Vietnam Game Market 2012

Individual perspective from Sgame J.S.C,

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Education:

- Master Degree in Ecommerce and Communication, Swinburn University, Melbourne.
- Master Degree in Business Administration, Swinburn University, Melbourne.

Professional Experience

- Co-Founder and Vice CEO of Sgame
- Vice CEO of VTC Intecom – in charge of VTC Game
- Involve in Game Business since 2003

Market Overview

- Online game market of Vietnam is bigger than Thailand and has grown as the largest market in S.E.A.

- Online Game market of Chinese's background MMORPG genre is still growing.

- Sales reached USD 55 Mils. In 2007, 80 mils. 2008, 120 mils. 2009 and 150 mils 2011

- Game online Growth rate 2008 is 100%, now 20% only

- Number of game titles increase exponential, while total market sale increase unequal.

Game Name	Publisher	PCCU
Gunny	VNG	100k
WarFlow	Sgame	60k
Shen Xian Dao	Sgame	40k
Game Name	**Publisher**	**PCCU**
World of JX	VNG	80k
Tian Long Ba Bu	FPT	40k
JX 2	VNG	30k
Game Name	**Publisher**	**PCCU**
Cross Fire	VTC	130k
FiFa Online 2	VTC	60k
Audition	VTC	30k

Market Overview

- Internet Café user VS Home user: 30% - 70%
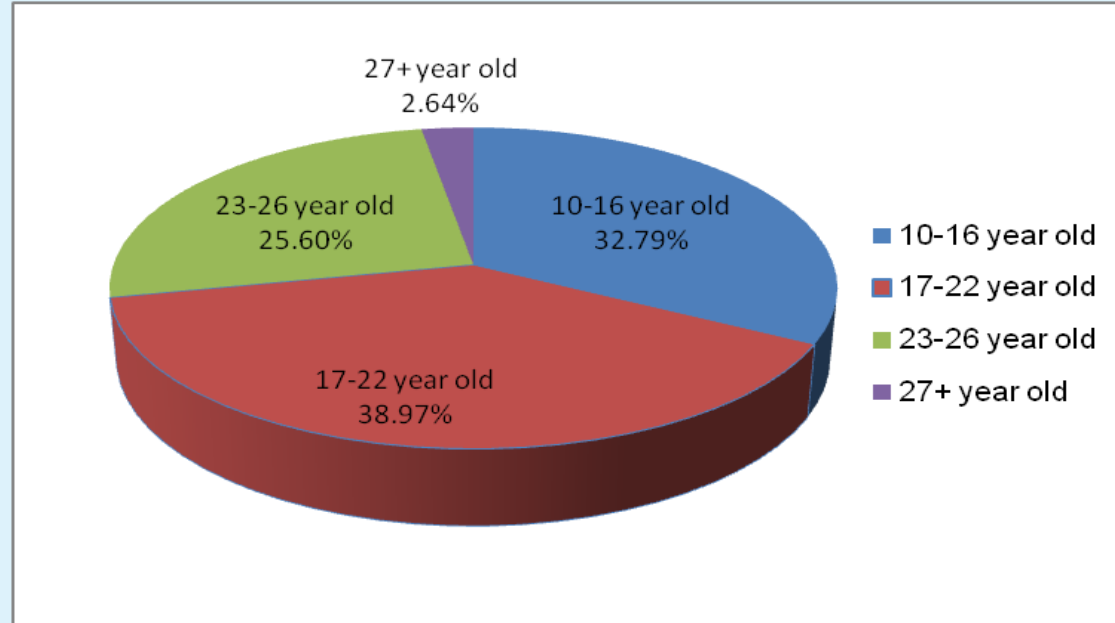
Age range	Number	Percentage
North	4,094,876	46%
Middle	1,094,093	14%
South	2,569,680	38%
Unclassified	156,299	2%
Total	**7,814,947**	**100%**

By Area
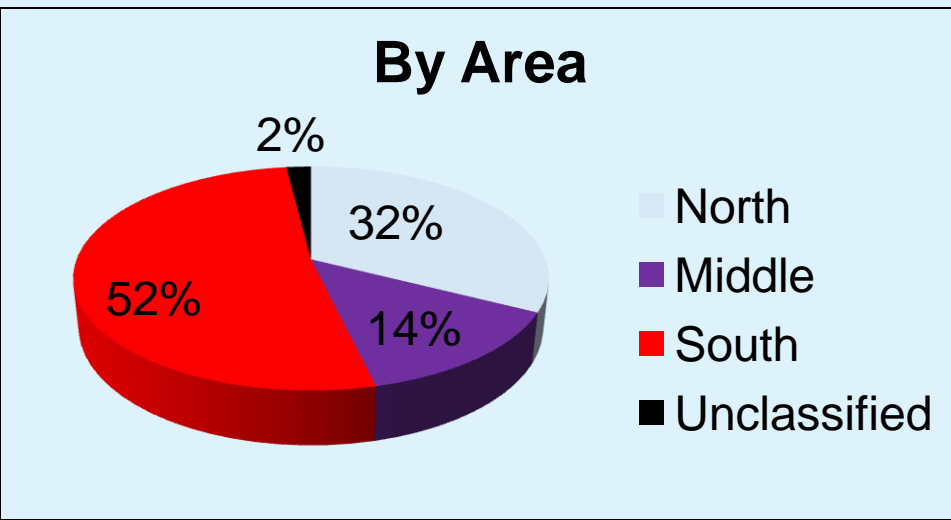
Age range	Number	Percentage
10-16 year old	2,562,521	32.79%
17-22 year old	3,045,485	38.97%
23-26 year old	2,000,626	25.60%
27+ year old	206,315	2.64%
Total	**7,814,947**	**100.00%**

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Total Revenue
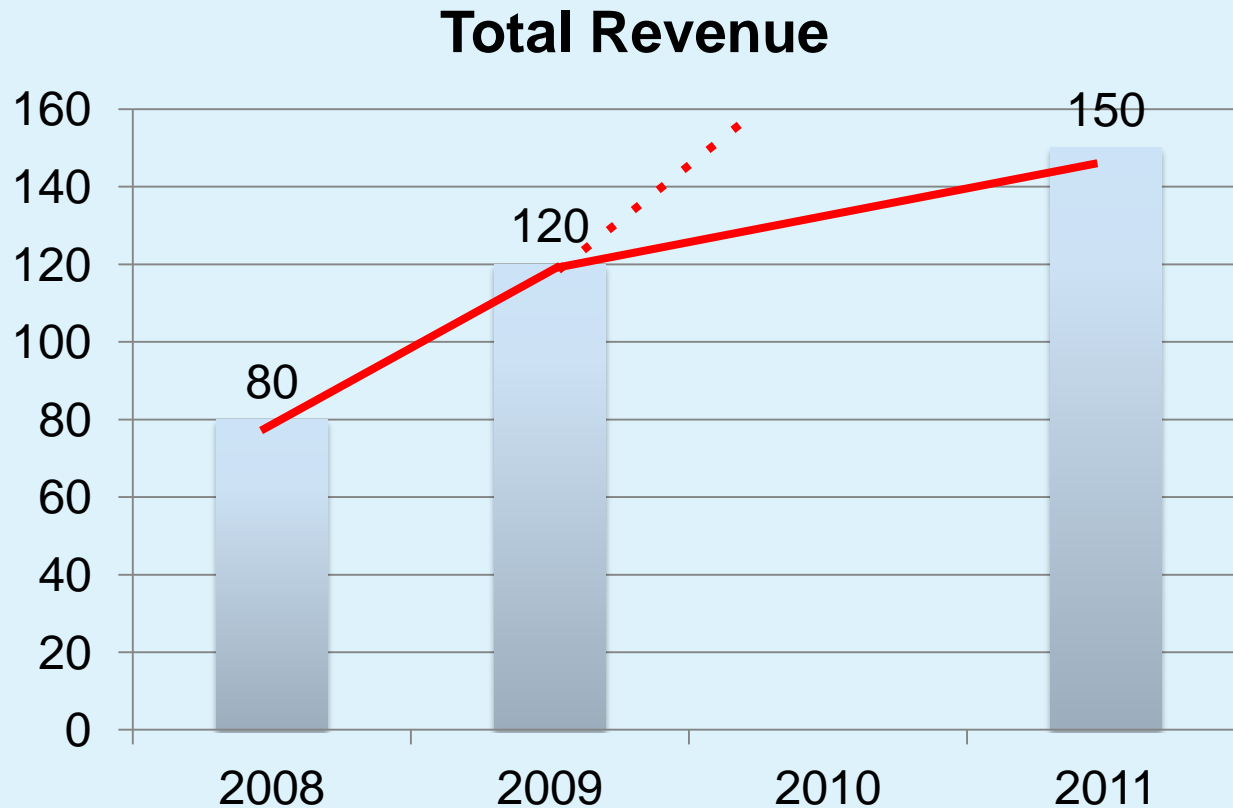
- The growth rate should have been higher than current rate.
- ARPU is about USD 10 to 20

Current Situations

- Webgame overload: > 70 webgames services in the territory

- Small size companies are booming

- Almost new contents from China

- The market players

Revenue: mils USD

Legend:
- VNG (yellow) — 70
- VTC (green) — 30
- FPT (blue) — 15
- Sgame (red) — 6
- Others (gray) — 12
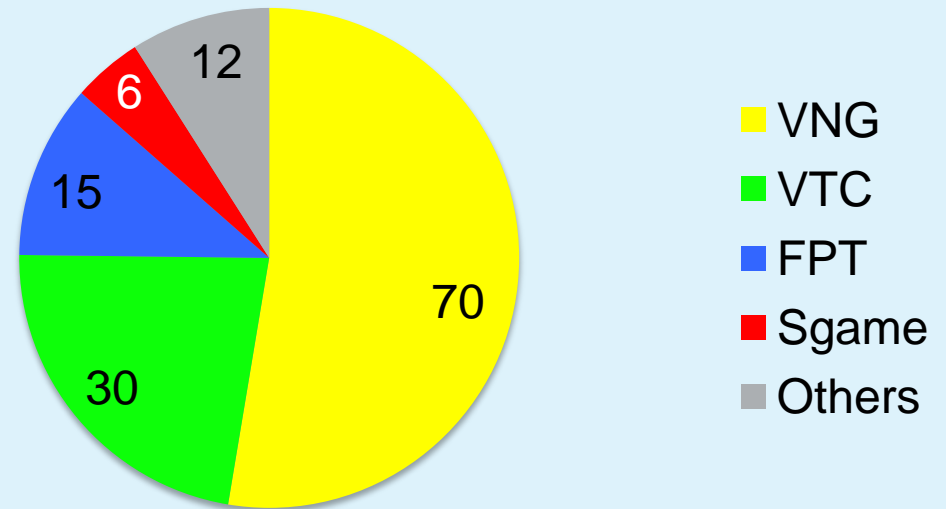
- Vietnam as much as Thailand

- More potential because of larger population

- Government Activities

  - "The decree about 'Management of Online game' will be released … very soon"

  - The announcement made … since July 2010.

  - No rating system for digital contents.

  - No efficient laws or regulations about anti-hacking, piracy, cyber money activities

  - Still doesn't accept selling game items as official business model.

- .vn or .com: almost 95% new titles from Q3 2010 are not .vn

- Game servers will be placed where? No new client game until recently

- Private Servers: a lot

- Hacking prevention activities: No useful

- Paygates and payment systems

- 95% payment distribution are Prepaid Cards & Telco Cards.

- Although government doesn't accept new games to be serviced without License Approval but
  - No effective control
  - Foreign publishers or "not .vn" gain advantage because can connect to domestic Payment systems.

- But all negative things will be changed
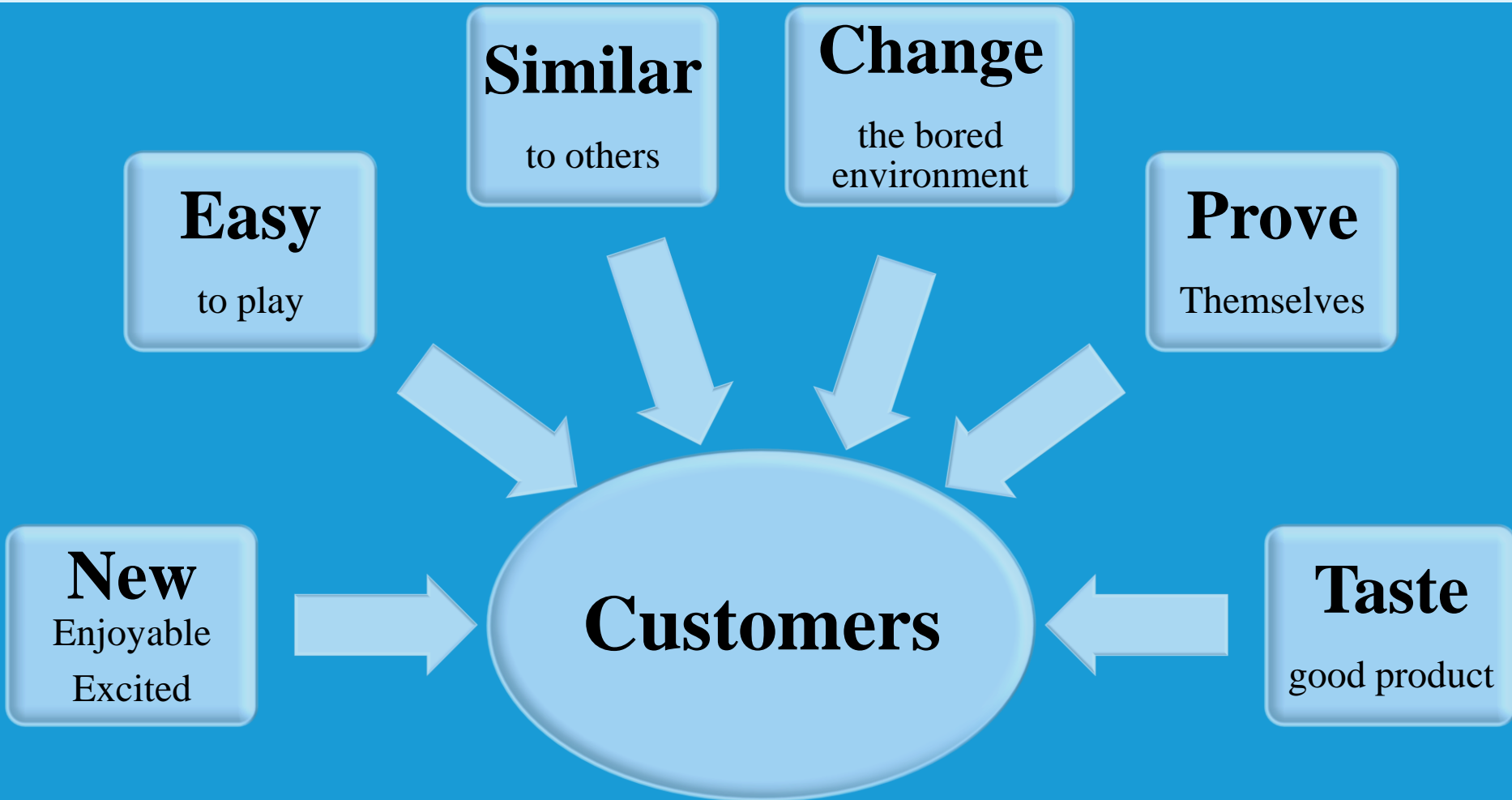
<div align="right">… very soon!</div>

- Game Development

  - Few studios set up with few achievements

  - Other supporting industries not yet in circle (game class or teaching, game designs, graphic design, game programing , etc…)

- Chances for Investors, Overseas Publishers and Developers

  – Outsourcing

  – 100 % FDI

  – Finance Investment activities

  – M&A

- Vietnam's Digital content business environments are more "open" than that of China – toward foreign companies.

- However, the cost for finding domestic partners will be higher (no exhibition, no seminar or itsgame2012 event)

Game Trends

- 2010 to 2012

  - Small companies using "hit & run" strategy

  - Almost webgame, no "serious" title

  - Genre: SLG, MMORPG

- 2012 onward (with absolute License Approval)

  - MMORGP not "human": Tank (WoT, Tank Ranger) or Robot, Air plan style

  - Educational Games

  - Games with Vietnamese historical contents

  - Casual dancing, racing, sports

- Case 1: the government has many BIGGER issues to worry about

  - Then we come back to one previous slide

- Case 2; the policies on game online are more open

  - Game marketing activities will be improved

  - Martial Arts VS. Knight Errand (e.g. Jin Yong style VS Western Fantasy). No MMORPG with western content ever success in Vietnam so far.

  - 3D or not 3D: no 3D MMO maintains success for more than 1 year.

- No matter the case: we will not see big titles in Vietnam

What are the needs for Vietnam market

- 3D compress to 2.5 D (i.e. Diablo 3)

- AOS (Dolta Style..)

- Adventured or game go through stages.

- Card Battle Game

- Casual Game

- Webgame: 3D, ARPG, Casual and Sports

My friends are playing this game

Try it!

Good game

I'd like to play this game

Viral

Everybody are playing this game

Successful

ABOUT US

- Founded: 09/2009
- Employee: 60
- 6 webgames in operation
- Revenue: USD 6 Mils. (2011)
- Registered Users: 3 Mils.
- ARPU: USD 35
- Main Users: Office Users
- Main game Genre: Webgame

- Become a "phenomenon"

- Experienced Operation Teams

- 'Understand' the Business

- Understand the Market

- Target: To be Number 2 in 3 years

- Open Smobi to start joining mobile online market.

- Chances are BIG

- MMORPG still dominate

- Popular user taste is quite "low" and "easy"

- Cross Platform Online: Web, Mobile, MID

- Will not receive support from Government

- Comments & feedbacks send to dungna@sgame.vn

THANK YOU!