is about video. We provide all the sharing facilities to share a video in a game among the users, ability share your screen with the others. On the video stream we can record the video. We can instantly get the recording of the last 60 seconds. We have an editing tool, where you can edit on the spot what you want to share or upload to Youtube to it in the Twitter or in your wall in Facebook.



Video Tools

Focus on ease of use for:

- Video Recording
 - Start/Stop video save
 - Instant Record
- Video Editing
 - Trim, Split, Remix and Share.
- Video Streaming and Playback
 - Sender: Seamless live-streaming
 - Receiver: In-game video playback



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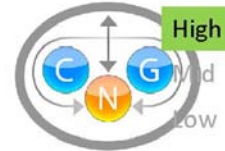
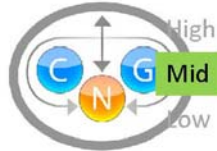
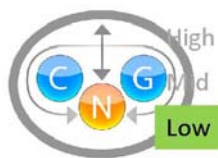
More general tools provided by the project include opportunity to open a browser in a game to look further information you may need. Furthermore you can edit the transparency of each of those screens.



Community Services Labels

Definition of three profiles considering different levels of community services

Profile name	Chat	Audio comm.	Activity alerts in social networks	Video streaming	Group management
LowProfile	X				
MidProfile	X	X	X		
HighProfile	X	X	X	X	X



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We are also trying to be active in some standardisation activities. As there are going to be evolved different community systems, it might be worth to define to which level each community activity can be related. However, we are still in process to define the activities.

2.1.2 The panel discussion

Malte Behrmann: Thank you very much Alex. I have a pleasure to call on the floor Patrick and Mark. Mark has come from the USA just for this session. He is the president of the company called Xfire. We would be really happy to see how he sees the CNG achievements. Patrick is an independent developer from Berlin, Germany, and later we will hear the view of the independent developer community to this kind of things.

Mark: Xfire was founded in 2003 and was sold to Viacom in 2006. My group of investors and I acquired it from Viacom in 2010. It is a social meta layer for more than 2000 games in the PC format. It allows people to communicate in a game with both voice and text chat, take videos, screenshots and live broadcast gameplay. And it also keeps track of all your gameplay data like how long you play different titles and it tracks them on the central community site on Xfire.com.

Malte Behrmann: And how many players do you reach per week or per month?

Mark Donovan: On monthly basis we do between 5 and 6 million unique and we have 21.7 million registered.

Malte Behrmann: That is quite impressive number, I would say. Do you think that there are things you would see as the biggest innovations of CNG project.

Mark Donovan: I think CNG does some really cool stuff. I'm really interested in the ability to exchange textures and add items in a game. That is really cool. Leveraging

Peer-to-Peer and communication is really interesting and the ability for the game publisher to integrate it directly to a game is also very interesting.

Malte Behrmann: How about the video option? I think it is a very interesting idea that you can actually track on the individual basis the video of another player and basically watch your colleagues somewhere else playing the game while you are playing it by yourself.

Mark Donovan: Definitely very interesting. Broadcasting has really been blowing up over the past couple of years. Twisted TV, Justin TV's gaming property went from zero to sixteen million monthly viewers within three to four months. So it is definitely something that has got lots of interest in the gaming community.

Malte Behrmann: If we come back to you Alex, what are the most important technical challenges at the moment in the CNG project?

Alex Shani: As was mentioned before, with CNG there is no need to change the code of an existing game. The idea of a second layer without it interacting with the game. Other technological issues, with regards to Peer-To-Peer video internal decoding, is the way we save CPU power in order to allow the user to play whatever game he is playing. And on the other side, to reduce the user's use of bandwidth, which is the reason why we have put two servers separately. So actually the server managing the MMOG is almost untouched with regard the communication related to community activities. We have defined to the Commission that we are going to be somehow Peer-To-Peer –friendly, which means that we would like to make sure that we are still keeping the bandwidth which is required for playing the game in order to keep the user experience as it is. So those are really the main challenges we have.

Malte Behrmann: What is the CNG standout from other social tools like Xfire. What do you think is the differentiation? Would you think that there are things that CNG brings new? Or do you already know that you will do similar innovations very soon? Is it actually the right trend?

Mark Donovan: I think we do a lot of similar things. One of the things Xfire does, and we will continue to do, is that we do not focus on having developers to integrate our tools set in the games. We focus strictly on being a consumer product and being agnostic to publishers. So it will work as an overlay or social product on the top of games whether the publisher wants it integrated or not. One of the interesting things with CNG is that it requires to work with the publisher and have the tools to be integrated within the game and promote the game. So that is just a different approach...

Malte Behrmann: That is a different business model in the end of the day.

Mark Donovan: Absolutely, so I think both have lots of room. It is a big market.

Malte Behrmann: Patrick, as an independent developer, who represents the ideas of those people who try to make games in Europe, people we represent as European Game Developer Federation...do you think these kinds of tools are helpful at all for your work? Do you think they are actually helping you to make better games or more gaming experience? How do you see it from a developer point of view?

Patrick Rau: I think we are talking hear about two features: the Peer-To-Peer video tool and graphical insertion technology. I talk about the video tool first, as it was the main part of the presentations so far. I find it very interesting and I thought who is going to use this mainly. I think that a core target group for this are core gamers, because I don't think that casual gamers would take this step to install another system.

And what does a core gamer really need? I thought about a project I know from 2001. It was designed by a German programme Maartin [*Aarton?*] and it was called

August TV. It was a tool mainly designed for Quake and Half-Life. It could record videos, but at the same time it could really analyse the whole gameplay. You could see where players walked, what happened, who picked up a weapon, who shot how many ammunition, whatsoever...so it was very detailed. I think that is what core gamers really want. It is like in soccer where they discuss the game after the game. Something like that would be really nice to have. Nevertheless core gamers would use that kind of tool to create walkthroughs, because if people really love a game, they want to create great walkthroughs to show how they beat up the end-boss or something.

Regarding the graphical insertion technology, it is scary to be honest. For me being a developer, all my thinking and heart goes to creating an awesome user-experience for the gamer. Designers try to create a world specially made for this game and then you have this service that can change the graphics and you lose the control. I could imagine that our art director would start crying. I was trying to think what is the purpose for this and all I was able to think was in-game commercials. Maybe this would be cool for sport games, because it is part of sports. It would totally fit in there. But if you have a fantasy role playing game and then you have suddenly an Ebay commercial in an elf world. That would be a little bit weird.

That is like the perspective of designer. I have also a perspective of a producer and a managing director who needs to survive. And I think social tools can be really important to create awareness, because this is key to all the developers.

Malte Behrmann: If you think that you have these kinds of tools available from third party companies, would you be considering not developing these kind of things by yourself. Many games have their own community tools. We had, for example, yesterday a discussion with Travian and they said that we have a lot of community tools by ourselves and asked why would we need that. Would you say that maybe I don't have to develop any community tools, because I can work with a third party? Would you say that is the way developers would approach that? Or do you think that is something they would not like?

Patrick Rau: For a company like mine, it would really interesting to get connected to other communities. Travian is big enough, they don't probably need that anymore, but for us that would be really interesting. Just to create awareness. Use another connected game communities and spread the message.

Alex Shani: The idea of CNG is to have a CNG server separate from a MMOG server. It can allow the game developer to divide the world in the different co-graphical areas, where there will be different community activities in a native language. So let us assume that Redbedlam, who is in the UK, would like to create a community activity in France and probably people would love to speak French with each other. Quite easily, by having a separate server that can manage this activity, to have a separate activity still connected with him and he really don't have to invest in those territories.

Related to comment about what a creator would like to have, as it was mentioned, everything is going to be done in collaboration honouring the content. We cannot use someone's content and put it to a service without his collaboration.

Malte Behrmann: I have a final question to Mark. We are talking about online games and MMO's, we are talking about tools that are used in online games. But as we always say as European Games Developer Federation, games developers are just the forefront of innovation altogether. We are driving more than just gaming industry. We are driving the whole ICT industry from a content-driven approach. What is from your perspective the potential of these kinds of community tools for broader applications that go beyond the pure MMO games. I'm talking about other gaming sectors or even applications, which are beyond gaming. From the pure Internet context, do you think there is a market to go outside the pure MMO world and use the innovation experience we have from the gaming industry to expand it to a broader market.

Mark Donovan: I have seen companies that have built technology to bring social layers to games that have taken it to web browsers, to another systems where you can, instead of tagging a video or a screenshot in a game and sharing it in Facebook, actually tag a website or use a more social browser. I have seen that kind of technology move from gaming industry to the general web. It will be interesting to see what people do with those kind of social layers and stuff like that to let me promote more things. Interestingly, you see something like interest, which is really about sharing content and discussing around it. You see that kind stuff in games all the time, when people are taking content, sharing it on somewhere like xfire.com and then creating a discussion through it around that content. It will be interesting to see over next few years, how people take that to web in general and how big brands start to leverage social layers within their own sites and enable people to take that content, share it, evangelize for it, which is something games industry has been doing for a long time.

Alex Shani: About two weeks ago we had a review with the Commission about the project. We mentioned there, and I'm speaking now about the Exent experience with Verizon I mentioned before, how about two years ago we have used those kinds of services, a separate service to add community activities, and how we saw quite quickly how the participation rose. Less people left the service, so it was a very big advantage. But one thing to keep in mind, when you are using a separate service, someone is leaving your site and going to communication or to community site, so that is again what we see as CNG advantage. I believe it is the same for Xfire, people are not leaving the site.

Malte Behrmann: We have some time for questions from the floor.

Audience (1): What kind of games this system could be used for?

Alex Shani: As I mentioned before, right now it is designed for DirectX games. I believe it will be quite easy to transfer it to web based games. I cannot tell anything about any other operating system

Audience (2): The interface is very important for me as a game developer. To be useful they should really fit in the game graphically.

Alex Shani: What we have presented today is basically a proof of concept and not a final product. We have to now enter into the verification phase with end-users and see how active they are in the network and how they are using it. We will be happy to share with you the results of it. It is a proof of concept and we completely agree that with regarding to GUI or with user interface we can make it much more friendly to the user.

Malte Behrmann: But the idea you just voiced, that consortium should leave space for individual developer to have some kind of flexibility in designing his own user-generated content approach to adapt the graphic interface to their specific game needs, is very interesting approach, which should not be underestimated.

Patrick Rau: I have similar concerns. Now we are having a product from a developer and a service from a third party, but for a consumer it is one product. I think everyone would think everyone would think it is from a developer. If something is not working with your tool and if players don't like it, they will complain to the developer. So CNG can play with the image of your company.

Alex Shani: As I mentioned in the beginning that everything will be done in full collaboration with the MMOG provider.

Malte Behrmann: Do you think it could be an additional income stream for developers at some point as far as whole service system is concerned? Could developers cut share of the system?

Mark Donovan: I think it really depends how you present the advertising at what kind of game. There is nothing worse for a user, if you trying to build an immersive environment than blasting them with advertising in the middle of a game. That is the reason why we have never put and advertisement in a game and I think we ever will. If you are talking about advertisement or something like that on the videos you sent out, that is totally fair game I think. Or charging individual tools and taking revenue share on that or if it is an upgrade to an account, I could see that being a revenue stream. But as far as putting advertisement in games, there has been some companies who tried to do that...Mass [?] was just shot down by Microsoft, IGA's not really killing it at this point. Thought experiments have been internally tested and I don't think it has worked out really well.

Malte Behrmann: I have worked for the industry for eleven years now and I have seen online games crowding over the time. There was the time when player acquisition was quite cheap at least in Europe and now it is quite expensive. One of the things we have been discussing is that the value of advertisement based models for game developers seem to becoming more relevant today that they were at the time advertisement was still much cheaper. Is there a relationship between the price of traffic and a business model how to develop a game and to finance a game that is quite interesting discussion. Does anyone here have an opinion on that.

Patrick Rau: The traffic is the key, we have been developing and distributing a mobile game mainly on iOS. If you don't have a marketing budget, you really rely on Apple's features. On one time window you sell a lot of games, but when the feature is gone, you are gone. By having social tools, which create traffic, it can become an interesting business model, but the game developer makes the money by selling the game and give a share back to a tool provider.

Mark Donovan: Our number one pitch, when we walk to a developer, is that you are going to have an army of people walking out giving free promotion and marketing for you and that is definitely in the publishers mind. How do I leverage my users enthusiasm about a game to bring another people in to it. Unless you really have people doing that, driving that for you, it is hard to grow a user base for a game. That is going to continue definitely. If you look a game like Minecraft for instance, one of the big things that drives users of Minecraft are videos and screenshots of all the really cool stuff you can create in the game. That generates lots of enthusiasm and desire to go and get a game and build even cooler and better stuff.

Malte Behrmann: Thank you very much!

2.2 Session 2: CNG: Community Network Game

2.2.1 Keynote: The user of online games (CNG)

Malte Behrmann: I welcome you to the second session of the CNG project workshop in the Nordic Game Conference 2012, which will be covering the interesting question of the soul of the European online gamer. I present you Jonny Freeman from United Kingdom. I'm really interested to hear his words.

Keynote by Jonny Freeman:



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The User of Online Games (CNG)



Malmo, 23-25 May 2012

contact: J.Freeman@gold.ac.uk

Jonathan Freeman

Eva Ferrari

i2 media research Ltd., Department of Psychology,
Goldsmiths, University of London



<http://www.goldsmiths.ac.uk/i2/>



First of all, to introduce myself, I'm Jonny Freeman. I'm managing director of i2 media research, which is a spin-off from the Goldsmiths University of London. We do research on the digital consumer, so how people engage with digital technology, products and services.

We have had a lot of focus over the last few years on people's experience of games on multiple platforms. The work I'm going to present today has been conducted largely by Eva Ferrari, who is sitting in the audience there. So questions will be shared between her and me.

2 i2 media research limited – digital consumer research specialists

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Just a word about i2 media. We are a micro-SME, a spin-off of university of London and ten years old this year. We were founded in 2002, by me. We are psychologists. We work very closely with interaction designers and computer scientists of course. Our specialism is in research, applying multiple research methods on tricky research questions to understand motivations and drivers to consumers using a service, new product development, new service development and also service optimisation.

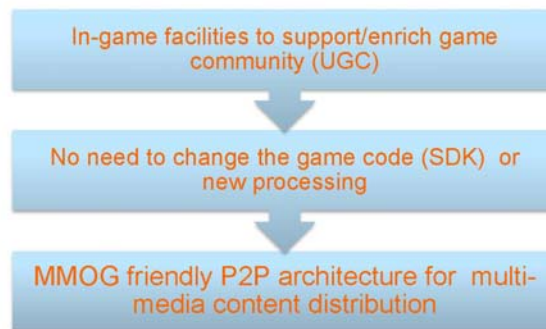
We are partly an academic team and partly a commercial team. We work for the public sector, third sector, charities and also obviously the commercial sector.

3 CNG - The Community Network Game project

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R&D project, built around **Massively Multiplayer Online Games**



<http://www.cng-project.eu/>



Funded by the EU "Information and Communication Technologies"
Programme 7 (ICT-248175)

3

The current project, you heard consortium described by Alex earlier, is funded by European Commission's Seventh Framework Programme. CNG is a social platform around game content specifically designed to be friendly to massive multiplayer online games. It has a number of novel functions, and you will see how we identified which of these functions to include through the user research I will describe. The key is that we do not need to change the game code in order to the CNG to work with a game.

The biggest thing is that the CNG provides in-game facilities for richer communication: real time screen sharing between gamers and their guild for example or keeping an eye on what one of your social contacts is playing while you are in a completely different game.

4 CNG - User research

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User needs research to understand

- Gaming trends
- Reasons to play
- In-game communication requirements
 - *Why, what, how, where, when ...*
- Interest in CNG functionalities



Multi method approach:

- Desk research
- Semi-structured interviews
- Quantitative research
- Stakeholder feedback



i2's role has been twofold. An interesting bit for me is not just the soul of the gamer, but, based on the understanding of the soul of the gamer and the motivations of publishers and developers and CNG partners, how do you monetise that soul.

i2 always uses a multitude of research methods to reach an answer for any research question. It is to understand what motivates people to game. We didn't just ask people, we deployed a whole range of research methods from qualitative interviews, observation, survey work and then testing concepts with gamers themselves.

Our focus in this research was to: understand gaming trends, why people play, to understand their communication requirements are in game and to understand their potential interest in range of functionalities which CNG could have decided at the start of the project to focus on.

We also don't do our consumer research in isolation. So, Redbedlam is part of the consortium, but we have been at a number games conferences over the last few years to make sure that we get real feedback from real players in the industry, who are making good money and basically serving gamers needs.

5 CNG - Desk research

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Other trends

- **Online video – 63% of video gamers are on YouTube** (YouTube 2011)
- **Tools for capturing, modifying, sharing and creating video content**
- **Streaming and Live-streaming platforms**
- **Dedicated to gamers (e.g., Twitch TV)**
 - **16M viewers/ month**
 - **Xfire**
- **Game play turning into an immersive entertainment media experience**



5



Video is a very central feature of the CNG project. We have talked about live streaming your game stream, instant record of you last buffered minute of game play to publish on Youtube or any other website, we have talked about gamers being able to edit their video clips in-game. That is all very much in line with focus on videos and on line with current trends. We already heard Mark mention the dedication of gamers on Twisted TV, 16 million viewers per month, obviously a very popular function. And gaming is starting to be a more immersive entertainment experience than ever before. Not just through the focus on the content, but also through the social elaboration of the experience.

6 Interviews



Qualitative research

- ✓ **in depth interviews**
- ✓ Males & Females
- ✓ 18-41 years old
- ✓ Range of platforms/games



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A very quick comment on some of the qualitative research we conducted which included depth interviews with gamers, males and females, across a range of ages, and players on a range of platforms...we wanted to understand why do people game?

7 Motivation to game



- Time to invest
- Boredom
- Fun
- Challenge (process driven)
- Visible rewards (end goal driven)
- Escapism
- Promise of social interaction:

- *Game enrichment*
- *Promotes status*
- *Social image*
- *'Feel good' factor of sharing*
- *Build relationships*
- *Support game progress*

Text chat (IM: e.g. Facebook chat)

Voice chat (Skype, Ventrilo, Xfire)

Video tools (YouTube, Fraps, video editors)

In-game achievement displays

Forum/Game websites/wikis

Search engines (text/video guides, reviews)

Polling/voting

Community tools (Xfire)

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We pulled out six main motivations. First is that people have to have the time to do it. Ok, that is not a motivation. That is a fundamental. The second is to eliminate

boredom. To understand that is important, because there are times in an MMOG where you might be waiting for tasks and you might be bored. That suggests an opportunity to fill people's time and attention. Other motivations we identified, obviously the challenge, competition, visual rewards, so that can show off that you are the best, escapism...

And one that came out very strongly is that of the promise of social interaction and then a whole range of reasons why people interact socially in and around their game play... From enriching the game, to being better than playing against the computer, promoting your status, your social image. You can be a terrible person in the real world, but a great and altruistic guy in a game! The feel good factor of sharing for altruistic reasons or to build real relationships and support the game progress.

So obviously people communicated and had social motivations to and aspects of their game play way before CNG came along or even before Xfire. There are fundamentally social tools in all MMOG's. But in order to understand how people enrich their social experiences we asked people what services they were using for different functions.

They were using various chat applications, voice chat they would plugin on the top of the game, video tools to record and share the content, different means of engagement and achievement displays, accessing wikis, forums and search engines, polling and voting and community tools. So gamers were taking part in a whole range of activities using a whole range of tools before CNG came along. So there is evidently a need for these functions.

8 Unmet needs

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BUT... Frustrations:

- **Reduced immersion in the game**
- **Resize/minimising game**
- **Speed**
- **Game experience**
- **Ads/pop-ups**
- **Log-ins**
- **Poor quality control of UGC**
- **Privacy/security**

Unmet needs:

- **Access/distribution of content without game disruption**
- **Easier/Convenient communication/ access**
- **More customisation and control**
- **One stop social and in-game information space for gamers**
- **More personalisation and creativity** (e.g., recording, audio mixing, editing)
- **Applications that are easier to use** (low effort)
- **Match-making/similar gamers**
- **Opportunity to fill 'waiting' times** (travel)

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Most interestingly for CNG though, people expressed frustrations about the way they were using the functions they were already using. Number one, were complaints about alt-tabbing between a game and another application. Gamers reported that this reduces their immersion in the game, makes games unstable, slows down the PC performance, and negatively affects game experience. Gamers also reported hating ads and pop-ups, multiple logins to different services,, poor quality control of user-generated content and many more gripes.

9 Online Survey

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- To **quantify** multiplayer behaviour, activities and interests in CNG

Survey:

1154 participants (Europe ,Americas, Asia, Australia)

Sample:

- **59%** male, **41%** female
- mean age **31 years (18+)**
- **60%** in employment
- **77%** living as a family/with partner



Have your say
<http://goo.gl/kkok8>

9

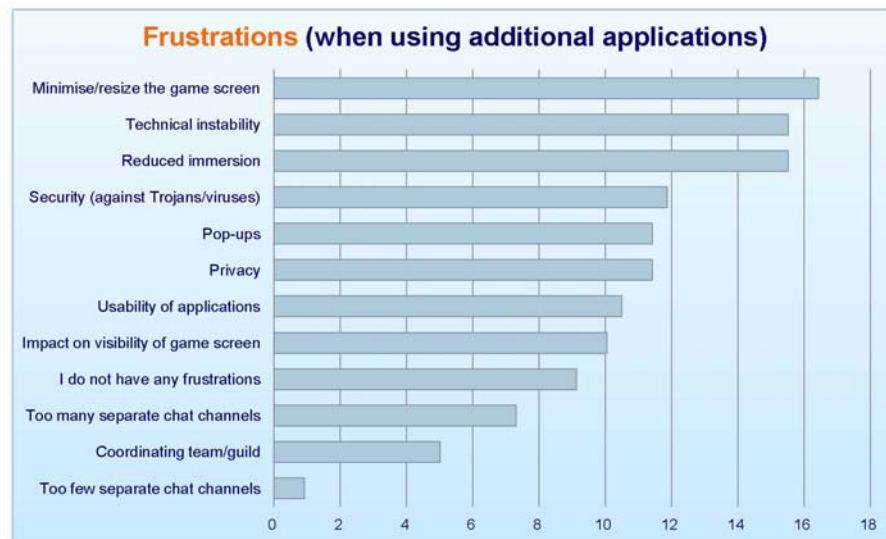


So from that research we identified that there were needs and that there were frustrations. We categorised them as unmet needs: the ability to access and distribute content without disturbing their game, more easy and convenient tools for communication, more customisation and control, one stop in-game information, capacity to make everything easier, more personalisation and creativity and options to fill waiting times in-game.

10 Online Survey



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(n=219 – Medium/High MMO/MPO)

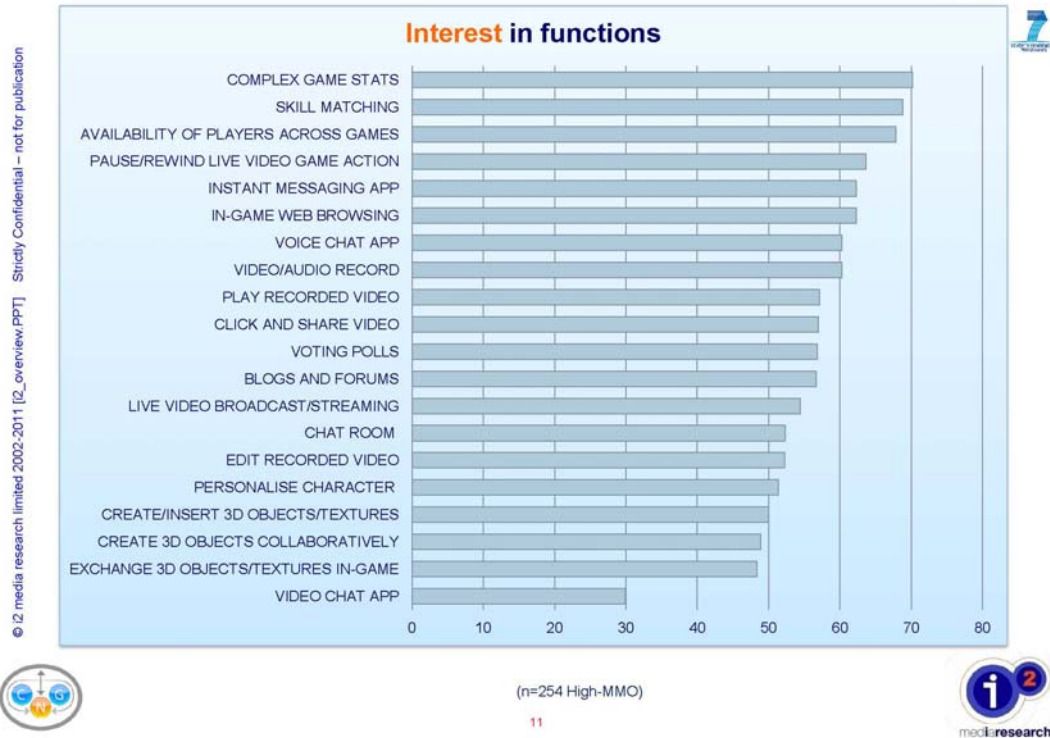
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That was all done by qualitative research, which is asking people what they think and observing what they do. We then did a large scale international survey to quantify the prevalence of those attitudes, behaviours, motivations to game and people's preferred functions CNG to focus on.

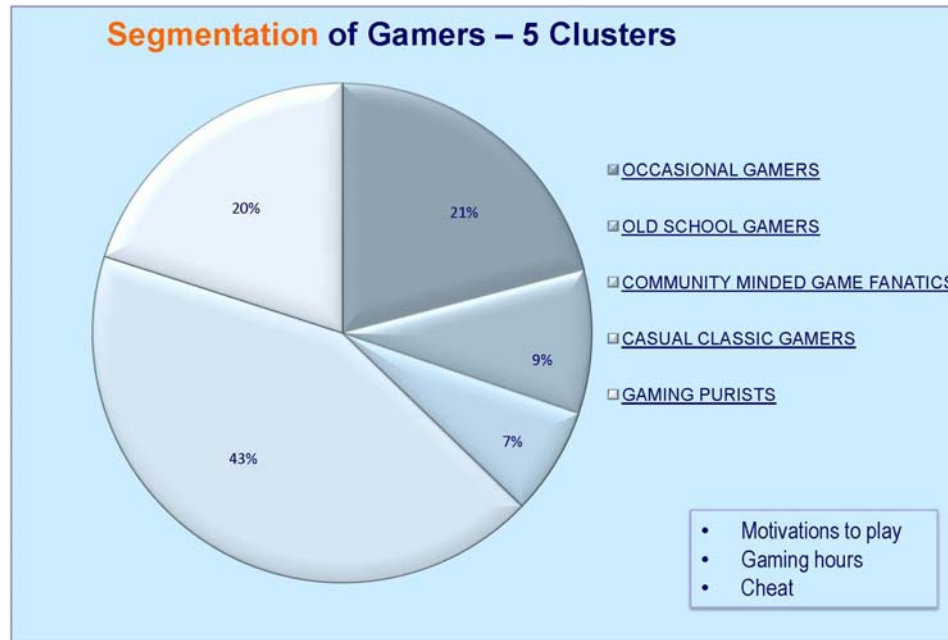
So CNG really is a great example of users being in the centre of a design process. We understood by speaking to gamers what they needed and then we did more surveys to prioritise the functions. Some of the original project plan was put a bit to the side because it was not relevant to gamers and the focus was on the most innovative aspects.

11 Online Survey

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We then stuck this survey data in to a cluster analysis, so that we could identify groups of people with the same attitude profiles or similar attitude profiles and who are most different to other types of gamers. Using motivations to play, gaming hours and people's propensity to cheat we developed a segmentation of gamers that puts people in one of five segments ranging from casual classic gamers, the biggest segment, all the way through to gaming purists and community minded game fanatics who are CNG's core market.

12 Identifying gamer types



Cluster Analysis: 5 Factors + Cheat + gaming hours

12



So how do we understand more about these? We then look on the all the other data we have on the survey about them. We looked our two target markets community minded game fanatics and gaming purists: how many hours they play per week, what platforms they report playing on, what are they driven by, what motivates them most to game.

13 Market Segmentation

Primary target market	
Community Minded Game Fanatics	Gaming Purists
<ul style="list-style-type: none"> •Youngest, lower education •Driven by combination of factors, Socialisation •Cross platform (PC) •RPG (WoW 40%), Strategy •Most play for over 30h pw •High multiplayer/MMO (friends) •social communities •Heaviest producers of game related content •Mostly shared YouTube •Frustration: security, reduced immersion •High interest in all CNG functions 	<ul style="list-style-type: none"> •Young, vastly males, students •Driven by Fair Competition, Exploration •PC •RPG, Action, 27h pw •High MMO players (online familiars) •Very active on online communities •game related content – video (no customisation) •Sharing on dedicated websites (game forums) •Frustrations: technical instability •High interest in CNG video/communication functions

Have your say
<http://goo.gl/kkok8>

13



The community minded gaming fanatics are driven mostly by social aspects, very high multiplayer MMOG with their friends, very heavy producers of game content and sharing it on fairly general social websites like Youtube, their biggest frustrations being concerns about security and the reduction of the immersion of gameplay.

Gaming purists again very heavy players, very active online content, but they focus more on dedicated gaming websites and they are interested in CNG video communication. The thing that differentiates the gaming purists from community minded game fanatics is that game purists will not cheat. They are purists, they want to win, they want to be great, but they want to do it without cheating. Secondary markets for CNG are casual classic gamers, old school gamers and occasional gamers.

14 Market Segmentation

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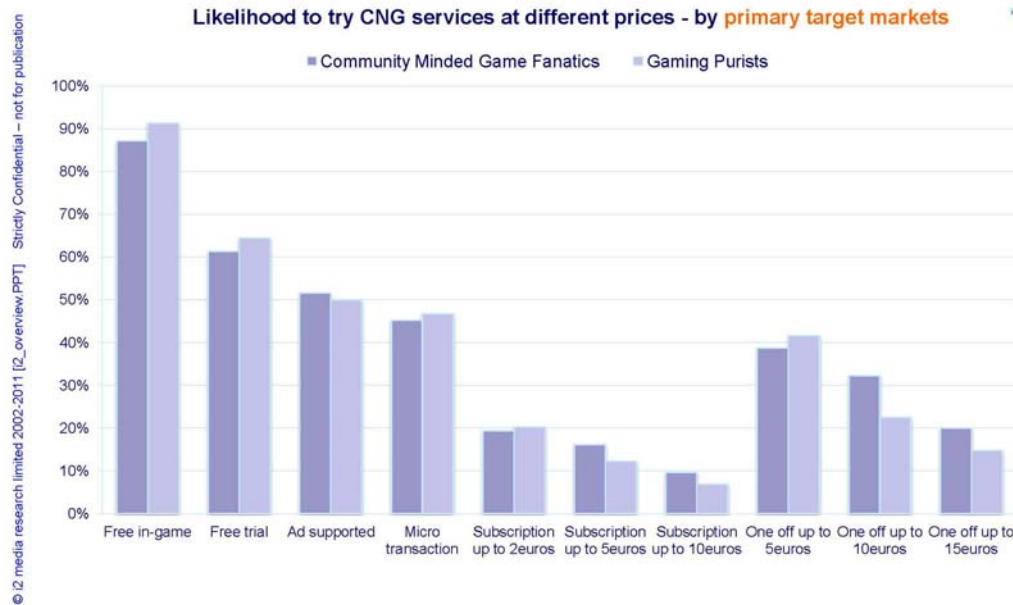
Secondary target market		
<i>Occasional Gamers</i>	<i>Old School Gamers</i>	<i>Casual Classic Gamers</i>
<ul style="list-style-type: none"> • Mostly below 30yo • Driven by Boredom, Fantasy • Console (PC), mainly alone • Mixed genres • 10h pw • Fairly active on social communities • Tend to access rather than create game content • CNG: customisation and communication functions 	<ul style="list-style-type: none"> • Oldest – 30/40+ • More educated/employed • Driven by Fair competition, Exploration – not for boredom • Mainly PC (Mobile), 10h pw • Strategy, Puzzle • Friends only • forum/blogs vs social network • Highest in the secondary tm in access/creation of game content • CNG: specific video (recording) and communication functions (voice chat) 	<ul style="list-style-type: none"> • Older, biggest cluster • More likely to be unemployed • Driven by Boredom, not by Socialisation • Console (PC), single player • 9h pw • Puzzle, Simulation • Fairly active on social communities (Facebook) • Very low content creation • CNG: lowest interest



14



15 Monetisation: Primary market feedback to business models























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Q64. If you were offered a package with the features in which you were 'somewhat' or 'very' interested, how likely would you be to try the service at the following prices?

15



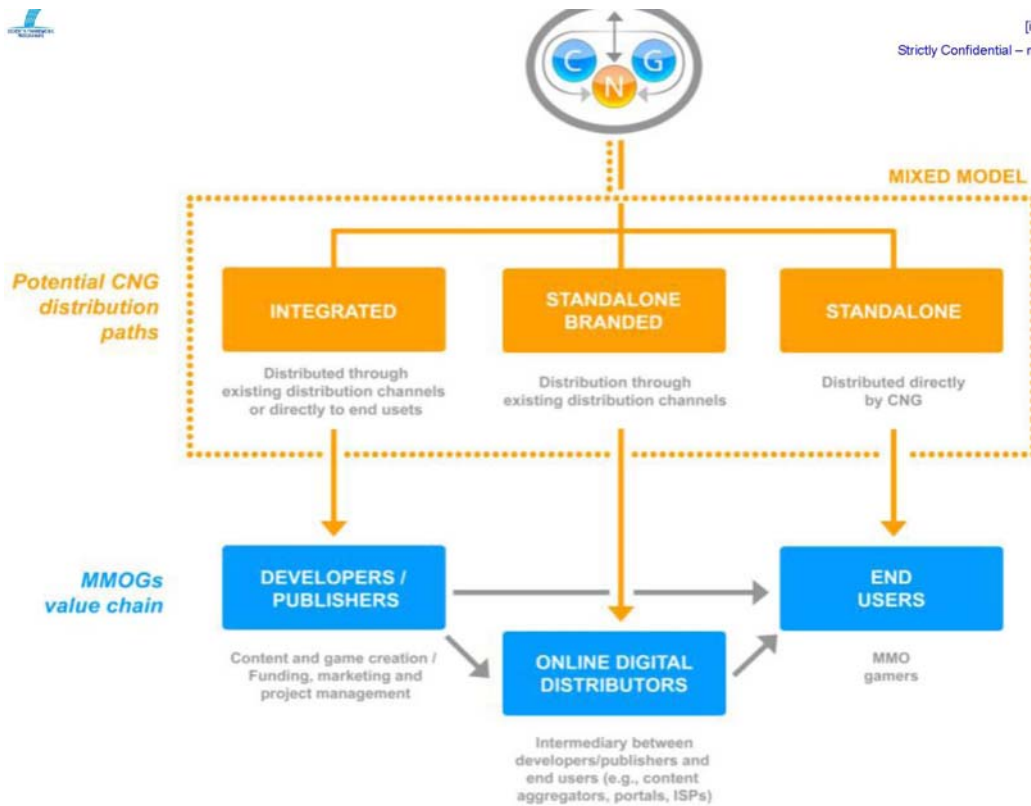
So one of thing we like to do is to take this real in-depth understanding of the consumer and then say how do we monetise that understanding. So, within the survey too we looked at people's reported likelihood of paying or trying CNG services at different price points and using different models. We got the highest likelihood to use it, if it is free or a free trial, but quite a few, almost half of the sample, said that they would go for it, if it was ad supported and relatively small numbers at subscription, but again about half using the idea of micro-transactions. The bars shown in this chart are generally higher in the primary target markets than in the secondary target markets.

		Distributed alongside games (integrated)	Standalone - direct distribution by CNG	Standalone - distributed through existing distribution nodes
FREE - RECOUP FROM GAME REVENUE	Recoup from revenues generated by game sales			
	Recoup from revenue generated by the "CNG's game store"			
"TRY BEFORE YOU BUY"				
ONE-OFF PAYMENT				
PAY PER "PLAY" / PAY AS YOU GO / PAY FOR TIME				
SUBSCRIPTION MODELS	Subscription model included in main game subscription			
	Subscription model specifically for GNG			
ADVERTISING MODELS	In-website advertising			
	In-game Around-game advertising			
	Advertising before/during/after video play/stream			
	CNG user interface advertising			
FREEMIUM SERVICES	Premium services / member's club			
	Microtransaction			
REVENUE SHARING PARTNER PROGRAM				

We identified three main approaches for distributing CNG. One being distributing it alongside games actually fully integrated within a game, so the idea is that anyone can customise the interface elements themselves to be a good fit in the game. Second is as a standalone distribution by CNG as a download so that you can run CNG and run any game you wish in the background. The essential elements of that model are that you can either allow it per publisher or developer so that it can be with their whole family of games or, if it is going to be really useful to the gamer, you want gamers to have a unified profile so that they can access their friends from different social networks. So in this model CNG becomes the social network for gamers. For CNG the most value comes if it effectively owns the customers.



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Stakeholder consultation

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EGDF and i2 collaboration - questionnaire administered to EGDF members around Europe

- 400+ contacted -Final sample: 93 studios
- Game developers/publishers
- Germany, Spain, France, Finland, Denmark, Norway...

- Understand current trends of the industry
- Potential need for social features
- and importance attributed by the industry to CNG features
- Views on monetisation and strategy for market entry

We'd love to hear from you too! j.freeman@gold.ac.uk

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We tested the business models of CNG by talking to industry and specifically with game developers and publishers to explore their interest in engaging with CNG. EGDF contacted 400 plus of their game studio members around Europe. The final sample was around 100 studios and the goal was to understand the current trends in

the industry, potential needs for social features and what they liked and what they would not like, what scared them and what didn't.

19 Take homes....

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- CNG, EC FP7 funded project...
- ... driven by **in-depth research** and understanding on user needs
 - more convenient social communication, less frustration
- CNG provides a social tool suite
 - **integrates** to games without changing game code
 - across games
- **Novel video features** desirable to gamers
 - live video via P2P /IGIT
- Gamer types identified by primary research
- to **target/** prioritise distribution of CNG
 - applicable and **relevant to other** games devs and publishers
- Stakeholders' views on strategy to market entry
- **New revenue models** (in-game ads, P2P)



19



I don't want to bias any additional responses we could get from any of you guys from this panel, so if you have got views what you have heard so far or what you will hear in the panel I really encourage you to please email me.

Thank you very much for listening.

20 Take homes....

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Thank you!

....Questions?



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Jonny Freeman : j.freeman@gold.ac.uk

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2.2.2 The panel

Malte Behrmann: I'll call on the floor now our two additional panellists: Josep and Kerry. Please come to the floor. Thank you very much for the presentation. It was very interesting. Josep, maybe you can start and explain a little bit what you are doing and why you are here.

Josep Puig Rojas: I'm Josep Puig Rojas from Oci Group. Our company is based on Barcelona. We have a network of MMO sites like reviews in different languages and also we have another network for casual games. We have for MMO in six languages. The most frequent updates are in five languages: English, German, French, Italian and Spanish. And for casual games we have in thirteen languages.

We also started to develop some casual games for multiplatform by HTML5. We hope to launch these games in one month more or less. These are easy games for kids. I hope it will work, because then we will make some more sophisticated and better games.

We have a good range of domains of MMO like f2p.com, free2play.com, freemmorpglist.com...

Malte Behrmann: I think it is a very interesting idea that we have also a company from Spain represented here in our discussion, because this is the Nordic Game Conference, one of the most important conferences in Europe for the game developers, but actually we have also the Southern European countries with quite a vibrant developer community and exploitation community and this sometimes not seen sufficiently. So I'm very happy that you are here. And I think one of the things that we also have to see is that the portals and websites you have in the online gaming space. They are quite important and they are also quite many. So I think you have more than 14 websites.

Josep Puig Rojas: For the MMO we have around 50 websites.

Malte Behrmann: How many players do you reach every month?

Josep Puig Rojas: We have 1.7 million users per month for MMO web sites. For casual we have around 5.5 million.

Malte Behrmann: So you reach more than six to seven million.

Malte Behrmann: Please introduce yourself too.

Kerry Fraser Robinson: My name is Kerry Fraser Robinson. I have been developing online games for a very long time, about 25 years or something, obviously before the Internet came along. My company now is a company called Redbedlam. We do MMOs and MMO technology. Our next title is the title you have already seen advertised as part of CNG project, which is the Missing Link, which is just going to beta right now. We should start commercial testing around August and it is going to be multiplatform game for PC, Mac, browser and iPad.

Malte Behrmann: How can you have a career of an online game developer before the Internet?

Kerry Fraser Robinson: The online games we used build where based on 300 or 1200 bits per second copper phone lines, banks of modems on multiplex with what were then a really high powered service. All of the clients were machines like Commandore 64, Spectrums and anything that could do a scrolling terminal. It was sort of the around the same time the bulleting board system was taking off, there were original MUD's, which ware ancestors of MMO's as we know them today or virtual worlds as we know them today. The old go-west-pick-up-this-say-hello type of games that were originally just purely text.

Malte Behrmann: One of the innovations of CNG project's user research elements is this clustering of gamers. What I call the Online Gamers' Soul of Europe. Josep, you have such a big reach to many online gamers all around Europe. Would you mind giving us a comment on this segmentation having occasional gamers, old school gamers, community minded gaming fanatics, casual classic gamers and gaming purists as grouping. This is something CNG invented. Do you think it is a good way to describe the soul of the gamer.

Josep Puig Rojas: I think it is a good way to distribute the gamers, because there are lots of differences in the revenues between casual and more hard core gamers. For casual gamers it is a huge market, for hard core it is less. Also a browser game and a normal game is not the same. There are lots of differences.

Malte Behrmann: For a company that runs websites and portals to bring games to the end-users in the online space, do you think that these kinds of community tools, which are developed by CNG, Xfire and others, are actually useful complementary thing and is also likely to keep gamers in the games and keep the traffic up and also maybe do something to convergence rate. Or do you think this is a trend or is this just a hobby of some people.

Josep Puig Rojas: I think it is good, because at the moment there are more games in the market and if your game has something different than the other and have some more interactive things, like challenges and so on, it is better at maintaining more users there. The problem right now is that the life time of the users in a game are shorter than three years ago. This is a problem, because a developer and a publisher must improve all the revenues and all the budgets and all the cost of the game.

Malte Behrmann: Kerry, you have something to say about this slide?

Kerry Fraser Robinson: It is very interesting to me, when I saw these classifications being developed as part of the research, because all you can help than do when you are gamer is sit there and say look I'm this category, I'm that category, I actually probably was that category...It was also interesting for me because back in

those very early days there was in fact a friend of mine, professor Richard Bartle , who is often credited with inventing online games, who originally did some research where he categorised the types of players of his game, MUD, which is the original one, in to socialisers, killers, achievers explorers and must like this he was trying to get out the soul of the gamer. A lot of us in the early days used that as a sort of a design model. We wanted to make sure that there was enough content for people to explore, enough content for people to socialise with and ability kill each other fairly without cheating and so on. I see this as very sophisticated evolution of that research. It is very nice to see how the industry benefits from academic interest in psychological profile of a gamer, which previously, I think, was a bit of exclusive interest that people where not paying lots of attention to and now it is a core discipline within the industry.

Malte Berhmann: Kerry, you have been in online gaming such a long time, how have the business models developed over the time? Is this social interaction of especially this kinds of social community tools becoming more and more important or has it been always very important in online space anyway.

Kerry Fraser Robinson: It has always been very important, but it has never been easier. What has driven the growth of many of these titles, is that once upon the time word of mouth was quite literally a word of mouth. You would play one of these games and you would have to know some with the right hardware or the right time, right interest, access to right platforms and so on, and if you found them you would say you really have to hear about this game. Where as these days everybody has an access to web browser, everybody has a PC or Mac nearby or a tablet. There is a huge market out there. Thanks to social networking platforms, it is really easy for you to say that I'm playing this game right now and you might like it. That is really what has proliferated this sort of cross-polarisation in the market place.

Malte Behrmann: You have been implementing the first use-case of CNG technology into your game. Do you think it has actually been a good experience from a user-driven artistic point of view?

Kerry Fraser Robinson: It has been an interesting experience and a complex experience. Absolutely, it has been fascinating for me to see how we can integrate some of the social tools at an early stage into the title. It has helped us in designing the Missing Ink. We have been more aware of the kind of actions and kind of things that users expect from us thanks in part to research from CNG. And the fact that we don't have those large chunks of stuff we would have developed into the Missing Ink, if we didn't have in front of our minds that CNG is going to take care of that or Xfire is going to take care of that. There are features and functions we don't have to develop ourselves, so we can dedicate more time to building good games.

Malte Behrmann: How is it from your point of view, Josep? Do you think you would like to have something like that involved in your systems.

Josep Puig Rojas: In the past we tried to integrate Facebook, but it was too difficult for people to start and work. If a developer or publisher does it, it is more easy. By doing this kinds of things they can do more revenue and reach the players, which is important.

Malte Behrmann: So Jonny, what does the CNG gamer survey say about which will be the most popular service? How can those be monetized? What do you think?

Josep Puig Rojas: One of the things I particularly like about the segmentation, which is one of the great recognitions by Eva, is that we did not segment people's propensity to pay for different functionalities within the CNG. But when we measured that, there are very clear differences between the segments, between our primary target market and secondary target market. Who you are able to monetize, is a very useful tool to understand where you get the money from.

The reason why I'm saying that is that you asked the question, which of the features is the most popular. Looking at our primary target market's, the ones that will be

easy to monetize, interests, for the gaming purists it is the video and communication functions and for community minded gaming fanatics it is all in the following order: being able to pass, instant publish live game action, instant messaging, in-game web browsing, voice chat, video or audio recording, playing back the recorded video and streaming your video in real time. You heard we said video quite a few times in that.

Malte Behrmann: So video is important?

Josep Puig Rojas: And it is going to be easiest to monetize.

Kerry Fraser Robinson: There is one aspect that is not really reflected in those figures. You see 3D objects and that sort of stuff on the bottom of the chart, what this particular slide does not show is the sort of anti-interest. People were worried about that so they casted a non-interested vote, but what they really meant was I'm terrified by that and I think that is a bad thing. So it is not actually as low as that. It is probably a counter argument. People would be probably much more interested in those services, if they were confident that they were not going to be, as expressed earlier, corrupt the gaming experience, brake immersion or allow cheating or allow other sort of actions to take place.

Malte Behrmann: So what are the biggest threads in CNG project from a developer point of view.

Kerry Fraser Robinson: There are concerns about security. In particularly MMO experience is both social, collaborative and competitive one. If we allowed unchecked 3D objects insertion or texture replacement, then obviously the first thing you are going to do is to make yourself visible. You are going to make the wall transparent, so that you can see people who are hiding behind it. And all that sort of things. And MMO developers, we go to great lengths, really great lengths, to make sure that our client application is very thin, very tightly controlled, it is not easy to interfere with it...we treat it like a banking client. We do not trust our users, we cannot trust our users. So we have to build everything in that way. When you introduce a third party tool that allows people to introduce texture changes and graphic changes, then even if that is a very well regulated tool, there are certificates to authenticate who can and cannot do this, we still see that as a potential vector for the change that we cannot control. I would hate to see a project like this without a developer inside. It is crucial for us to make sure that in each stage throughout the project we express that concern. And don't worry, I have been expressing that concern pretty regularly.

Malte Behrmann: I think developers wish to control the virtual world they are actually creating also for the users, because they also stand for it with their name and reputation. And also eventually with their legal responsibility. It is a relevant concern, which should not be underestimated.

Kerry Fraser Robinson: Absolutely, users, when they are in a virtual world, tend to think of themselves. When they see something go wrong, whether it is a third party tool's problem, whether it is a computer's problem, whether it is an Internet connection's problem, it is kind of developer's problem. We have to make sure that everything is as slick and smooth as possible, because if you have been playing World of Warcraft, it is Blizzard's problem. Whatever game you play it is the provider. When you are immersed in a virtual world, there is this kind of attitude that Gods of this world, who you actually have an email address for, are responsible for everything. So the Gods of that world, get awfully lot of email on everything what happens. So less that happens that we can't control the better, so that we can cut down the support.

Malte Behrmann: Are there any questions from the floor?

Audience (1): I was wondering, if all this data is based on self-reporting?

Jonny: Some of it obviously is. We asked people and they told us. On the qualitative side, we don't believe what people say, we analyse it a little bit more. In our survey design, one of the things we specialise in is that we have questions that check that people are not lying and remove the most typical response bias. So yes and no it is self-report. The most important response to that, which is a good question, is that we are doing the main online verification starting any time now with TMI, where we will be segmenting people and looking how long they spend using each function. So we will be getting some objective behaviour data as well.

Audience (2): What are the reasons people come not wanting to use CNG tools?

Jonny Freemann: From a stakeholder perspective, from developers and publisher perspectives, it is the risk of a lack of control of content or concerns about lack of control over what goes in there. Also, within this scope a fear about CNG from a developer might be of losing his gamers, his customers, to CNG. Those are the stakeholder concerns. For gamer concerns: would it interfere with the gameplay, the requirements of the system to run, people are very wary of being advertised to, adverts destroying their gaming experience.

Jonny Freemann: What motivates Xfire gamers? Can you see different rates of monetisation? Whether that segmentation makes sense?

Mark Donovan: Going standalone is going to be tough as there is already a lot of competition. It is better to go with someone with an existing user base. We have found that after 4 months users that have taken both screenshots and a video are 94% likely to stay over 4 months.

Kerry Fraser Robinson: One of the crucial aspects of missing link is that it has a user generated construction area that is a lot like Minecraft, and one of the things that made Minecraft really go wild was people capturing the videos. Thus it was crucial to us to make sure we had some way to secure that we had some way to capturing and sharing these videos very quickly and in real time.

Malte Behrmann: Josep, you have obviously users outside Europe. If you would try to describe European online gamers outside of the box, outside of this research, how would you describe it. What are specific features of European online gamers?

Josep Puig Rojas: As we are really focusing more on MMOG's, our traffic is more hardcore gamers. Culture of players in Europe are a little low versus USA market (in general) but there are parts of EU that are more or less the same as NA. European North countries are more or less the same culture as USA, in Southern Europe the markets are still low, a low percentage of users buy something in the game.

Malte Behrmann: From a more psychological point of view, what do you think is the thing that makes it different to be a European online gamer than an American or an Asian.

Josep Puig Rojas: Europe and USA are more close. Casual gaming is growing really fast in Europe and Europeans are starting to play younger.

Kerry Fraser Robinson: I have seen European demographic of gamers change quite a lot during the last 20 years and I would say, if you would pick this kind of stereotype for European gamers, then they would be quite hardcore, quite competitive, quite sophisticated, very early adopters, they get into it young and they get in to it seriously and they take it quite seriously, they are very social, that is part of the competitive aspect to it...I'm a bit uncomfortable to wrap whole Europe into one

personality type. There are Europeans, who will dive straight in to a gaming experience with half as many questions as other people, like Asians, in mind. They just dive straight into it. Asians expect bit more a consistent trail in the game play.

Jonny Freeman: The main message, an observation from our side, there are more gamers, and by definition they are less hard core, they are going less core, less subscription and more freemium.

Malte Behrmann: Thank you very much.

2.3 Conclusions from the sessions 1 and 2

The invited experts found the following CNG innovations most interesting from the market perspective:

- ability to exchange textures and add items in a game although game developers stressed that this is also the most terrifying tool as they want and need to have a complete control over what graphical elements are added to a game in order to avoid cheating, secure the immersion of the game and protecting game developers from legal issues related to user generated content in a game.
- leveraging communication (including P2P)
- the ability for the game publisher to integrate CNG tools directly into a game and use it to promote a game
- video tools that are especially important for the gaming community itself, however game developers underlined that it really has to fit to the game graphically. There should be possibility of B2B user generated content to adapt the graphical interface to the specific needs of a game.

The experts identified following ways to use CNG tools:

- Core gamers are likely to use CNG tools to create walkthroughs although they will miss tool collecting data about the way person plays a game and making automatic analytics about it
- Unless one has gamers engaged to promote the game, it is hard to grow a user base for a game. This is especially important for sandbox games like Minecraft, where users want to parade their achievements in the game. CNG tools could be used to engage existing users to attract more users, spread the word about the game and to introduce it to different gamer communities, which could lead to larger traffic and bigger revenues.
- As game developers do not have to develop features and functions offered by the CNG tools by themselves, they can dedicate more time to building good games.
- Beyond games themselves CNG tools could be used to add a social layer over internet itself that could be used to enable consumers to take the content of a brand, share it and evangelize for it.
- The MMOG market is extremely competitive globally. The extensive social features offered by CNG tools, could be used to differentiate a game from the rest of the games with far more limited community features.
- Advertising of videos recorded by CNG tools is a potential source of income. In-game advertising does not really work, expect maybe in sport games.
- The CNG surveys of different needs of various gamer segments will be highly interesting for MMOG developers to identify their gamer's needs.

All in all, most experts reminded that from the developer perspective it is extremely important that CNG tools work flawlessly and do not hinder the gameplay, because consumers will claim developers to be responsible for any problems caused by the tools.

And finally, as pointed out by one of the panellists, the games industry is characterised by very strong competition. This led to the suggestion that strategy that should be considered is for CNG to join forces with actors who already have a large existing user base. CNG's research and development activities on exploitation (in D7.1.3) have been considering this option as part of its exploration of the relative strengths of several market entry approaches.

2.4 Event photos



Seminar audience



Jonny Freeman, Malte Behrmann, Kerry Fraser Robinson and Josep Puig Rojas



Alex Shani, Malte Behrmann, Mark Donovan and Patrick Rau