

Virtual Worlds

An Overview

Presenter:

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WHO AM I?

- ▶ **EXPERIENCE:**
 - 23 years in Virtual Worlds & Online Games
- ▶ **CURRENT POSITION:**
 - COO, ImaginVenture SA
- ▶ **AUTHOR and COLUMNIST**
 - *Developing Online Games: An Insider's Guide*
co-authored with Bridgette Patrovsky

Virtual World (VW)

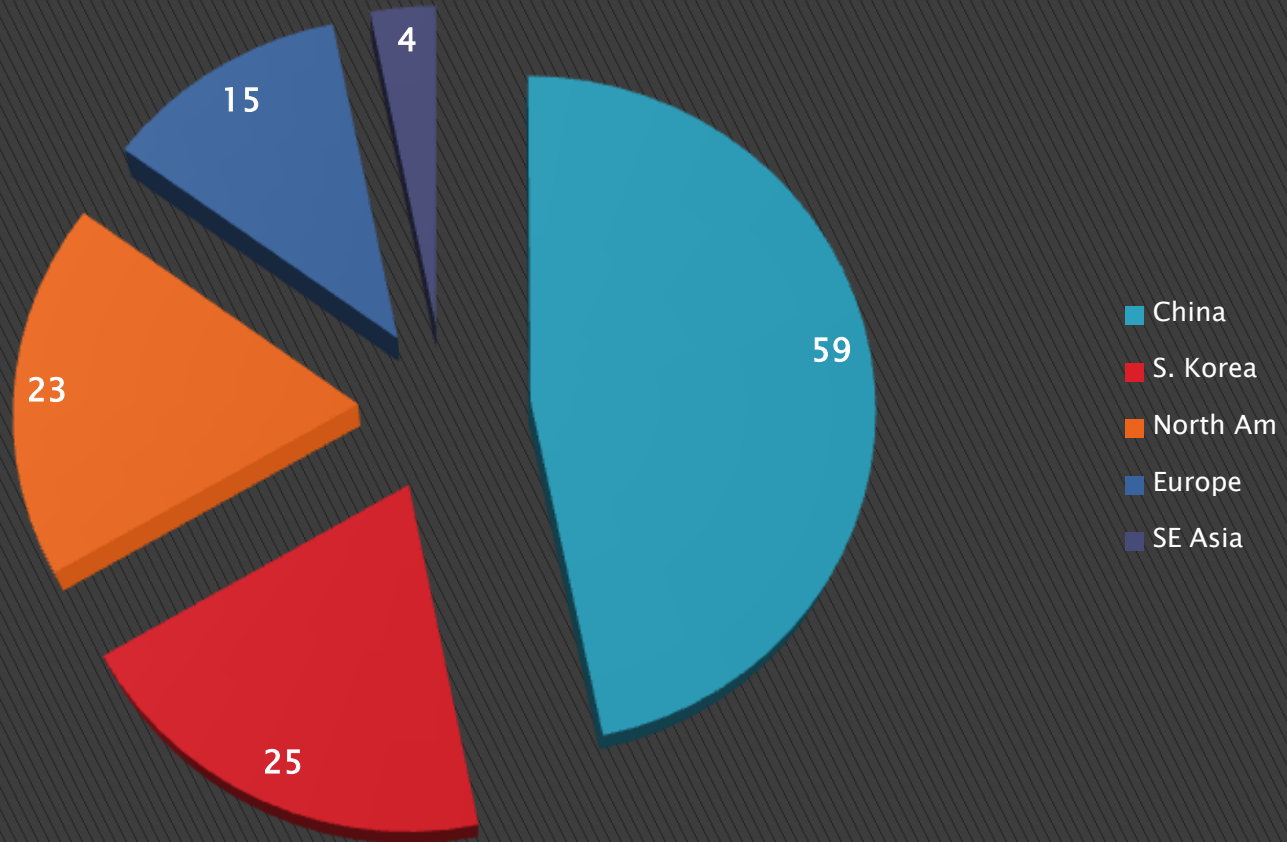
A computer-based simulated environment intended for its users to inhabit and interact via avatars.

Market Segments

- ▶ Game Worlds
 - World of Warcraft, Runescape, Dofus
- ▶ Social Worlds
 - Kids, Teens and Tweens Worlds
 - Second Life, There.com
- ▶ Workspace Worlds
 - SL and There 'white labels,' others

Virtual World Users

in millions

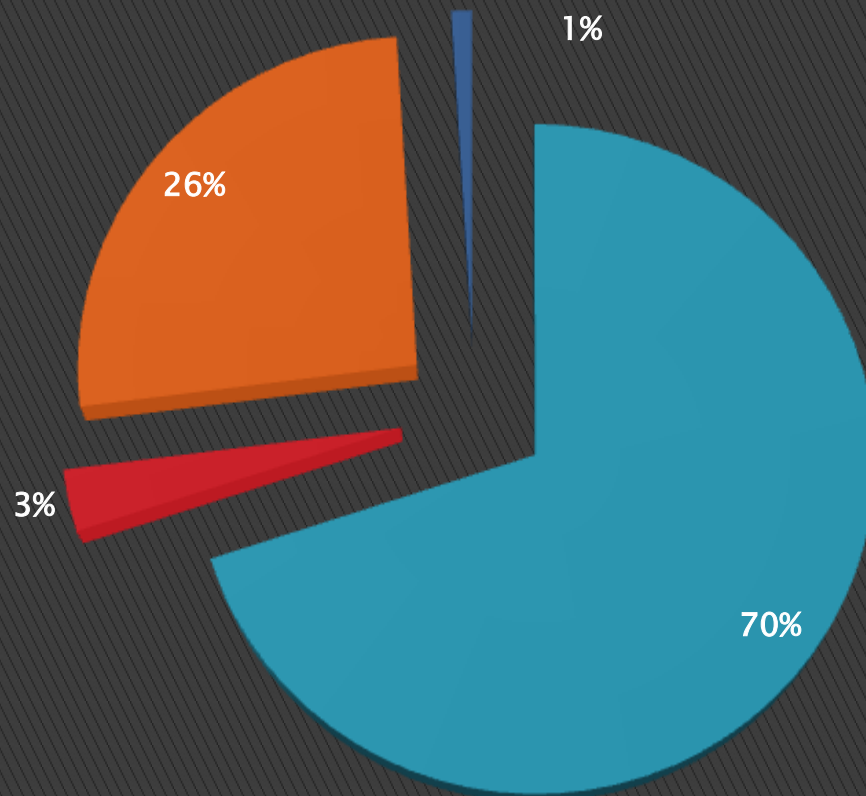


East and West

World-Wide

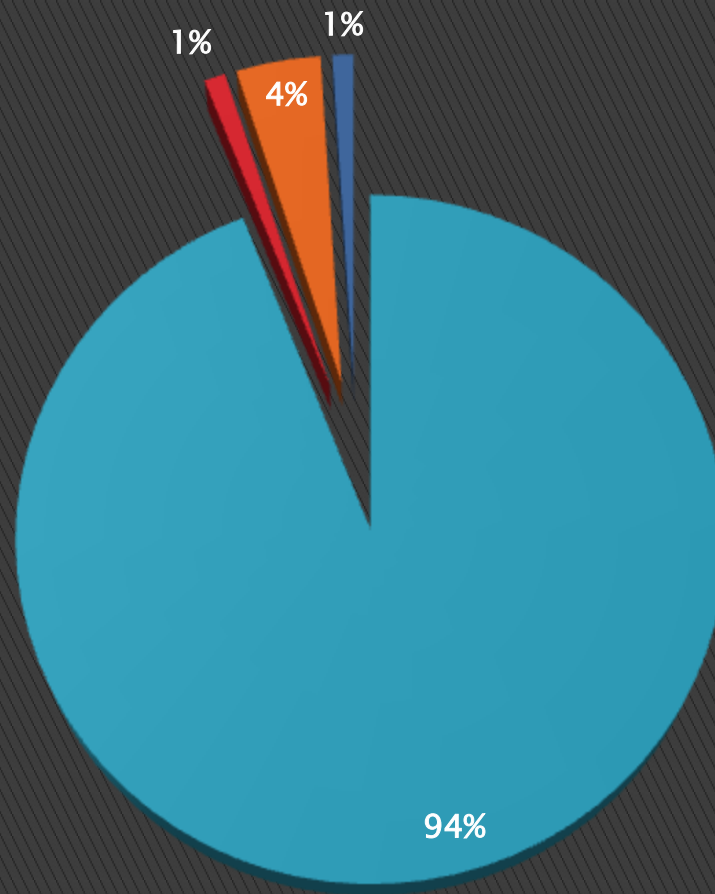
User Share

■ Game Worlds ■ Social Worlds ■ Kids Worlds ■ Workspace Worlds



Revenue Share

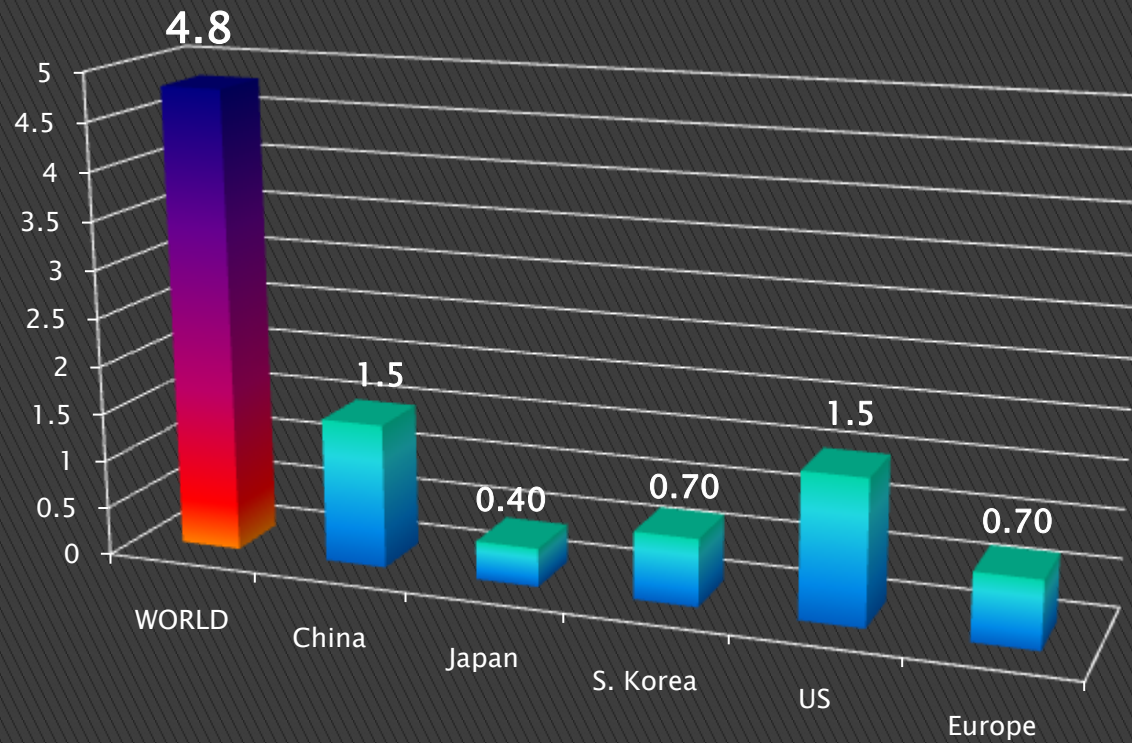
■ Game Worlds ■ Social Worlds ■ Kids Worlds ■ Workspace Worlds



VW Revenues

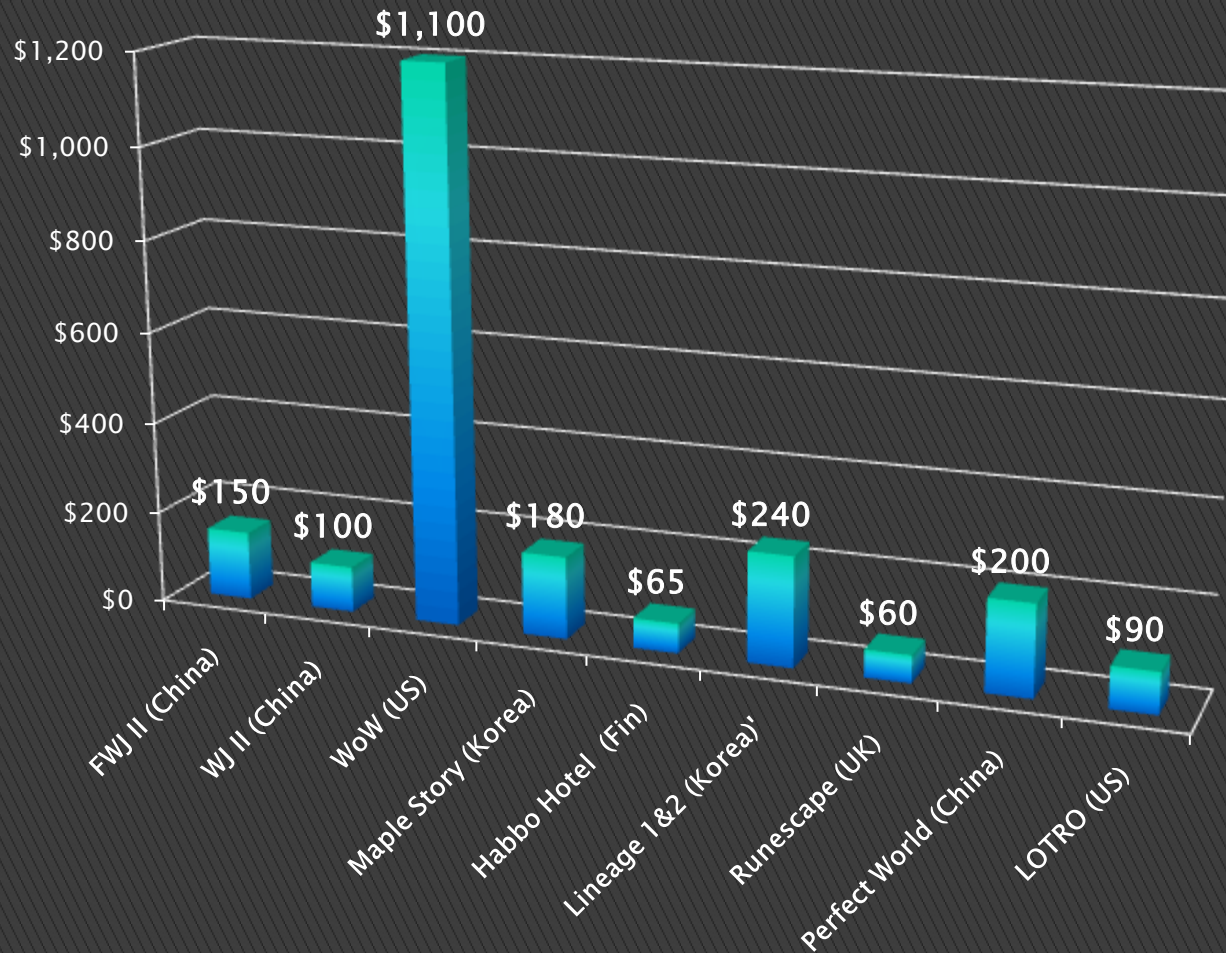
2007 Online Game Revenues

in bln USD



Virtual Worlds Today

Revenue in Millions



Game Business Employment

- ▶ **North America: 80,000+**
 - Total Compensation: \$2.2b USD
- ▶ **Europe: 42,000+**
 - Up 10% from 2007
- ▶ **China: 200,000+**
- ▶ **S. Korea: 70,000+**

Technology Models

▶ Client–Server

- Expensive
- High barrier to entry
- Ex.: WoW, Football Superstars

▶ Browser–Based

- ¼ or less the cost
- Low barrier to entry
- Ex.: Dofus, Sherwood Dungeon

Business Models

- ▶ **Monthly Subscriptions**
- ▶ **Free-to-Play (FTP)**
 - **with Adverts & Subscriptions**
- ▶ **FTP with Virtual Item Sales**

The Trends

5 Years Out

- ▶ **Revenue still 90% + from Game Worlds**
- ▶ **Big growth in free-to-play**
 - Revenue from adverts, virtual item sales and subscriptions
- ▶ **More Browser- and Flash-based Worlds**

Sources

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Protecting the Video Game Industry's Value Creation and Growth

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Thank You!