

Marketing and communication strategy of a new founded company

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2. Formulujte cíle firmy a definujte marketingovou strategii firmy při její založení.
3. Analyzujte konkurenční prostředí firmy.
4. Formulujte projekt pro úspěšné etablování firmy na trhu.

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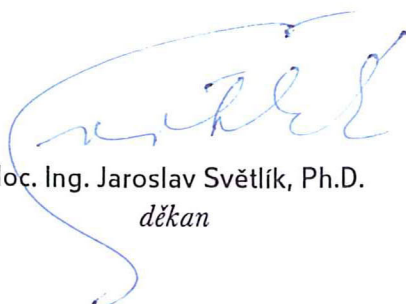
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ABSTRACT

This master thesis deals with the aspects of founding a new online gaming network. It will be divided into five fundamental categories: the process of establishing a privately owned company (game service provider), an overview of offered products and hosting services, customer portfolios, analyses of internal and external environments and marketing strategies to achieve success on the market.

Keywords: company, foundation, hosting, marketing, network

ABSTRAKT

Táto diplomová práca sa zaoberá aspektmi založenia „online hernej siete“ – procesom založenia súkromne vlastnenej spoločnosti (tzv. game service provider), jej ponuky produktov a hostingových služieb, zákazníckym portfóliom, analýzou vnútorného a vonkajšieho prostredia a marketingovými stratégiami, s ktorými by mala dosiahnuť úspech na trhu.

Kľúčové slová: firma, založenie, hosting, marketing, sieť

Motto:

The world makes way for the man who knows where he is going.

Ralph Waldo Emerson

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Credits:

This document has been written in OpenOffice (free office suite), version 2.0.2 – <http://www.openoffice.org>. The author of this thesis claims that no (computer) mouse has been harmed in any way during this process.

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INTRODUCTION

The world market of PC games and consoles has an estimated revenue of approximately 17 billion dollars[1] per year with trends in online gaming revenues to rise. This situation creates an opportunity for new companies (game service providers) to take part in this competition and to “steal their own piece of the pie”. The revenues in this sector are constantly on the rise, especially for “subscription” games in the genre of MMORPG (Massively Multiplayer Online Role-Playing Games).

My friend, Darren Roberts from Birmingham (England, Great Britain) and I came up with an idea to form own small company that would offer online gaming services on low-/mid-end level. We have both played online games for several years and we believe we can fulfill all our customers' wishes – because we know the target group. It is important to “catch the train” now as the market becomes overfilled slowly and only the big and well established companies will be able to survive the hard competition that will follow. The customer care and quality of services will become more and more important with time. There are already number of small- and medium-sized companies which offer a variety of services on various levels. Generally, smaller companies are run by online gamers and fans who have similar ideas to ours. However, most of these companies don't have any strategic plans for the future in contrast to our company, to establish themselves on the market and become popular. We do.

The entire problem can be summarized into the following hypothesis:

Based on our personal experience we assume there is a specific group of customers, or so called “online gamers”, that have certain specific needs which can be satisfied by a for-profit company on a commercial basis. A company can become and/or improve its chances to be successful in this area of business with the help of certain marketing strategies.

The following questions will be answered in this master thesis:

- what specific forms does marketing have on Internet,
- who is an “online gamer”, what is a “game service providers” and what kind of services do they offer,

- what is the target group, what's the estimated potential customer base in this area of business and what is their structure,
- are there any companies that already offer services to this target group,
- what can be done to achieve success in this area of business, how should the marketing and communication strategy of a new founded company in this area look like and what products/services should it offer.

I. THEORETICAL PART

1 MARKETING ON INTERNET

Internet opens market to a lot of new possibilities on how to reach the customer with minimal costs. Not every strategy is good to use on the Internet, but the Internet should be a full part of a marketing strategy. The main question is what can we gain by using the Internet?

- perfect information system, not only for customers, but also for the rest of business partners and the public,
- outstanding dispatch of communication between the customer and the firm,
- new retail or wholesale terminal,
- new source of information for the company (even for marketing research),
- support for penetration on new markets,
- an instrument of new in-house communication,
- cheapest instrument of communication with the outside environment of company,
- direct distribution channel (software, some services, ...),
- new way of sales promotion.[2]

1.1 Types and forms of marketing on Internet

Last year, web advertising saw the development of non-traditional ad formats like floating banners or ads that open automatically into a new window. Nevertheless, 72% of the 160 million CZKs invested in Internet advertising is invested in classic banner ads.

As in the real world, the Internet has various forms of marketing. And of course, they are different. Unfortunately, most of the Internet marketing possibilities are used in wrong or insufficient ways - marketing on Internet should is not only be represented by banner ads.

1.1.1 Company website

Nowadays, to have your own company website is a must. Unfortunately, some companies consider a web presentation as a must, also. A website can be a good active marketing instrument where the company can directly and interactively communicate with its customers for low costs. The unused web space can be compared to a one-hour television show where instead of interactive entertainment the TV decides to put a static image on the screen.

1.1.2 Banner advertising

Banners are the most often used and the most managed form of advertising on the Internet. A banner is an advertising space, usually animated. Its advantage is mainly its full and accurate control (displaying) in real time. We can measure the exact number of impressions (how many times a banner has been displayed to a website visitor) and the response rate (how many times a visitor has clicked on a banner) in real time.

1.1.3 E-mail marketing

The essence of e-mail marketing lies in the sending of advertising e-mails or e-mails with advertisements to selected e-mail addresses. E-mail marketing is very cheap and fast with a high reaction rate. Of all the forms of advertising on the Internet, e-mail marketing has the fastest time-to-market. Of course, we have to be very careful when using this instrument not to fall into the category of spam (sending of unasked advertising e-mails). Spam is one of the major causes of damages to the Internet and some countries have accepted even so called “anti-spam laws” to deal with the problem of spammers.

1.1.4 Sponsoring, affiliates

The “tragedy” of Internet marketing is the fact that the commercial subject and the customer almost don't meet and they are not cooperating and looking for improvements. However, various affiliate programs and reseller services can contribute to overall sales performance and can provide a way to find new promotion and distribution channels. Such procedures are quite expensive in the real world, but the Internet offers a cheap solution to this kind of problems, in some cases the Internet advertising can be cheaper and more efficient than in the real world.

1.1.5 Other forms

There are many forms of advertising that can be used to reach potential customers. Various loyalty programs, newsletters and other similar forms are usual mainly in the western countries. ICQ or IRC are other examples of advertising possibilities. The Internet opens the door to various ways, each company just has to find the right one.

2 WHAT IS ONLINE GAMING

2.1 Who are the “gamers”?

A “gamer” is defined as someone who has played a game on a mobile, handheld, console, PC, Internet or interactive TV at least once in the last 6 months: a broad definition designed to capture any “light” gamers as well as medium or heavier gamers.[3]

This group of gamers represents specific people that have their own needs. Members of this group (I will call them simply just “gamers”) play mostly games on a PC through Internet with other people from all over the world. For this purpose they establish servers where they can play together and additional services that are connected with online gaming and enhance the gaming experience. This opens a chance for a commercial company to provide products and services on an expert level and offer hosting solutions to these customers for a fee (with the sight of a profit).

2.2 Online games

Online games refer to video games that are played over some form of network, most commonly the Internet. The expansion of online gaming has reflected the overall expansion of the Internet. Online games can range from simple text based games to games incorporating complex graphics and virtual worlds populated by many players simultaneously. Many different styles of play are available online. Many online games have associated online communities, making online games a form of social activity beyond single player games.

Online games started in the 1980s with MUDs. These text based games were often played via a modem. These games were frequently based on fantasy settings, using rules similar to those in the tabletop role-playing game Dungeons & Dragons. Other styles of games, such as chess, Scrabble clones, and many others. Continuous connectivity was often expensive as access was frequently charged on a per-minute basis, making play-by-email games another popular form of online game.

During the 1990s, online games started to move from a wide variety of LAN protocols (such as IPX) and onto the Internet using the TCP/IP protocol. The game Doom popularized the concept of deathmatch where multiple players battle each other head-to-

head as a new form of online game. Since Doom, most first-person shooter games contain online components to allow deathmatch/arena style play.

With the development of web based graphics technologies such as Flash and Java, browser games also known by their related technology as "Flash games" or "Java games" became increasingly popular. Many retro games such as Pac-Man and Frogger were converted to browser games which could be played over the Internet. Most browser games have limited multiplayer involvement, often being just single player games, at most sharing a high score list.

Recent developments in browser graphical technologies including both Java & Flash have led to a new breed of advanced Browser based games which now include multiplayer gameplay. A new generation of online games, most notably Tactics Arena Online and RuneScape have blurred the line away from Browser games just being simple single player online games, to games involving group environments and worlds, although to a less extent than Massively Multiplayer Online Games.

With the growth of broadband Internet access in many developed countries, the types of online games playable over the Internet exploded. Massively multiplayer online games were made possible with expanding Internet access, using the Internet to allow hundreds of thousands of players to play the same game together. Many different styles of massively multiplayer games are available:

- MMORPG (massively multiplayer online role-playing game)
- MMORTS (massively multiplayer online real-time strategy)
- MMOFPS (massively multiplayer online first-person shooter) [4]

2.3 Multiplayer games

A multiplayer game is a video game in which multiple people can play the same game at the same time. Unlike most other games, computer and video games are often single-player activities because the computing power exists to create artificial opponents. In multiplayer games, players either all compete against each other, or team up to achieve a common goal such as defeating an enemy that can consist of either computer or human players. Usually

multiplayer games either use computer networking to allow players to play together or require the players to gather around a single game system to play.

In modern computer games, the word multiplayer usually implies that the players play together by connecting multiple computers via a network, usually either a LAN or the Internet. This form of multiplayer is sometimes called "netplay" to refine the meaning. Networked multiplayer games tend to be most enjoyable when played on a LAN because it essentially eliminates problems common in Internet play, such as lag and rude, anonymous players. As a result, multiplayer games usually are the focus of LAN parties. Play-by-email games are multiplayer games that use email as the method of communication between computers. Other turn-based variations which do not require players to be online at the same time are Play-by-post gaming and Play-by-Internet.

Some online games are "massively multiplayer" games, which means that a large number of players participate simultaneously. The three major genres are MMORPG (massively multiplayer online role-playing game) such as Ultima Online, Guild Wars or World of Warcraft, MMORTS (massively multiplayer online real-time strategy) such as Starcraft and MMOFPS (massively multiplayer first-person shooter) such as Counter-Strike or Unreal Tournament.

Some networked multiplayer games do not even feature a single-player mode. For example, MUDs and massively multiplayer online games, such as RuneScape are multiplayer games by definition. First-person shooters have become very popular multiplayer games and games like Battlefield 1942 and Counter-Strike gained their fame despite not featuring extensive (or any) single-player plot or gameplay.

This category of games currently requires multiple machines to connect to each other over the Internet, but before the Internet became popular, MUDs were played on time-sharing computer systems, and games such as Doom were played on a LAN. Spacewar, created in 1962 for the PDP-1, is credited with being the first multiplayer computer game.

Recently, game consoles have also begun to support network gaming, over both the Internet and LANs. Many mobile phones and handheld consoles also offer wireless gaming through bluetooth or similar technologies.[5]

Although unusual, we can find “professional gamers”, people who play online games for living. Their incomes come from winnings of competitions that are sponsored by commercial companies and the best places are awarded with money.

2.4 Basic terms

It is important to learn about basic terms that are used among online gamers and to which I will refer to often. I will go through all the shortcuts and definitions that are needed to understand online gaming and related products.

Community – also online gaming community; are all gamers dedicated to some computer game or subjects that are connected to this game anyhow (this can include game developers or commercial companies which offer services to gamers).

Clan – sometimes called guilds (especially in MMORPG games); a group of players who play the same online game, they use the same virtual place (server, website, forum, chat, etc.) to gather around.

IRC – Internet Relay Chat; is a communication protocol used to chat over Internet, it implies there is either some IRC network where people go to chat or a computer application that is used to connect to IRC network. IRC is used to meet and text-chat with other people from all over the world via the Internet.

Clanwar – (sometimes written as clan war) or clan match or just match is an event where players from two clans meet on a specified game server at pre-arranged hour and date and fight together. A match can be friendly (just for fun) or official – meaning that an official match is a part of a competition where more clans compete to become the best (and usually also win a sort of prize).

Tournament – open competition (sometimes clans need to qualify before the tournament starts in order to compete) for all clans that fight against each other for a prize (the prize can include money, piece of hardware, free services, etc.). Competitions have various forms, e.g. tournament (as known in sports like football or hockey, etc.), league, ladder and others. They can be sponsored by a commercial company or just ran by fans who belong to the community.

Ping – ping is a computer network tool used to test whether a particular host is reachable across an IP network. Ping works by sending ICMP “echo request” packets to the target

host and listening for ICMP “echo response” replies. Using interval timing and response rate, ping estimates the round-trip time and packet loss rate between hosts.[6] Ping, also called latency, is the response from a server to computer which plays important role in FPS games, in gaming terms it represents the data that is transferred to and from player's computer.

Server – is a computer system that provides services to other computing systems (called clients) over a network. The term is most commonly applied to a complete computer system today, but it is also used occasionally to refer only to the hardware or software portions of such a system (for example gamers connect to a game server where they can play, in this case server is referred to as software).

Bandwidth – amount of Internet traffic between the computer and a server (usually given in Mbits, Kbits and Mbytes or Kbytes).

3 ONLINE GAMING SERVICES

This is a short characteristic of game service provider and list of all products which are the subject of services provided to customers. This means software which is hosted by a commercial company and its use is rented to customer.

3.1 Who are “game service providers”?

A game service provider (GSP) is a hosting company, a commercial or non-profit organization which offers various products to customers through the Internet. Their business is realized exclusively only over Internet. The principle of this business is that the game service provider rents the usage of a software product to the customer, the provider does not sell the software itself. The customer just rents the right to use the product on the basis of conditions agreed on between the provider and customer in advance (in an agreement or contract which is also “signed” through the Internet). It must be mentioned that GSP is not necessary also the owner or developer of the offered product. A GSP obtained the right (by the software developer) to rent the software to customers as service.

I have now answered another question, what does game service provider offer – a product or a service. From the point of marketing it is no doubt a service, in particular we can translate the term “service” in this case as the “right to use”.

A short list of services which are offered to gamers is the subject of next section.

3.2 Online gaming services

3.2.1 Dedicated servers

A dedicated hosting service, dedicated server, or managed hosting service is a type of Internet hosting where the client leases an entire server not shared with anyone.[7] It is a computer (usually rented) that is housed at a data center and connected to a high-speed network backbone. It is used to run various types of computer software (e.g. web servers, databases, application software, etc.). A dedicated server can hold many programs that are used on the Internet.

3.2.2 Game servers

A game server runs usually on a dedicated server machine. It is a computer game which serves as the master for other clients. Players connect to this game server so they can play an online game, dedicated game server lacks the graphics as it is not needed here, it just behaves as the moderator of the game. It controls the movement and actions of players, saves information about connected players, etc. The game server distributes data from one client to the others.

Data is sent from the game client to the game server, from there the game server processes the data and sends it back out to the client or clients. Game servers often require large amounts of bandwidth due to the amount of data that has to be sent between the server and all the clients that are connected to it.[8]

Game server means a game where other players can connect. Today's most popular games are for example:

- Unreal Tournament series
- Half-Life series (e.g. Counterstrike or Opposing Force)
- Battlefield 1942
- Medal Of Honor
- Call Of Duty
- America's Army
- Quake

and others

3.2.3 TeamSpeak

TeamSpeak is software for quality voice communication via the Internet. Our platform offers a client-server architecture where client and server software is clearly separated. This means our server product runs as a dedicated server, rather than peer-to-peer. The TeamSpeak server software is literally capable of handling thousands of simultaneous clients or users, which results in an Internet-based teleconferencing solution that works for a repertory of different applications such as an alternative to conference calls, cutting long

distance telephone costs, or just as a method of personal communication with friends and family. The software is free of charge to non-profit entities while commercial or for-profit entities have the ability to become part of our licensing program.

We had to solve a problem. Our problem was that the available voice communication applications, such as Roger Wilco® or Microsoft's GameVoice®, did not fulfil our demands. The lack of Linux compatibility, various problems with routers and firewalls as well as overall high bandwidth utilization made us decide to find and develop our own solution and software, a full-featured alternative to the software that was already out there.

Approximately one year later we released our first public version of our software, the Classic version of TeamSpeak. At this time we had achieved our basic and essential goals. Our software wasn't limited to Microsoft's Windows® platform, needed less bandwidth than other applications, had an easy-to-use interface and firewall/router-friendly design. TeamSpeak was quickly spreading across the Internet, far surpassing our projected growth estimations. All the positive feedback as well as the constructive criticism motivated us to continue our development efforts with TeamSpeak.[9]

The purpose of TeamSpeak is to allow players to communicate with other players with voice, it boosts the game experience up rapidly and offers new possibilities of gameplay and tactics because they have the chance to talk in real time to other players.

3.2.4 Ventrilo

Ventrilo is the next evolutionary step of Voice over IP (VoIP) group communications software. Ventrilo is also the industry standard by which all others measure themselves as they attempt to imitate its features.

By offering surround sound positioning and special sound effects on a per user, per channel, per server or global configuration level the program provides each user the option to fully customize exactly how they wish to hear sounds from other users or events.

Ventrilo is best known for it's superior sound quality and minimal use of CPU resources so as not to interfere with day to day operations of the computer or during online game competitions. It is also preferred for the simple user interface that any first time computer user can very quickly learn because the most commonly used features are immediately visible and can be activated with a single click of the mouse.[10]

Ventrilo's purpose is the same as the purpose of TeamSpeak – to provide a complex voice communication solutions for gamers so they can chat live with other players. Ventrilo's description as “industry standard” is a bit overrated, but it's true that Ventrilo and TeamSpeak are two software applications which are the leaders in the area of voice communication designed for online gaming. Ventrilo has similar functions to Teamspeak.

3.2.5 psyBNC

A program that runs as a daemon on a server and functions as a persistent proxy is known as a bouncer. A bouncer's purpose is to maintain a connection to an IRC server, acting as a relay between it and the connecting client. Should the client lose network connectivity, the bouncer will archive all traffic for later delivery, allowing the user to resume his IRC session without externally perceptible disruption.[11]

psyBNC is an easy-to-use, multi-user, permanent IRC-Bouncer with many features. Some of its features include symmetric ciphering (encryption) of talk and connections (Blowfish and IDEA), the possibility of linking multiple bouncers to an internal network including a shared partyline, virtual host- and relay support to connected bouncers and an extensive online help system. Many other helpful functions are included. It compiles on Linux, FreeBSD, SunOs and Solaris.[12]

As mentioned above, IRC is used to chat to other people over Internet, it is similar to Ventrilo or Teamspeak with one difference that the communication proceeds just as plain text instead of with voice. Gamers use IRC to contact each other, gather and communicate among themselves. IRC is very popular.

3.2.6 ShroudBNC or sBNC

shroudBNC is a modular IRC proxy written in C++. It is capable of proxying IRC connections for multiple users. Using TCL scripts it can be extended. Amongst its features you can find a user-friendly web interface (coded in TCL and PHP) which allows you to easily create and manage users. A live demonstration of the web interface can be viewed here. Some screenshots are also available. A variety of operating systems are currently supported: Linux, FreeBSD (and possibly other variations of BSD) and Windows.[13]

ShroudBNC has same function as psyBNC, the program design and use is really similar but offers some additional features in comparison with psyBNC. These two applications are the most popular IRC bouncers used.

3.2.7 Eggdrop

Eggdrop is the world's most popular open source Internet Relay Chat (IRC) bot. Originally created by Robey Pointer in December 1993 for use on a channel called #gayteen, it has spawned an almost cult like following of users. It is a feature rich program designed to be easily used and expanded upon (using TCL scripting) by both novice and advanced IRC users on a variety of hardware and software platforms.[14]

Bot (shortcut of robot) is a standalone program that connects to a IRC server and joins a channel. Then it can perform various tasks which have been coded into the bot. It's purpose is to control the IRC channel usage and protect the users, offer information services, etc. They can be used to help clans to manage online gaming or query game servers and help to find players. However, their usage is very large and various, I just provided the basic details.

II. PRACTICAL PART

4 TARGET MARKET & SEGMENTATION

All the data and reports taken below come from miscellaneous researches available on Internet. Most of these research reports are not freely distributable over Internet.

Many forecasting reports cost thousands of dollars, making it difficult for a small company to access some of the information. And even for the larger companies, it's often the case that the reports aren't that useful to them, since they're the companies that provided the information to the forecasters in the first place![15]

However, there are still some reports, mostly done by universities or independent organizations, which provide required details to perform a market segmentation and analyze customers habits in depth. Most of the data used in this paper are about UK market but they are applicable also in general.

Very important role here plays the fact that myself and my partner play online games for several years and we both are part of the community. We know a lot of people who play online games, we both have many relations to these gamers and know their wishes and opinions on the quality and scale of services. In fact, we both used some of the services offered by game service providers and we learned a lot about them. The result is that we both have rich personal experiences with game service standards and relations to gamers (can say, potential customers now) that give us excellent knowledge and overview about the market.

4.1 Who is our customer?

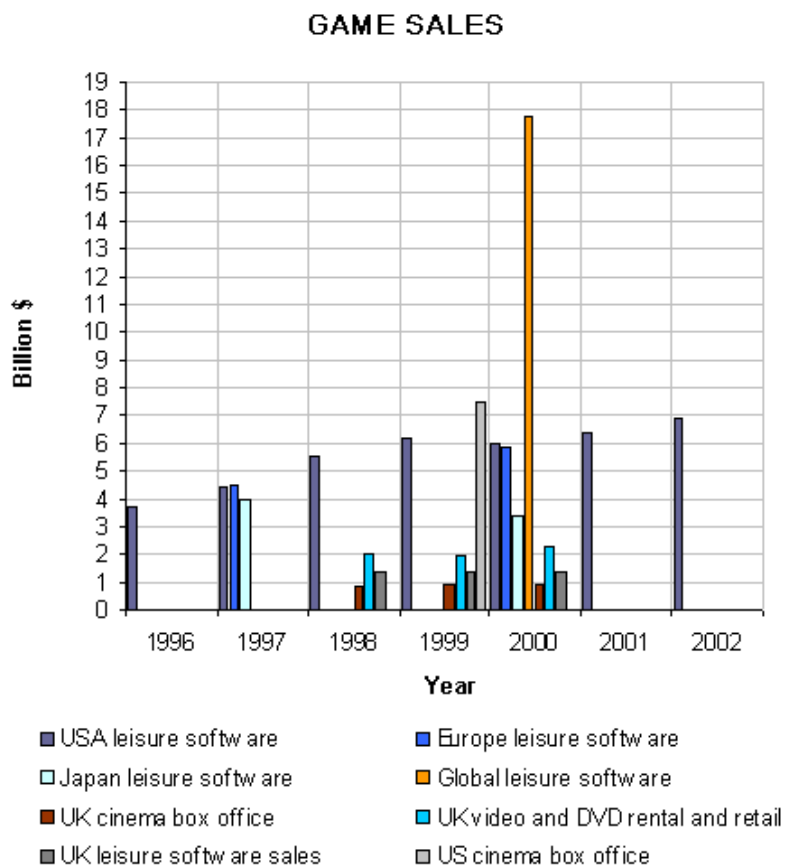
When defining who is a “potential customer” then this word is connected with the word “gamer”. Every potential customer is a gamer, who plays any kind of multiplayer game and every gamer is a potential customer. So while I'll be analyzing target group and potential customers I will refer, in fact, to all gamers. The target segment is homogenic, however, in wider meaning this is not completely true. Not every gamer is a potential customer and our target segment because our services will be designed for clans in the area of FPS (first-person shooter) games.

4.2 Overall market size & forecast

The overall market size depends on how many games have been sold and what games are successful at present. Games based on subscriptions (account registration and a payment is required before the game can be played) are not the area of our interest because the server software of such game is not released to the public. On the other side, FPS games are distributed usually on CD-ROMs or via the Internet.

It is already commonplace for gamers to download game demos and, especially in the case of MMP games in beta-testing, large patches of over 100MB. Arguably future games will seek to remove the friction of the retail channel and distribute via download.[16]

In this case server software is usually available without any fees, too. The area of console and mobile games is different so gamers falling into these areas are not the subject of our interest either.

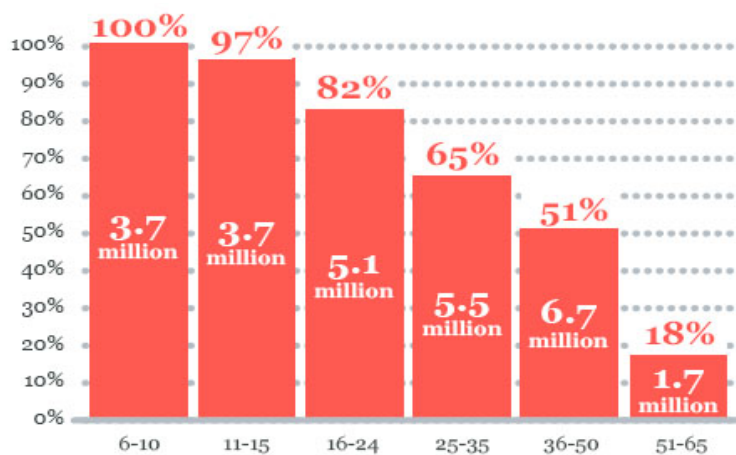


Img. 1. World game sales[17]

As mentioned before overall world game market has estimated revenues of around 17 billion USD.[1] And the future predictions talk about rising tendencies in all areas of online gaming.

I was unable to find a total number of gamers worldwide, however, BBC provided me a detailed research on UK gamers. We can use this research as the base for other studies because the habits of gamers are similar in all countries (I'm aware there are differences, but obtaining detailed reports is too expensive and goes beyond the scope of this analysis, anyway; the indented majority of our customers will come from UK and Europe.)

As the graph below documents, 59% of 6 to 65 year olds in the UK are gamers. In total there are 26.5 million gamers in the UK. This means that in entire Europe there are around 200-250 million gamers (entire European Union has 450 million residents[18]). This number (for Europe) is very inaccurate and not all of them are potential customers as stated before. Our target is just FPS gamers, the numbers below include console and mobile gamers.



Img. 2. Percentage of each group that plays games

In-depth reference about gaming habits goes beyond the purpose of this analysis. For further study, more detailed overview can be seen in appendix I, II, III, IV, V and VI. I will just go through common gaming habits in a short list. I just wanted to demonstrate that this area has a strong customer base and is suitable as a business chance. One important fact is that gamers split around computers and consoles – more or less each of this consists of 50% of all gamers (see appendix I to VI for more details).

4.3 Gaming habits

One of the conclusions must be that online gaming is not for newcomers. The numbers below clearly show that online gaming is not for the inexperienced gamer and Internet user.

- 75% of online gamers have played from 1-5 years online,
- 96% have been on the net for more than a year,
- only just under 10% have played less than a year,
- 64% have 256 kbps connections and above,
- 75% have bought articles online within the last 6 months,
- 95% have a computer that is less than 3 years old.[19]

These numbers just document the fact that gamers are experienced Internet and computer users. Their technical knowledge of computers is the reason why this group requests quality services and needs to know technical specification of the service provided. It is important to provide them with technical details about game server configuration, misc settings, security details, etc. Most of these users are capable of configuring a game server themselves (this doesn't mean the service configuration will be left to them, this just means they may want to change it or review the configuration).

Much has been said of the all-consuming nature of online gaming and much more will be said. Our survey seems to suggest that it is indeed a time-consuming activity while for some it is life itself.

- 54% play from 0-12 hours online,
- 6 % play more than 30 hours a week,
- 90% state that they play too much online,
- 33% usually play too much or always too much.

What do they play? Action games are the most popular and within this genre the most popular game is Counter-Strike followed by Quake. However, the dominance of Counter-Strike is not complete. People do play other games.[19]

The data above refer that online gaming (or gaming in general) is a time-consuming entertainment. This is a fact, players create so called clans or guilds and play together

against other clans. They are even willing to put a lot of effort, time and money into their game skills & clan development. Good message for us is also that the action games are very popular. While gamers do want to invest money into this type of entertainment and they play games we can host then it supports our business initiative.

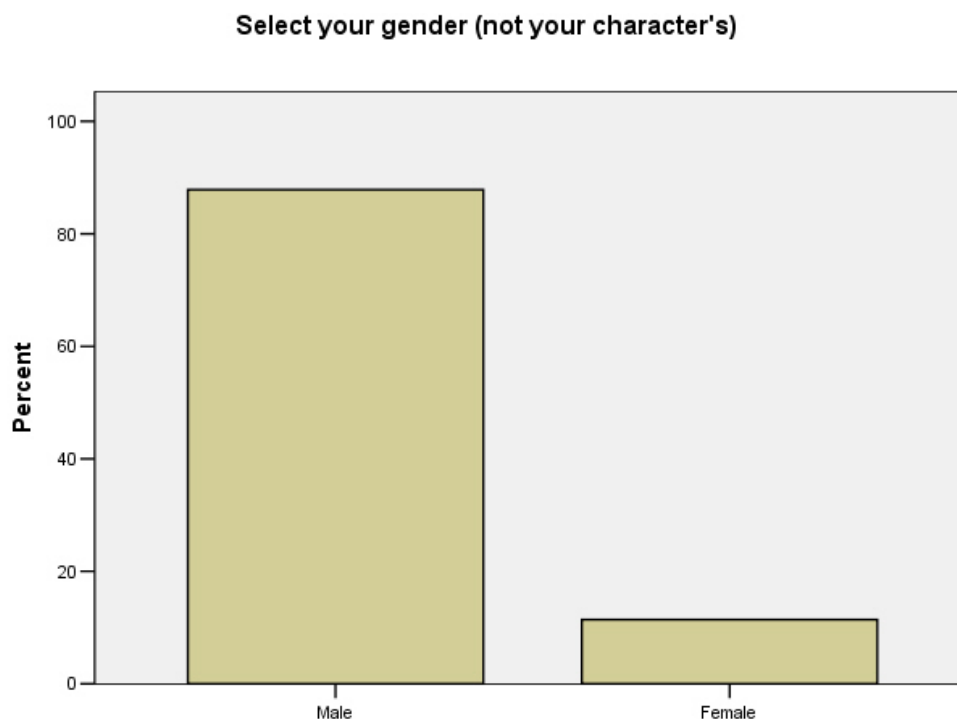
Especially interesting for us is the age group of 15-35 gamers. This group is the majority of gamers and has the most money they invest. If we want to advertise and reach this group then we should focus on new technologies, new trends, dynamics and quality. We have to offer individuality to the gamers, the unique feeling they will receive while using our services. All the aspects must be designed to support their open mind and free life style.

4.4 Social-demographic facts

In the area of FPS games and exploring its user base (as for social and demographic background), we can use the data by *Project Massive*, that are the closest to reality of FPS games users.

Previously, Project Massive has investigated player communication and organization in PC based, Massively Multiplayer games. While this work continues, the inquiry has been expanded to address the impact of online play on the players' real life activities, perceptions, and experiences. No longer is the study limited to PC based MMOs. A number of online genres including first-person shooters and real-time strategy games have been added. Further, both console and PC player populations are included in the sample. Below are just a few of the topics that Project Massive is currently concerned with. This research is not commercially sponsored in any way. Results and analysis of the continuing survey are published at ProjectMassive.com and are freely available for public use.[20]

4.4.1 Gender



Img. 3. Gender of gamers

The graph above shows that most of the gamers are males (or to be precise, most of the gamers who took part in this survey are males). There are various opinions on what part of males and females play games. The truth is that females do play games and it's not completely true that males take majority among gamers.

So, if the survey question was "Do you play computer games?" we have learned the interesting fact that men and women are almost equally distributed on this issue. This finding is compatible with an impressive range of conclusions. Here are two:

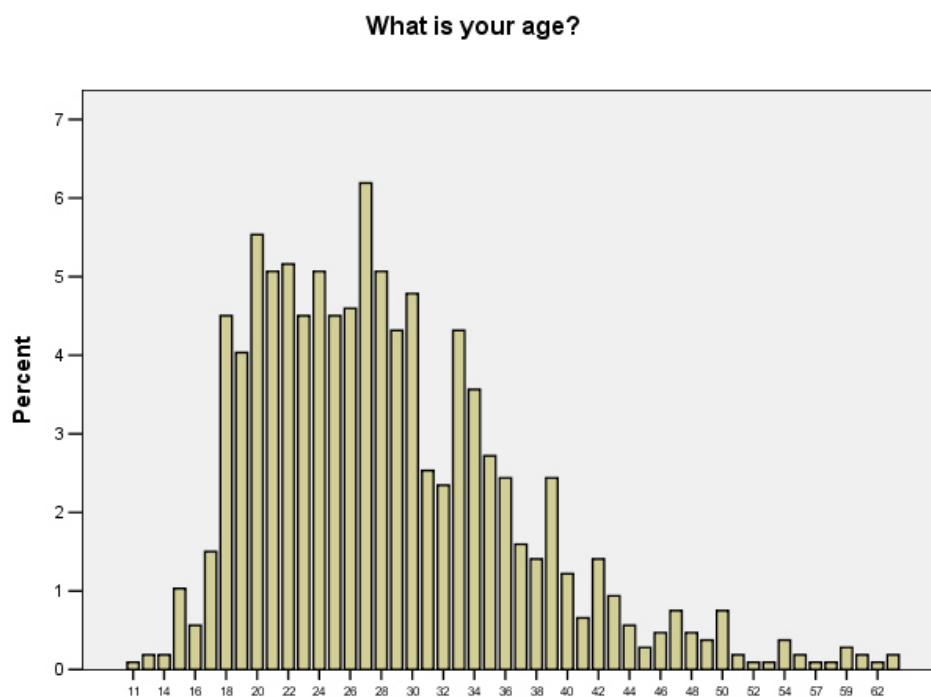
- women play as much as men,
- a more or less equal number of women and men have played computer games at some time. Men, however, spend X times more time and money playing.[21]

When we as an industry decry the absence of women in gaming, we're forgetting that 43% of PC gamers are women already. (Only 19% of action gamers are women, though, and I'm pretty sure that's where this women-don't-play idea comes from.)[22]

Above statements explain the lack of females as for the majority of males in the survey. There is really a lack of females who play action games. They seem to prefer strategy,

puzzle or life simulation games than action (FPS) games. Females play games, but they don't play action games – this also means that the majority of our customers will be males. This is important to take into consideration when trying to hit this target group.

4.4.2 Age



Img. 4. Age of gamers

As stated before the majority of gamers are between 15 and 35 year. The graph above says about the majority of 18 to 36 aged gamers. As a result, when applying marketing strategies, we must consider that most of the gamers are young people.

4.4.3 Social background

Simple conclusion can be made of the facts above – most gamers are university/college students or just started to work. No surprise, high-speed connection to the Internet is massively available on colleges and almost for free. Academic networks are free or cheap and this fact contributes to the reason why most gamers are students.

These gamers are also mostly singles without any children (see appendix VII for more details).

4.5 Customers' wish list

Personal experiences give us detailed look at customers' wishes and demands. Next list is a short compilation of the four most important wishes and demands we learned from years of online gaming experiences. This list has been constructed by me and my partner and myself as a result of brainstorming and selective assortment of all known wishes we encountered while speaking to our friends and other gamers.

Customers' wish list chart:

- 1. Cheap price** – the price is one of the most important aspects of service. Customers are looking for the best solution for them and possibly also for the cheapest (although this applies in general for any kind of product or service). The price in this case is one of the strongest instruments of marketing mix on how to attract new customers. On the other hand, customers are willing to pay a higher price for quality services that can be administrated with ease. This includes easy-to-use control panel for services administration, intuitive controls navigation, fast & helpful support and general stability and availability of the service.
- 2. High quality** – again a very important aspect (applicable also in general) but in this case high quality means especially low latency/response from server and stability. All services must run constantly without any unexpected breakdowns. If a service must be suspended (e.g. during software or hardware upgrade) then it must be announced in advance so clients can conform their own schedule to the downtime. The services must be optimized to offer best possible performance so the response is fast. High service responses (e.g. high pings on a game server) will result in the loss of customers.
- 3. Intuitive control panel** – this issue is specific to any Internet hosting service. A well designed and intuitive control panel that offers easy administration through a web interface is a plus for the company. No-one likes long and difficult manual configuration, web based administration panel is a nice solution to automate daily tasks and offers quick and simple solutions on how to manage most of the services. A customer just logs in to a control panel and with one click he or she can change configurable settings of the service. The administration panel must offer the possibility to change almost every aspect of the service (which the customer is allowed to modify according to his/her idea). As a side note, the control panel must

keep the simplicity and easy navigation through the panel, otherwise the panel would just confuse less experienced clients and again might result in loss of customers.

- 4. Fast support** – every one of us sometimes runs into troubles when we need help from someone else. In this case this rule is doubled. If a service is not working, the client has accidentally misconfigured the service or just wants to ask a question, the company's support service must respond to such cases as soon as possible. The support staff must be helpful and able to solve daily problems. In case of more difficult problems that need two or more days to be solved, then it's good if the customer can see the progress of the problem's resolution. A good support/CRM system is a must. Such systems (also called tickets) can be easily integrated into a CRM system or should be part of company's CRM system so we can track customers' issues and look back in the history. A support system can give an overview about what problems/areas are our customers concerned most. An easy and quick solution to most of the problems can be a support through IRC where the support staff is ready to answer and react on client's questions.

Among other wishes I should mention security concerns and scale of services. Security plays an important role for some of the customers, some of them need high security protection against stealing their passwords or privacy/personal sensitive data. Some of these users are, on the other side, less concerned about security and they don't mind providing passwords in an unencrypted form (a reason for this can be that they either don't care, it's not important for them or they don't realize the risks of stealing privacy sensitive data). Anyway, any data loss or system compromise results in degradation of company's name and reputation in the eyes of its customers, but also in the eyes of public in general.

Additionally, services that are provided by an online gaming provider is a plus (gaming news, newsletter service, mailing lists, forums, etc.) for the company. They represent only little or medium additional costs to build such infrastructure, but the result can return in the form of increased number of website visitors and this is quite useful for the company. It is a form of how to attract potential clients, spread the company's name around public and build specific form of loyalty to company.

4.6 Customer profile

This is a descriptive type of analysis of our potential customer based on previous facts and personal experiences. This profile should serve as the base for further decisions about marketing, services and products. Let our customer be called John.

John is a male, around 18-25 years old, an ordinary student who visits a university. His daily job is to visit seminars and attend school classes. He is young with lots of perspectives and plans for the future, but John is also the man of “now”. This means that he has some closely undefined plans for the future, but also likes to enjoy the moment as the life goes. He likes to go to a pub in the evening and enjoys the model student's life. John has a strong technical background and one of the important roles in his life is the computer, he is interested in new technologies and trends and probably owns the newest pieces of hardware equipment available. He spends around 10 hours weekly playing online games and he is good at them. He is probably also some sort of clan leader or at least ordinary guild member and takes care about the clan life, arranges wars and organizes tournaments for his clan. It is normal for him to arrange things by phone and talk to friends often by phone. Some of his friends that were made through the Internet became later also real-life friends. John has some sort of income, either coming as pocket-money by parents and/or by doing short-term jobs like webdesign or any kind of auxiliary jobs (e.g. booking-clerk in a supermarket, shop-keeper in a fast-food, etc.). Mostly, is the fact that he still visits a school, he is single and never lived in any sort of martial-like relation before, although he probably has a female partner. John invests part of his money into online gaming and contributes to clan cash regularly. His clan or he alone rented a game server for his clan where he and his friends can play his favourite online games. Because of his knowledge of computer technologies he is able to configure the game server himself and expects the service to be stable and fast. He is able to solve part of the problems connected with server administration, but in case of unexpected troubles, he demands fast response from the games service provider. In general, he demands cheap and quality services, but he is willing to pay more money for the comfort and quality of the services to administrate his purchased services package with ease. He also welcomes any additional services like IRC bouncers or webhosting solutions that may come handy for his clan. In any troubles, John is ready to change his game service provider if the provider is repeatedly unable to conform its services to John's needs.

5 SWOT ANALYSIS

In the next chapter I'll try to analyze internal and external starting points of our new company as a games service provider. I'll focus on major aspects of business inside a company that are important when starting a new firm. For this purpose I'll use the SWOT analysis that gives us a good overview about the company, its internal structure and external environment. SWOT analysis is also a good basis for other types of analyses like causal analysis and some others.

5.1 SWOT chart

Our SWOT analysis is partially based upon GE matrix where the management considers the importance of factors that influences the company and assigns a score to each of the factors. This number represents the aspect's importance in relation to how urgent the problem should be solved (weaknesses and threats) or how the factor contributes or can contribute towards positive company performance (strengths and opportunities).

The reason why I use a simple version of GE matrix instead of full matrix is that the management of our company will consist of 2 or 3 people so it's difficult to judge what weight a factor has and how important it is. For this purpose I have simplified the GE matrix and we just tried to assign an "importance level" to each of the factors that are represented by the weight score. The score system uses a scale of 1 to 5 where 5 is the highest importance.

The weight score expresses the expected effect of particular factor on overall company performance. The higher the score, the higher effect the factor should have. This applies for strengths and opportunities aspects. As for weaknesses and threats, in this case higher factor means higher priority in relation to problem solving of particular factor while low score means that the problem is less important for the company.

5.2 Strength aspects

Tab. 1. SWOT analysis (strengths chart)

<i>ID</i>	<i>STRENGTH (factor description)</i>	<i>Weight</i>
1	known customer base (amount, customs and habits, social-demographic background, etc.)	4
2	good knowledge of customers' wishes and their desires	5
3	cheaper or comparable prices with large-sized companies	2
4	knowledge of strategic planning	4
5	unique website design to attract customers	4
6	existence of CRM (Customer Relationship Management) system	5
7	live support (UK, Czech Republic and Slovakia)	3
8	various forms of support to meet customers' wishes (web, email, phone, irc, ...)	4
9	open software development (can attract some of the customers)	3
10	scale of services comparable to large-sized companies	2
11	fast internal communication among staff	2
12	company name (Kombat Hosting) based on known clan name which is quite popular in the community	2
13	staff is experienced in customer support services, experiences with how to handle customers	4

As stated before, the weight in this case represents the expected result of the factor on positive company performance. As we can see the best positives that should contribute to good company performance is the existence of CRM system and good knowledge of customers' wishes and demands. There can be objections that anyone who is longer active in the community can know the wishes and demands of the community members. This is, of course, completely true but not every company has a good marketing plan which should take advantages of this knowledge. Big companies which are successful on the market did take advantage of this. They listened to customers and prepared packages which best fit to customers' needs. This way they could fulfill any desire of any client. That's why a good company uses some kind of CRM system to track user's behavior and loyalty.

Secondary important effects include strategic planning, unique website design, live support and experience of the management (staff) with support services and personal experience of how to handle customers. All these factors tie together with the factors stated in the above paragraph. CRM is "invention" of strategic planning so one effect supports the other. It is

important to deliver quality services to any customer and be ready to react on his/her support questions. Any problems should be solved as soon as possible – a sleeping problem does not give good evidence about the company reliability. The support staff must be trained to deal with daily problems that the customer encounters. In cases of a more difficult problem that can't be solved immediately, the customer must be ensured the problem will be solved in a short time and the company does its best to find a solution on the problem.

Attractive website is another plus for the company. Surprisingly there are companies that use less attractive graphics (see section Analysis of competitors) on their website and this way they give the company a look of less experienced “player”. Sure the website is not the miracle solution to all problems, a beautiful layout can't ensure new trade agreements. However, a good website can attract potential customers and “help” them to decide that we are the right company for them. One side note I have to make, simple website does not mean necessary an unattractive website. Also a simple website (simple graphics, static images instead of complicated animations, no special effects when clicking on a link, etc.) can be good and beautiful. Even when simple layout is used on the website, it must be compact to give a good resulting look, all parts must contribute to what we call corporate design. There can't be any disturbing elements that look ugly or look like a beginner made them.

The rest of the strengths like comparable prices with other companies or equal scales of services contribute to good starting image of our company. Any additional services provided to the customer are a plus. This also applies for services that are provided indirectly – in particular, own developed software which is published for free can create/contribute to the good company image. Open source development is quite popular among more technical experienced computer users who appreciate the effort that is put into the development. Of course, it is needed to watch what software is released not to publish software that could later destroy the company (e.g. our own CRM solution could help other companies to bring comfort to customers of our rival so we can't release it to public). There are various forms how to minimize the possibilities of software imitation if we persuade the users the software developed originally by us is the right one.

5.3 Weak aspects

Tab. 2. SWOT analysis (weaknesses chart)

<i>ID</i>	<i>WEAKNESS (factor description)</i>	<i>Weight</i>
1	partial technical inexperience of some of the staff members	3
2	limited budget for start	5
3	limited methods of payment accepted from customers	4
4	limited hardware equipment	4
5	internal communication among staff limited to the Internet	2
6	part of services run without a high-end network backbone (no server housing)	3
7	unable to provide services during breakdowns of hosting provider	4
8	new company, possible non-confidence in quality of offered services	5
9	hardware equipment needs to be upgraded quite often	2
10	services are open to anyone (possible hacking attempts to compromise our systems)	1
11	dependent on hosting solutions by third companies	5
12	long-term contract must be signed to purchase hardware equipment for server	3

To know ones own weaknesses is probably the most important matter while taking a glance on the company as a whole. The weaknesses are the basis when trying to solve problems inside a company. Good analysis of weaknesses serves also as the basis for the causal analysis which enlightens the connections between problems and tells us what problems should be solved first and which of them can be solved later. I will explain the connections between problems that emerged from the SWOT analysis later.

The weight in this case represents the importance of the weakness and its affect on the company. The higher weight a weakness has, the bigger danger represents for the company. Definitely, our biggest problem (and the problem of most companies) is the budget. The amount of money we can afford to spend specifies how much money we can use for marketing. The company has to decide how much money it will “sacrifice” for marketing and other disciplines. Advantages of higher budget (especially when launching a company) are obvious – we can spend more money for normal operation and we have higher reserves for critical situations.

In our case the budget amount is connected with the providers we depend upon. Suppliers and low input costs are the basis for the creation of the final price of the product. The sales

department is always trying to find the cheapest ways to supply its own company. Our case of a game service provider is specific in the matter of input costs and input services. We are dependent on a hosting provider that supplies us with required high-speed network and hardware equipment to run hosting products to our customers. It is very difficult to find a good hosting company that offers stable service without restrictive limits on its use and with low latency as well. Most of the suitable services are expensive and thus unusable for a for-profit strategy. There must be a reserve between the input and output to generate a revenue.

Another problem is that a part of services can't run on a server hosted in a data center with a high-speed network connection (because of some of the problems as stated above or to keep costs as low as possible) and the fact that a long-term contract must be signed in order to get a suitable and complete dedicated server hosting solution. That's why it's important to find the best option and to decide this stage well before we start.

The rest of the problems like hardware upgrades or communication limits can be solved partially in real time. Hardware upgrades should occur annually, once per year. Two years is the longest period that should be used before the server gets upgraded. Computers get old quite fast and new generation of games is published each year (which consume more computer resources as well). The fact that I live in Slovakia (or Czech Republic) and my partner in England limits the communication methods we can use to get in touch with each other. This is effectively limited to the Internet as it's the cheapest forum to contact each other very quickly. It is comparable to communication by phone that is more expensive in this case, however. Because we are an Internet company and most problems will be Internet-related then this way of communication is probably even more suitable.

5.4 Opportunities

Tab. 3. SWOT analysis (opportunities chart)

<i>ID</i>	<i>OPPORTUNITY (factor description)</i>	<i>Weight</i>
1	inexperience of small-sized competitors (possible overtake)	2
2	knowledge of competitors' services, their quality and standards (personal experiences with such services)	4
3	homogenic customer base (their wishes don't change rapidly) - one target group	3
4	possibility to sponsor and/or host own tournaments	5
5	possibility to offer services from similar areas of interest (e.g. complete webhosting solutions, server installation, consulting, etc.)	4

It is difficult to find good opportunities of new areas of business if we want to stay in similar area of interest. Sure we can expand also to other areas, but such action should be considered in later stages of company development. Even larger companies think twice in advance before the final decision is made to move to another area of interest. Of course, we can find successful cases where the change of business style and sight led to positive results, but there are also risks and cases which pulled a firm down.

The best opportunity that opens for us is the hosting of own tournaments or sponsoring an already established and known tournament. This is probably the best way to let potential customers know that a new company has launched. Active sponsorship of a tournament can have various effects resulting in increased interest about a company or pure wasting of free resources for a bad chosen opportunity. Not each event can boost the customer base, and the effects can be minimal. It depends on what strategy the company relies and mainly what tournament it has selected. It is important to learn about the tournament more and to learn about its community. If it has a large size then it is a good chance to make a hit on a new target group. Moreover, sponsorship has an advantage that it is run by someone else rather than us – meaning that we don't have to spend our own human resources to manage and promote the tournament. This is the job of someone else and we can focus on the sponsorship itself, to provide advertising messages together with the services that are the subject of such sponsorship.

Good knowledge of competitors and own potential customer base is quite huge advantage. A business should not be made on a casual basis, before we make a decision to launch a company, we should have a plan (possibly a good plan :). Each plan can have its bad and

good sides, but we should try to think over the matter longer time and from every possible perspective to gain a good overall look. If we know our competitors, we can try to duplicate their services, modify it for our own purposes and offer them to customers. It is important to add something of “value added”. If a company just follows its rivals, it can never succeed as the first on the market (because there wouldn't be any first to follow). That's why we should come with a strategy on how to improve the product or service. The question is – can we do that? I believe we can.

5.5 Threats

Tab. 4. SWOT analysis (threats chart)

<i>ID</i>	<i>THREAT (factor description)</i>	<i>Weight</i>
1	existence of well established companies	5
2	quite lot of competitors	4
3	not enough customers vs. long-term contract for hardware equipment	3
4	the hosting provider may change the agreement and/or hosting conditions	1
5	high possibility of entry of new competitors	1
6	no support for some new developed game (need to watch games market constantly)	3
7	new technology trends in software & hardware - our equipment may get old	2
8	privacy/personal sensitive data needs to be protected at all costs, leak of such data harms the reputation	4
9	currency exchange rates (e.g. EUR/GBP) may drop rapidly	2
10	new laws about privacy data protection (fail to implement them may result in a fine, etc.)	1

Threats are exactly what they are – threats for the company. They represent the “evil” of the outside environment that the company may encounter. It's a risky factor that can affect the company in a big or small scale. The weight in this case represents the probability and its effect of the threat that may happen (or already exists).

The greatest threat for us is the existence of already established companies. It's the crucial factor when launching a new company. The amount of already established rivals says the probability level of our own success. Usually and almost always there is some form of a competition in modern economy but the critical factor is the way the services are provided to the customer. If we can find a new way to deliver the product to the customer or if we

can do the same thing on a higher level, only then can we say we have the chance to succeed. That's exactly where this thesis comes in, to provide details on better solutions for the customer that should bring us a few steps forward, ahead of the competition. If there are well-established companies then the penetration on the market will be harder. The number of competitors is not important as long we have a good advantage over them (but we should watch them anyway, some of them may adapt to new conditions and outperform us again).

The risk of an existence of a long-term contract with a provider (supplier) doesn't need to be analysed further in detail. Obvious disadvantage to change the provider is really big and the danger of changing of hosting conditions can effectively destroy us.

It is important to watch the games market in general to be prepared for the launches of new games and new entertainment forms. This way the company can keep the status of an innovative company and market leader (while not completely true if customers don't show interest about a product). It is a good chance to be first on the place and one of the ways to gain an advantage.

Security and personal data protection is a favorite discussion issue of many system administrators and organizations. It is important to protect the data submitted by a customer, especially privacy data and personal details about the customer. A lot of this data is very sensitive and the loss may result in serious damage of the company name. The problem of computer piracy becomes more discussed also in the official spheres. Many governments have accepted laws to support computer privacy and to create good conditions to support users' privacy, guaranteed by the law. It is important to use sophisticated security techniques and technologies to minimalism the possibility of a system compromise. The company must be ready to implement recommendations and law regulated security locks.

5.6 Final summary

To help make conclusions of major factors stated above, I'll put S-O and W-T factors together. This way we can analyze if the factors have "double effect", if one factor multiplies other factors or they have no relation. This helps to understand which of the aspects are connected together and which are separate. This also gives us hints how to solve possible problem and into problem management.

Tab. 5. Cross-relations between SWOT factors (strengths vs. opportunities)

<i>Opportunity / Strength</i>	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>
<i>1</i>	1				1
<i>2</i>	1	1			
<i>3</i>		1			
<i>4</i>	1	1	1	1	1
<i>5</i>	1				
<i>6</i>	1				1
<i>7</i>	1				
<i>8</i>	1				
<i>9</i>					1
<i>10</i>		1			1
<i>11</i>					
<i>12</i>				1	1
<i>13</i>			1		

Tab. 6. Cross-relations between SWOT factors (weaknesses vs. threats)

<i>Threat / Weakness</i>	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>	<i>9</i>	<i>10</i>
<i>1</i>	1	1				1	1	1		1
<i>2</i>	1	1	1	1	1				1	
<i>3</i>	1	1			1					
<i>4</i>	1					1	1			
<i>5</i>								1		
<i>6</i>										
<i>7</i>	1	1								
<i>8</i>	1	1						1		
<i>9</i>							1			
<i>10</i>								1		1
<i>11</i>			1	1						
<i>12</i>			1	1						

As stated before, on the basis of the cross-comparison of strengths versus opportunities and weaknesses versus threats we can watch if the effects double or there are no relation

between them. In both tables, the interaction between two factors is represented by the number 1. This helps us to decide the importance of each factor and at the same time it's a good way to get an overview of strengths and weaknesses of a company as a whole.

5.6.1 Conclusions (strengths vs. opportunities)

1. **Known customer base (1) vs. inexperience of small companies (1)** – the fact our customer base is well known can be an advantage over small companies that don't follow any strategy. The customers of such rivals can be drafted to our company, there's a possibility to change their loyalty if we hit their demands that have not yet been fulfilled by the competition or if we show them how our customers are happy with our services (provided on a higher quality level).
2. **Known customer base (1) vs. possibility to offer services from similar areas of interest (5)** – this is a straight chance to offer additional services to our customers. If we know our customers' demands very well, we know what they need. That creates a guideline to what additional services they might be interested in. Lot of gamers, for example, read news sites aimed at multiplayer gaming or visit discussion forums to chat about their favorite game and talk about other games in general. We can also offer other services like email services if we know that our customers use this kind of service. This way we can bind them more to our brand name.
3. **Good knowledge of customers' wishes and their desires (2) vs. inexperience of small-sized competitors (1)** – this aspect is similar to paragraph 1. If we know the desires of the entire target group not just current customer base, it opens the possibility to win more customers. The only question is just the way we do it. However, good marketing management should have an answer on this question.
4. **Good knowledge of customers' wishes and their desires (2) vs. knowledge of competitors' services (2)** – again, this relation is similar to the paragraphs above – in particular this paragraph says we know the entire market very well. The overall roundup about customers and the competition is the basic aspect of a success. We have an excellent idea about the market's needs so it's only on us how fast we are able to satisfy them. And our real knowledge of online games market and games service providers is really excellent, our only problem is to find the right solution to

establish on the market and to be able to compete with larger companies.

5. **Cheaper or comparable prices (3) vs. knowledge of competitors' services (2)** – if we can offer the same services for the same price as our competition then we have a good basis to compete with them. Of course, comparable services and prices mean we should not be satisfied with this status. We should have some kind of advantage or additional value that comes with our services. But we are able to compete with our rivals and that's a good start.
6. **Knowledge of strategic planning (4) vs. inexperience of small-sized competitors (1)** – see paragraph 10
7. **Knowledge of strategic planning (4) vs. knowledge of competitors' services (2)** – see paragraph 10
8. **Knowledge of strategic planning (4) vs. homogenic customer base (3)** – see paragraph 10
9. **Knowledge of strategic planning (4) vs. possibility to sponsor and/or host own tournaments (4)** – see paragraph 10
10. **Knowledge of strategic planning (4) vs. possibility to offer services from similar areas of interest (5)** - strategic planning is the issue of this thesis. So perhaps it is a question if this factor should be included in the SWOT analysis because the marketing strategy is the output based on SWOT and other analysis. However, I just wanted to point out that some companies do their business on a casual basis, they don't have a general plan, they just know what they want to do (the details how to do it are folded in a mist, though). That's why we should have an advantage. Sure not every company is doing business “as it happens”. There are a lot of companies which have even better marketing strategies than us. We have to accept this fact, no matter if we like it or not. On the other side, the advantage over companies that don't have any strategy is obvious, that's why this aspect affects all opportunities. And strategic planning should later help us to have an advantage also over well established companies.
11. **Unique website design (5) vs. inexperience of small-sized competitors (1)** – good web presentation is half way to winning a new customer. Because some companies forget about the advantage of the Internet (even if most of their business

matters are accomplished through the Internet), a poor design will make potential customers move to the next company on their search list. An attractive website can help to induce an interest about our company. I believe our website fulfills all of this criteria.

12. Existence of CRM (6) vs. inexperience of small-sized competitors (1) – CRM is a good source of information about our customers and their habits. It is the true instrument of keeping in touch with our clients and the primary sources of their wishes. A well designed CRM system should not provide only details about customers (personal data, shopping details, etc.) but it should also serve as a support system for the customers. Some kind of a support system is a must, anyway, and implementation of a support system as a part of CRM is the best solution. That's exactly what we are trying to do with our own CRM system.

13. Existence of CRM (6) vs. possibility to offer services from similar areas of interest (5) – as described in previous paragraph, the CRM can also be the answer for what next steps can be taken, in what direction the company should move if the firm is considering penetration on new markets. It is not too difficult to implement data mining mechanisms into a CRM system so our customers supply us with various information about them. After enough data is collected, we can perform an analysis on what additional services we can provide to our current and other potential customers. In this case it's needed to consider estimated costs to perform such breakout and expected effects from this change. In our case, the decision about extensive development of our services is not our priority as we are launching new a business, our priority is successful establishment and intensive improvement of all provided services.

14. Live support (7) vs. inexperience of small-sized competitors (1) – see paragraph 15.

15. Various forms of support to meet customers' wishes (8) vs. inexperience of small-sized competitors (1) - fast response to a problem is a plus for the company image showing that it can take care of its customers. Again I have to say, the support system and troubleshooting must be effective so the customers don't start to look for another company. Good support is one of the most important things for a customer when choosing a game service provider. Small companies often lack good

support system, for other companies it's a standard. We are aware of this aspect and that's why we offer various ways of support.

16. Open software development (9) vs. inexperience of small-sized competitors (1)

– a company image can be built also through its own developed software. Priceless non-proprietary software has higher probability of success than if it was completely closed source software and distributed for money. Open source software can gain the attention of some users and the support of online gaming communities if such software is useful for the community. That's why we are developing phpGo and ClanLab software packages (which will be described later). This is a very specific issue that is not the main marketing strategy and promotion instrument, but it can become a nice ingredient of marketing mix.

17. Scale of services comparable to large-sized companies (10) vs. knowledge of competitors' services (2)

– this comparison just strengthens our effort to become a competitive company. Because we are able to provide similar amounts of services on almost the same quality level as the top market leaders, this effort is viable and we'll try to implement these ideas into life - to be competitive not only on a paper, but also in real life.

18. Scale of services comparable to large-sized companies (10) vs. possibility to offer services from similar areas of interest (5)

– this aspect completes the conclusion made in paragraph 17. If we are able to offer basic services of the same scale then we should also be able to offer additional services on a comparable level. Again, we have the knowledge of how to achieve this goal, the question is only the particular implementation (which will show if we were successful not only on the paper).

19. Fast internal communication among staff (11)

– even if this factor does not affect other factors I have to mention this aspect. The truth is that it affects most other factors indirectly. Fast communication among the management is important so that information can flow smoothly back and forth to keep all parts of the company informed.

20. Company name based on known clan name (12) vs. possibility to sponsor and/or host own tournaments (4)

– see paragraph 21.

21. **Company name based on known clan name (12) vs. possibility to offer services from similar areas of interest (5)** – even if our company is new, it's name is not completely fresh. The sound of our future company has a good consciousness in the online gaming community. This is a good advantage in comparison with other companies which start from scratch, too. The combination gives us slight better starting position, although, still it will be difficult to establish on the market. However, if we start to provide different services under our header (the idea of own or sponsored tournament is very attractive), we can rely on the fact that we are not really unknown and have a small customer base that knows us.
22. **Staff is experienced in customer support services (13) vs. homogenic customer base (3)** – because my partner and I have personal experiences with GSP and their support systems, we believe we can create great support services for our customers. Our customers and their wishes are clearly defined, the target group is united, and this fact increases the chance to establish a well organised support system right at the beginning - without increased costs, time and effort put into the infrastructure to build such system.

5.6.2 Conclusions (weaknesses vs. threats)

1. **Partial technical inexperience of some of the staff members (1) vs. existence of well established companies (1)** – see paragraph 6.
2. **Partial technical inexperience of some of the staff members (1) vs. quite lot of competitors (2)** – see paragraph 6.
3. **Partial technical inexperience of some of the staff members (6) vs. no support for some new developed game** – see paragraph 6.
4. **Partial technical inexperience of some of the staff members (7) vs. new technology trends in software & hardware** – see paragraph 6.
5. **Partial technical inexperience of some of the staff members (1) vs. privacy/personal sensitive data needs to be protected at all costs (8)** – see paragraph 6.
6. **Partial technical inexperience of some of the staff members (1) vs. new laws about privacy data protection (10)** – technical computer inexperience (I mean

expert server administration skills) is a disadvantage for any Internet-based company as the system administration must be performed by a limited number of people. This does not mean that all the technical stuff is left to one person, but in-deep administration tasks and emergency situations will have to be solved by the experts (in our case by me). That's exactly where our rivals have an advantage over us, they have enough qualified personnel to do such tasks. This problem is also connected with the support of new games and technology trends in hardware, these issues will have to be watched by the skilled staff as well. Last but not least, the security issues will have to be solved by system administrators only, again. It is needed to respond fast to any security incident that may happen. It is important that all personnel are at least partially familiar with server administration and that's why we'll have to educate intensively on in system administration, security, performance optimization and other computer areas so all personnel are able to solve at least basic security tasks or understand the problems about security issues and law regulation for personal data protection.

7. **Limited budget for start (2) vs. existence of well established companies (1)** – see paragraph 13.
8. **Limited budget for start (2) vs. quite lot of competitors (2)** - see paragraph 13.
9. **Limited budget for start (2) vs. not enough customers (3)** - see paragraph 13.
10. **Limited budget for start (2) vs. the hosting provider may change the agreement and/or hosting conditions (4)** - see paragraph 13.
11. **Limited budget for start (2) vs. high possibility of entry of new competitors (5)** - see paragraph 13.
12. **Limited budget for start (2) vs. currency exchange rates may drop rapidly** – the disadvantage of a smaller budget against the budget of large companies, number of competitors and the high possibility of entry of a new competitor doesn't need to be set much into detail. Low budget for company operation means low-cost solutions for marketing, hardware equipment, personnel and other matters. The budget limit for advertising is crucial in the initial stage of product/company establishment. If the budget is limited (well, the budget is always limited - it is not infinite, after all) then the decisions taken, about the company operation and strategies which will be used, must be considered more precisely and more in depth.

13. **Limited methods of payment acceptance by customers (3) vs. existence of well established companies (1)** – see paragraph 15.
14. **Limited methods of payment acceptance by customers (3) vs. quite lot of competitors (2)** – see paragraph 15.
15. **Limited methods of payment acceptance by customers (3) vs. high possibility of entry of new competitors (5)** - the limited ways we can accept payments by customers can result in loss of potential customers which may look for other companies that offer easier methods of payment options. The importance of this problem is one of our highest priorities to solve.
16. **Limited hardware equipment (4) vs. existence of well established companies (1)** – limited equipment affects the number of services we can provide. If we are unable to provide some services, then there are other competitors who can do it instead of us.
17. **Limited hardware equipment (4) vs. no support for some new developed game (6)** – see paragraph 18.
18. **Limited hardware equipment (4) vs. new technology trends in software & hardware (7)** – new generation of improved computer chips is invented more or less each half year. This means that computers get old quite quickly, after two years the computer is in a need of an upgrade or needs to be replaced. New games constantly flood the market and they are more and more demanding of resources. The hardware must be upgraded regularly to keep up with technology trends.
19. **Internal communication among staff limited to Internet (5) vs. privacy/personal sensitive data needs to be protected at all costs (8)** – in case of a system compromise the staff has to react quickly. It is needed to contact each other as soon as possible right after the compromise has been detected. Internet may be not the best option in this case (we can't be online 24 hours a day). Phone appears as a better choice.
20. **Unable to provide services during breakdowns of hosting provider (7) vs. existence of well established companies (1)** – see paragraph 21.
21. **Unable to provide services during breakdowns of hosting provider (7) vs. quite lot of competitors (2)** – if the network of our service provider goes down, we won't

be able to do anything with it. That's why it is a good idea to spread our own services on more computers between more providers. In this case we'll be less dependent on just one provider. This is a general strategy used when a company is trying to minimalism the dependency on its suppliers. We have to follow this strategy and split our services to minimalism the possibility of a service breakdown.

22. **New company, possible non-confidence in quality of offered services (8) vs. existence of well established companies (1)** – see paragraph 24.
23. **New company, possible non-confidence in quality of offered services (8) vs. quite lot of competitors (2)** – see paragraph 24.
24. **New company, possible non-confidence in quality of offered services (8) vs. privacy/personal sensitive data needs to be protected at all costs (8)** – most people tend not to trust to new things and they don't prefer any changes (still there are few “experimentators”) and that's why already established companies have advantage (first come first serve). That's why a new company has to focus on its image so the public learns about a new brand.
25. **Hardware equipment needs to be upgraded quite often (9) vs. new technology trends in software & hardware (7)** – this is just a confirmation of some facts stated above. The technology in area of computers makes big steps every year and the hardware gets old quite fast. A game services provider needs to create a reserve to cover these expenditures for hardware upgrades.
26. **Services are open to anyone (possible hacking attempts) (10) vs. privacy/personal sensitive data needs to be protected (8)** – see paragraph 27.
27. **Services are open to anyone (possible hacking attempts) (10) vs. new laws about privacy data protection (10)** – the need of protection of personal data is obvious, there are laws which enforce these rules and the question of privacy always was and is a sensitive issue. That's why every Internet-based company needs to take this matter seriously.
28. **Dependant on hosting solutions by third companies (11) vs. not enough customers (3)** – see paragraph 31.
29. **Dependant on hosting solutions by third companies (11) vs. the hosting provider may change the agreement (3)** – see paragraph 31.

30. Long-term contract (12) vs. not enough customers (3) – see paragraph 31.

31. Long-term contract (12) vs. the hosting provider may change the agreement

(3) – the dependence on a third company (any dependence in general) is not good. Because a long-term contract must be signed so we can start to use hosting provider's service, it's a disadvantage if the market situation changes (a cheaper offer by another company, unexpected changes in customer base). There are lot of things that may affect the business of a company and any kind of long-term contracts which limit the company in some way is a bondage, it's a freedom limit as for decisions about the future of the company (in particular this means we can't cancel the agreement and disband the company because we are obliged to pay for services no matter if we really use them or not. There are lot of other similar problems, but this one is a good example to cover all of them as for the problem with long-term contracts.

5.7 Causal analysis

Tab. 7. Causal analysis (weaknesses relations)

<i>Weak.</i>	1	2	3	4	5	6	7	8	9	10	11	12	Σ	<i>Order of causes</i>
1								1	0,5	1	1		3,5	1
2	1			0,5				0,5	0,5				2,5	3-4
3				1				1	1				3	2
4		0,5				1	1						2,5	3-4
5							1			1			2	5-6
6							1						1	8-11
7												1	1	8-11
8		0,5				1							1,5	7
9	0,5	0,5		1									2	5-6
10													0	12
11							1						1	8-11
12											1		1	8-11
Σ	1,5	1,5	0	2,5	0	2	4	2,5	2	2	2	1	x	
<i>Order of conseq.</i>	8-9	8-9	11-12	2-3	11-12	4-7	1	2-3	4-7	4-7	4-7	10		

The causal analysis describes the relations between problems. If we want to analyse the connections between problems and how they affect each other then causal analysis gives us the answers to all these questions.

The problems in our case are represented by weak aspects of a new games service provider - our future company. Both rows and columns show all weak aspects we found and how we think they affect our company. When performing the causal analysis we ask a question as follows:

Is problem Y the cause of problem X?

Or:

Does problem X influence problem Y?

If there is a connection between problems, we write number 1. Value 0,5 means that the problems affect each other mutually – there is a connection in both directions. For example, in first row first two values are 1 (row 1, column 8) and 0,5 (row 1, column 9). That means that weakness no. 1 (taken from tab. 2 which is “partial technical inexperience of some of the staff members”) affects weakness no. 8 which is “new company, possible non-confidence in quality of offered services”. The connection is that technical experience of staff has influence on the confidence in a company (low experience means less confidence in a company by customers). That's why we wrote 1.

Value 0,5 in first row, column 9 means that technical inexperience of staff influences the weak aspect “hardware equipment needs to be upgraded quite often” (aspect no. 9) and respectively. Inexperienced staff can't perform upgrades well and the upgrade can't be done if the staff is inexperienced in the area of computers. Because the problems affect each other, we wrote value 0,5.

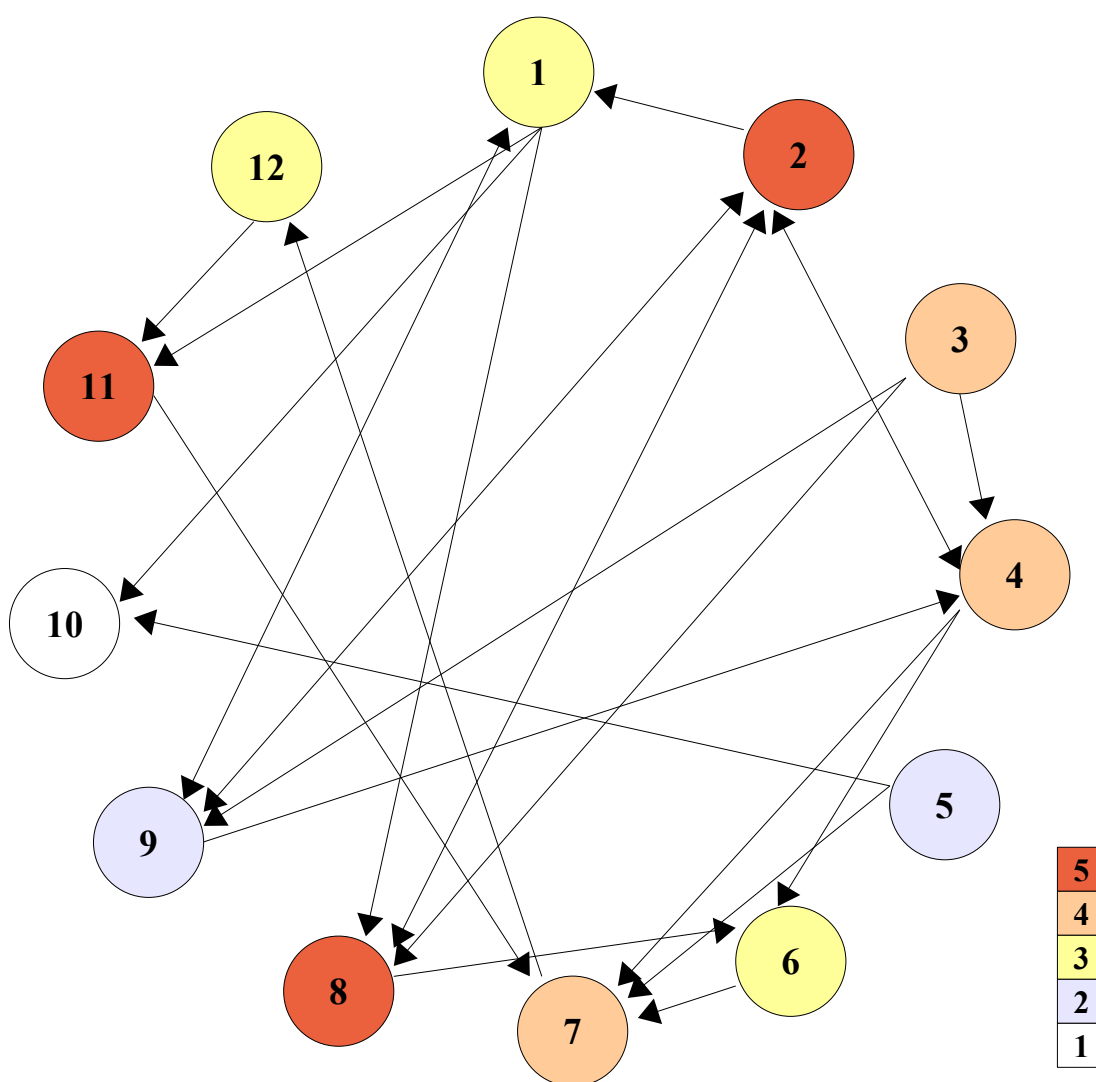
We followed this procedure as for all aspects until we filled the table completely. After that we counted the total value for each row and column. Total values represent the order of a causes or consequences. This way we can see which consequence we can expect at most and which weak aspect should be minimalised to reduce the effect of that problem.

As we can see the two major causes of problems are “partial technical inexperience of some of the staff members” and “limited methods of payment acceptance by customers”. These two are both problems and weak aspects. They should be solved first and at the same time. These problems, luckily, can be fixed quite easily with education programs and

securing access to more payment options.

The most expected consequence of mentioned problems is “unable to provide services during breakdowns of hosting provider” (aspect no. 7). Unfortunately, we can't really solve this problem, we can just split our services between more hosting providers which provide us technical background to perform our business.

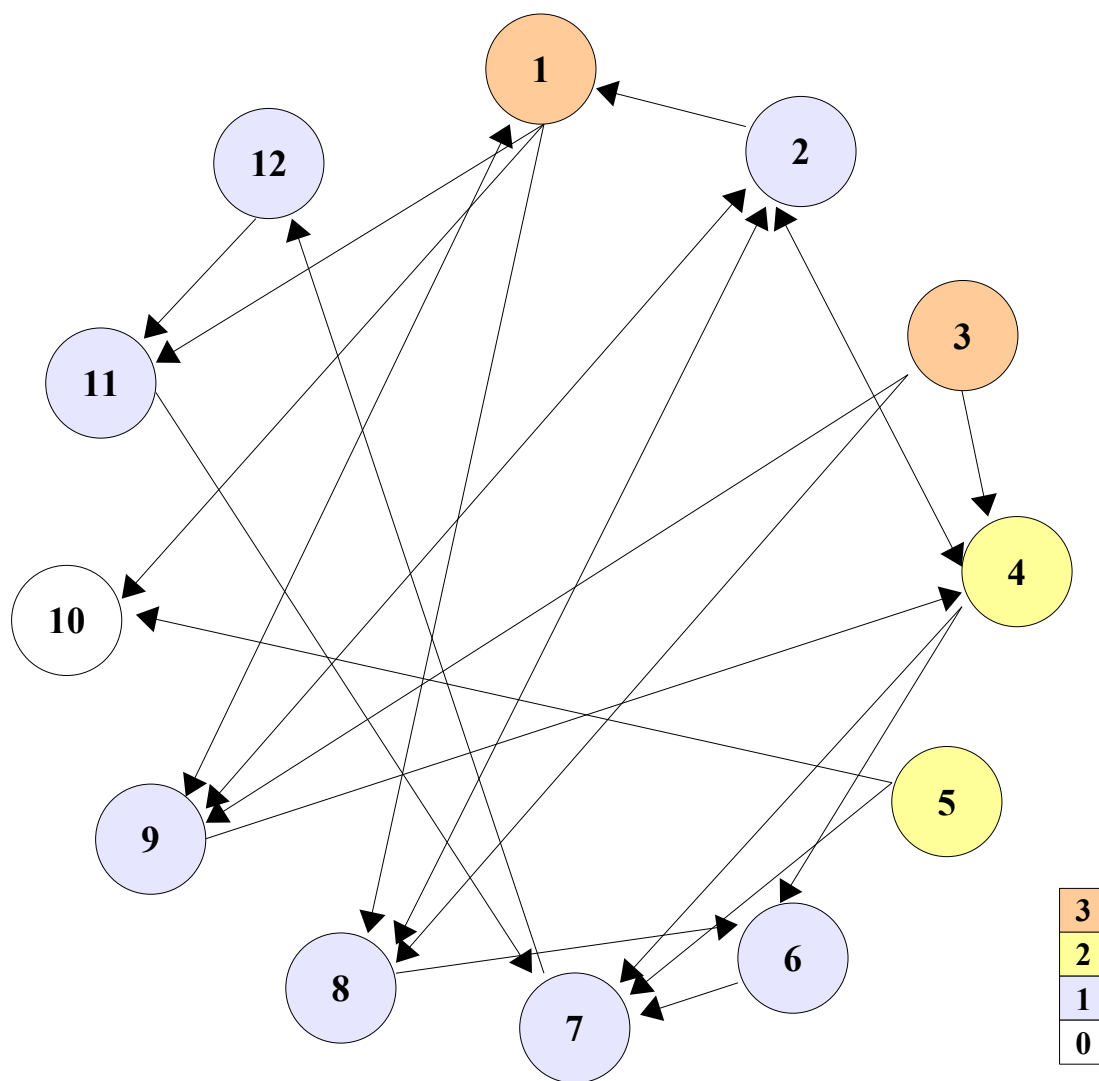
For better survey of connections we can draw a simple diagram as shown on the picture below.



Img. 5. Causal analysis in graphical form

This represents all problems and the connection between them. The color shows the importance of a particular problem (5 is highest importance, 1 means lowest importance). The graph above provides us with a nice graphical form to identify the problems' relations with a view of their importance.

If we want to see how many times a problem influences other problems then we alter the graph as we can see below.



Img. 6. Causal analysis - problems order

Now the colors represent the count of influences to other problems. This way we can easily see the major “troublemakers” - problems which have the most influence on other problems and the company itself.

Both pictures are just a graphical representation of the causal analysis in table 7. They provide a better look at the questions of connections between problems (or weak aspects) of a company. The management should consider the results of this analysis and focus its effort to solve problems that are ordered as first.

6 ANALYSIS OF COMPETITORS

When analyzing already established companies and our rivals we should keep in mind that we can't analyze them really in detail, but we can try to as good as possible. This just means that we can't see all the background plans of a competitor but we can try to predict his behavior when we observe all our rivals constantly. We should always follow the steps of our competitors so we don't miss any important point, any change that could lead to our fall and/or to great advantage of the competitors. We must be ready to react flexibly on any event we may encounter. This same process applies for crisis communication that teaches us to prepare several "battle plans" in case of any inconveniences.

For the purpose of this analysis of competitors I will use descriptive type of analysis with a sight to competitor's size, estimated market share and scale of services. To divide known major competitors, I will use evaluation system as follows.

The management has assigned rating points to various criteria that is important for us to know. These details can't be found in any research report available and it's difficult to collect data about these companies. However, my partner and I have personal experiences with these companies and we know them quite well. That's why we are able to consider their performance in some areas we are interested in and to compare them. The rating system uses a value from 1 (low) to 5 (high) for each criterion as described below.

List of criteria of interest used in competitors' analysis:

- 1. Impression** – this is an objective (as much as possible) overall feeling about the website. It is the general judgment about the website graphics, layout, information provided – it's a complex impression that the website left after visiting and browsing the website for a while.
- 2. Company size** (estimated company size) – this criterion describes a company's general size, it means how many services the company is running at the moment and its estimated customer base. This evaluation can be performed based on the data provided by the competitor himself – each game service provider publishes details about their services that are running (e.g. IP addresses of all game servers running) and sometimes also basic details about their clients (clan names and their website links). This way we can compare how many services each competitor is are running and decide which of them is big and which small. This aspect also defines

the estimated overall market share of a particular competitor among other companies. This criterion is subjective as it's difficult to guess or obtain real numbers. Detailed marketing reports in this area just don't exist or if they do, then they would cost thousands of dollars. Obviously such a report is unavailable for us and we have to rely on our own judgment. However, we can come from general company size, amount of customers and personal experiences.

3. **Scale of services** – this aspect defines the scale of services offered by a company. We tried to judge also the quality of offered products based either on personal experiences with these companies or based on opinions of users of their services. Scale of services includes a variety of game servers provided, voice communication software, IRC services – these are the main services provided by the game service provider..
4. **Additional products** – this is the evaluation of quality of bonus services provided to the customer. As a bonus service we understand webhosting, newsletter, forums, blogs and other services. An additional product is any service that is not the subject of main business of the company. It's a support service to enhance the company image and to attract visitors to the website (by creating discussion communities, tournaments, etc.).
5. **Overall rating** – rating is just an average value of all previous criteria, it's the overall evaluation of the competitor. This number represents how much threat this company represents for us (any company is a threat, right). This value is symbolic as it represents subjective judgment of the managing staff.

Detailed report about all competitors can't be performed. We can't catch all game service providers, our only reliable sources of data are personal experiences, known users and Internet - especially various search engines (e.g. Yahoo or Google). However, I'll try to describe all major game service providers which are important to know about and which are important to observe.

I focused on international companies which operate in the entire European region as they are the most important competitors for us.

6.1 Major competitors

6.1.1 Multiplay.co.uk

Website address:	http://www.multiplay.co.uk
Impression:	3
Company size:	4
Scale of services:	5
Additional products:	5
Overall rating	4,25

Multiplay is one of the United Kingdom's leading companies in game hosting and has years of experience in this area. This company has been established originally around a multi-gaming clan (a clan which is active in playing of more games). With time Multiplay expanded a lot and became one of the most popular game service providers and is well known in organizing of LAN parties (an event where hundreds of people meet on one place, bring their own computers, connect to a common local network and play together; a LAN party is usually a competition).

6.1.2 Jolt.co.uk

Website address:	http://www.jolt.co.uk
Impression:	5
Company size:	5
Scale of services:	5
Additional products:	5
Overall rating	5

Jolt is one of the „industry standards“ companies, meaning that after 5 years of existence this company became the top among games service providers. More than 1000 servers running means a very big customer base. Jolt posses it's own high-speed network infrastructure and offers complex solutions which cover all areas of game hosting, newsletter and forum services, webhosting and Internet connection services. Their servers are located in Europe and across the USA. Jolt can be considered as the top of the top.

6.1.3 Utservers.nl

Website address:	http://www.utservers.nl
Impression:	3
Company size:	3
Scale of services:	3
Additional products:	1
Overall rating	2,5

Utservers is a small Dutch company ran by game fans. Utservers is a good example of how to start and establish on the market. Their customer base is not big (not more than 30 clans) but they are known for their good servers performance and speed. It is a good example of young, dynamic company.

6.1.4 Clan-servers.nl

Website address:	http://www.clan-servers.nl
Impression:	3
Company size:	2
Scale of services:	2
Additional products:	1
Overall rating	2

Clan-servers.nl is very similar to Utservers – it is run by fans and community members devoted to online gaming who possess business spirit. It is smaller than Utservers and it is in fact a starting company. It is not a real threat, rather it documents it is possible to start business in the area of gaming services.

6.1.5 Gameservers.net

Website address:	http://www.gameservers.net
Impression:	5
Company size:	5
Scale of services:	5
Additional products:	4
Overall rating	4,75

Gameservers is a large network with hundreds of game servers running. It provides broad range of game servers and other gaming related products. At the same time it gives clans the possibility to manage their clan through a web interface hosted on Gameservers' website (they provide calendar, scheduler and member management). The company is also hosting a special section for each of the hosted games, including news and forums, and delivers various articles about a particular game. Their customer base goes into the thousands.

6.1.6 Clanservers.com

Website address:	http://www.clanservers.com
Impression:	5
Company size:	5
Scale of services:	5
Additional products:	3
Overall rating	4,5

Another large gaming network which has bases across Europe and the USA and counts thousands of clients. It is another market leader and a big player among game service providers. They focus on base services and don't provide many additional services, however, their customer base is still large.

6.1.7 Inx-Gaming.co.uk

Website address:	http://www.inx-gaming.co.uk
Impression:	4
Company size:	4
Scale of services:	3
Additional products:	3
Overall rating	3,75

United Kingdom based medium-sized company serving around 300-400 clients is one of the oldest game server providers. Inx-Gaming started as a company with a single dedicated server and expanded to today's size. Their focus is just games servers and they don't offer many additional services

6.1.8 FPS.net

Website address:	http://www.fps.net
Impression:	3
Company size:	3*
Scale of services:	2
Additional products:	2
Overall rating	2,5

* unable to find any data about clients

FPS.net has been founded 2 years ago as a collective of online gamers and IT professionals (according to their website). FPS.net, unfortunately, does not talk much about the company itself or their goals, nor anything about its clients (most companies publish at least IP addresses of their servers). They haven't done any impression on us as potential customers.

6.1.9 4u-servers.co.uk

Website address:	http://www.4u-servers.co.uk
Impression:	4
Company size:	5
Scale of services:	5
Additional products:	3
Overall rating	4,25

4u-servers.co.uk exists on the market for about 6 years. It grew to today's large-sized company counting over 100 running servers and more than 5000 registered members. It offers quality and complex services – everything that a real gamer needs. 4u-servers is a really tough player on the market and belongs to the well established companies.

6.1.10 Phurix-gaming.co.uk

Website address:	http://www.phurix-gaming.co.uk
Impression:	4
Company size:	3*
Scale of services:	4
Additional products:	3
Overall rating	3,5

* unable to find any data about clients

Phurix is a hosting company that offers a variety of complex hosting services such as game servers, voice servers, but also dedicated servers, shoutcast servers, shells, e-mail, etc. Their servers are located in the United Kingdom and in the USA. Phurix is an example of a company with complex hosting solutions. However, they lack some of the additional services which are handy for a gamer (forums, gaming news, etc.).

6.2 Overview

Tab. 8. - Competitors' ratings

<i>Pos.</i>	<i>Company</i>	<i>Rating</i>
1	Jolt.co.uk	5,00
2	Gameservers.net	4,75
3	Clanservers.com	4,50
4	Multiplay.co.uk	4,25
	4u-servers.co.uk	4,25
6	Inx-Gaming.co.uk	3,75
7	Phurix-gaming.co.uk	3,50
8	FPS.net	2,50
	Utservers.nl	2,50
10	Clan-servers.nl	2,00

As we can see, our main “enemy” is Jolt, probably the largest GSP, followed by Gameservers.net and Clanservers.com. However, we should keep in mind that the ratings serve only as reference points. In no way does the rating represent a company's power or its market share. On the other side, it gives us a good overview of the major competitors on the market and a closer look of the market situation. We should watch these companies and watch them carefully as they can be the source of useful information for a new company.

Julius Caesar said, when he was about to cross the river Rubicon with his army on route towards Rome, “the dices are thrown”. I provided all important details about the market itself, it's time to define a complex strategy which should ensure success on the market.

III. PROJECT PART

7 FOUNDING A NEW COMPANY

I won't go through the process how to found a new company. I will just briefly describe several basic steps that need to take place before we start with our own business. Full report is not the goal of this thesis so I will rather focus on marketing strategy.

Our future company, called Kombat Hosting, will be registered in United Kingdom with official headquarters in Birmingham. However, there won't be any physical office where we will operate – it is not needed. The entire business will perform exclusively on the Internet and all services will be offered via the Internet, as well. Kombat Hosting will be registered as an individual business unit to Darren Roberts, my English partner and investor at the same time, who will care about all steps required to register Kombat Hosting. The reasons why we chose England as our headquarters are introduced below in the marketing plan of our future company.

The next step will be the order of a dedicated server, purchase of all required licenses (for Ventrilo and TeamSpeak servers), software installation and configuration of all services we will provide. All services need to be configured in advance so they are fully prepared for the customers. However, we intend to hold a trial period to test the services and see how they are running and if they are configured properly. In this time we will also adjust the final prices of our products.

Meanwhile, we will order also an Internet domain for our website and put there a basic information about us.

The last step is the opening to the public and accepting of customers.

8 MARKETING PLAN

A good marketing strategy is an essential aspect of success. Because we want to achieve this goal, it is important to work up a good marketing plan which will deal with the marketing and communication strategies that support this effort.

8.1 Description of activities

Our company will become a game service provider. We will operate in the area of online games and online gaming.

Our primary activity is the operation of dedicated servers, game servers (including all popular PC games such Counter Strike, Unreal Tournament series, Quake, Battlefield, Half Life, America's Army and others – generally, any game we can run on our servers and the client is interested in), voice communication servers (TeamSpeak and Ventrilo servers), IRC bouncers (psyBNC and shroudBNC) and their rental on a for-profit basis.

Secondary activities include webdesign and webhosting services, forum hosting, IRC services (IRC robots such Eggdrop or EnergyMech, etc.), providing of gaming related news, articles and reviews.

Additional services consist of direct and indirect sponsorship of the gaming community such providing of free resources (game servers, bouncers, forums, etc.) to various tournaments and leagues, community websites and developers of online gaming related open source software.

8.2 Company name

Kombat Hosting is a name based on the clan name Kombat Ressurrected (or just Kombat clan; <http://kombat-ressurrected.co.uk>). Kombat Ressurrected is a known clan among the Unreal Tournament PC game community. It has a good reputation as a fair and skilled clan. It does not belong to the best clans in this game, but it is considered as a high-/medium skilled clan. Kombat Ressurrected has been formed around 3 years ago and developed through various stages of rise and fall into a large clan.

The name Kombat comes from the word combat (to fight, war, engagement). Kombat is a jargon, slang word which express toughness, power, sharpness. It is a word play when the

letter C in a word is replaced with K to stress the meaning of such word.

To mention other meanings of this word, Kombat is also a town in Namibia¹ and Mortal Kombat is an action movie directed by Paul W.S. Anderson in 1995.²

8.3 The management

Name: Marian MIČEK

Address: Kvašov 79, Horovce, 020 62, Slovak Republic

Position: co-founder, system administrator, marketing

Responsibilities:

- dedicated server administration,
- software installation and configuration,
- webmaster,
- marketing and strategic planning.

Name: Darren ROBERTS

Address: 52 Slingfield Road, Birmingham, Westmidlands, B31 3DU, Great Britain

Position: co-founder, financial investor, customer support

Responsibilities:

- services monitoring,
- customer support,
- prospecting new clients,
- intelligence services (news, articles).

The management of our company will consist only of two people who be the only employees at the same time. These human resources will be sufficient for longer time

1 <http://en.wikipedia.org/wiki/Kombat>

2 <http://www.imdb.com/title/tt0113855/>

unless the company expands and we will be in need of more system administrators.

The division of the responsibilities mentioned above is not strict, we both will perform all daily tasks mentioned on the list, but the work of each of us will focus on the areas as described above.

Additional support, if needed, will be provided by Mark Percy (living in Newcastle, United Kingdom). If Kombat Hosting will be about to expand, Mark becomes probably another financial investor of the company.

8.4 Company location

Kombat Hosting will have its official headquarters in Birmingham in Great Britain. Our company will be an individual business unit, registered in United Kingdom under the name Darren Roberts.

We chose Great Britain because it will ease payment transfers from customers and because of our initial customers will come from UK probably. This assures that the UK customers will have the possibility of live support by phone. The location in United Kingdom can be also an advantage because the country is famous in comparison with young Slovakia or Czech Republic, the company can get this way a bit better rating.

Physically, there will be no “stone” office. We will have just a virtual office on our website. Customers will use our CRM and control panel to contact us in case of any problem that may occur.

8.5 Market situation

The market gets slowly overfilled with less or more experienced companies that are trying to establish their own business. These companies offer services on various levels and of various quality. The train is “leaving the station” and if we don't jump on it now, it will be too late after a year or two. Only strong companies will survive that are able to satisfy all customers' wishes and provide larger rate of customization of services. New companies are being founded often, but only the strong ones will survive in the tough competition that will follow.

I stated before that there are around 200-250 million gamers in entire Europe – every gamer is also our potential customer. More detailed report has been provided earlier together with

the overview of major competitors. The market is still “friendly” to new companies. It is still not fully covered and there is still a space for new arrivals to fill free loopholes.

The situation changes over time and it is going to change within few years as it is getting slowly to be full.

8.6 Target group

Potential target group represents around 200-250 million gamers. There are two segments in this group, each of them representing around 50% of all gamers – the segment of PC games and the segment of console games. Our target is the segment of PC games because we are not able to fulfill the demands of the other segment.

Potential target segment has estimated customers of about 100-125 million clients. It is homogenic as for customers' needs, desires and wishes and it consists of all age groups, genders or social backgrounds. The typical customer, however, is represented by a student around the age of 18-25 years (see section 4.6 for more detailed report).

There are no other specific criteria for this target group, the age, gender or income does not matter in this case. Their demands are the same.

8.7 Our mission

When talking about our goals, I will use the words which will be used also on our homepage:

Kombat Hosting is a young company which delivers complex solutions to the online gaming community and especially to multiplayer clans. Our goal is to provide cheap, reliable and quality services for the multiplayer clans (but also individuals) and to support the community in general.

We believe we can fulfill all of our customers' wishes on a top level because our staff consist of people who belong to the online gaming community and who know its needs and requirements.

8.7.1 Mission statement

Our company motto is “everything for the clan”. It means we will try to provide complex solutions designed for a clan. Of course, we intend to provide our services also to individuals, but such individuals will be members of a clan so we will focus on a group of individuals represented by a clan.

Our company and website should become home of the clans and our clients, they should find there, not only hosting services they need, but also our solution to help them to manage and run their own clans with ease (for example by providing web administration tools, calendar, clanwars scheduler, etc.)

8.7.2 The vision

To establish a new private owned company and to success on the market within two years.

This goal is clearly defined and does not need to be commented further. We want to success and expand. Period.

8.7.3 Our goals

List of goals we want to achieve:

- to establish a new company, officially registered in United Kingdom,
- to control at least 2 dedicated servers and to sign a long-term contract about game server rental with at least 12 clients within first year of business,
- to obtain at least 30 clients who have all signed a long-term game server rental agreement within the first 2 years of business,
- be able to offer dedicated servers within one year (via reseller programs),
- to offer clan administration tools for our customers (e.g. web interface for clan administration including calendar, member management, clanwars scheduler, etc.).

8.8 Corporate design

It is important to give our services a “face” so the customers can associate our company and the services to something less abstract. As a part of corporate identity, we chose karate and red color as the theme of our website (see appendix VIII for a website preview).

Company logo follows similar guides as shown below. We tried to create a simple and creative logo at the same time that would be easily to remember. The logo and website have been designed by myself.



Img. 7. Kombat Hosting logo

We have tested the attractiveness of Kombat Hosting's future website with the help of a semantic differential. Below is a scheme of our imagination of results of the semantic differential.

	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	
poor design				•		beautiful design
common/normal graphics					•	unique graphics
aggressive colors					•	eyes-friendly colors
unreadable text				•		readable text
confusing navigation					•	easy to navigate
confusing website				•		informative website
not enough informations provided			•			too many informations provided

The scheme below represents the real results of semantic differential.

	1	2	3	4	5	
poor design			●	●		beautiful design
common/normal graphics				●	●	unique graphics
aggressive colors					●	eyes-friendly colors
unreadable text				●	●	readable text
confusing navigation				●	●	easy to navigate
confusing website				●		informative website
not enough informations provided	●		●			too many informations provided

52 people, connected to Quakenet IRC network, have been randomly chosen during 3 days and invited to look on the website and judge the attractiveness of the website. More or less we were successful in creation of an attractive website. The only thing we miss is the sufficiency of information provided. This has been caused by the fact that the website has been not done completely and it lacked some of the details about services.

8.9 Technical equipment

Dedicated server that we require, in order to provide services to our clients, will be ordered at 1and1.co.uk, a hosting provider, for the price of £ 49 (£ 57,58 including VAT). The contract must be signed for 2 years in order to purchase this equipment.

The hardware specification of the server is as follows (<http://order.1and1.co.uk/xml/order/ServerRoot>):

- Intel Celeron 2.4 Ghz processor,
- 1,024 MB DDR RAM memory,
- 80 GB hard drive disk space,
- Linux Fedora Core operating system,
- free FTP backup space (40 GB),
- unmetered 100 Mbit data transfer.

Alternative hosting providers and prices:

http://www.fasthosts.co.uk/dedicatedservers/ds-200_linux	£ 49,00
http://firstdedicated.co.uk	£ 39,95
http://www.tidyhosts.com/dedicatedlinux.asp	£ 59,99

The detailed server specification can be checked at the links provided. We tried to chose the best option as the comparison between server performance and its price.

8.9.1 Estimated bandwidth usage

Bandwidth is the amount of traffic that can go from and to the server. It is important to watch the amount of bandwidth used so we can serve to all our customers. Estimated bandwidth usage is introduced below.

Tab. 9. Estimated bandwidth usage

<i>Description</i>	<i>Bandwidth used in kB/s¹</i>
1 game server slot	8
1 voice server slot	8
Subtotal for 12 game and voice slots	16
Subtotal for 8 game and voice servers with 12 slots each	1536
1 IRC bouncer slot	3
Subtotal for 50 bouncer slots	150
1 IRC robot	3
Subtotal for 20 IRC robots*	60
WWW traffic for single visitor	100
FTP ² traffic for single user	100
Subtotal for WWW and FTP	200
Subtotal for 20 simultaneous users*	4000
Total bandwidth used	5749
Total bandwidth available	10000
Estimated bandwidth reserve	4251

* estimated average of service use

These numbers are just for demonstration that the bandwidth usage should not be a problem.

¹ kB/s – kilobytes per second

² Internet connection protocol used to transfer files between two computers

8.10 List of services

Tab. 10. List of services we can provide

<i>Description</i>	<i>Recommended price (£) per month</i>	
	<i>minimum</i>	<i>maximum</i>
12 slots game server (basic price)	15,00	20,00
+1 extra game server slot	1,00	3,00
Server debranding (no company title required in the server name)	5,00	15,00
1 Eggdrop IRC bot	1,00	2,00
1 IRC bouncer slot	1,00	2,00
Webhosting (base price for 500 MB, PHP support, MySQL and free 3 rd level subdomain)	2,00	5,00
Webdesign	individually (around 5,00 in general)	
12 slots voice comm. server (base price)	1,00	2,00
+1 extra voice comm. slot	0,20	1,00

Above is the list of services Kombat Hosting will provide, together with recommended minimum and maximum prices. The prices can be set to their minimum values and adjusted according to needs. Prices of game servers and voice communication servers need to be adjusted after the trial period. They will be increased or decreased according to the computer resources usage of particular software, however, it is important to keep the price ranges as mentioned above.

The most important products will be 3 different service packages to fit customer's needs:

1. Samurai

- basic package for small clans or individuals,
- 12 slots game server of client's choice,
- TeamSpeak server of same slots as gamer server,
- FTP access,
- base price: £ 15.

2. Shaolin

- standard package aimed on clans with all important services,
- 12 slots game server of client's choice,
- TeamSpeak server of same slots as game server,
- FTP access,
- 2 IRC bouncer slots,
- shared Eggdrop IRC bot with ClanLab for 2 channels,
- 500 MB webspace including free 3rd level subdomain,
- package upgrades possible (eg. more server slots, etc.),
- base price: £ 20.

3. Ninja

- customizable individual package to fit client's needs,
- game server and size of client's choice,
- TeamSpeak server of same slots as game server,
- FTP access,
- dedicated Eggdrop bot with full access,
- up to 1000 MB webspace including 3rd level subdomain,
- fully customizable package,
- base price: individually.

The service names follow corporate design. Their exact constitution will be definitive after the trial period. These packages are designed for clans and represent our main effort to create profit.

8.11 Expenditures and revenues forecast

Tab. 11. Monthly expenditures and revenues forecast

<i>Expenditures</i>					<i>Price £</i>		
100 slots TeamSpeak server rental					10,00		
Dedicated server rental					60,00		
Domain hosting rental					0,30		
Total					70,30		
<i>Revenues</i>					<i>Price £</i>		
1 services package	15,00	18,00	19,00	20,00	21,00	22,00	25,00
<i>Number of clients</i>	<i>Revenues £ per month</i>						
1	-55,30	-52,30	-51,30	-50,30	-49,30	-48,30	-45,30
2	-40,30	-34,30	-32,30	-30,30	-28,30	-26,30	-20,30
3	-25,30	-16,30	-13,30	-10,30	-7,30	-4,30	4,70
4	-10,30	1,70	5,70	9,70	13,70	17,70	29,70
5	4,70	19,70	24,70	29,70	34,70	39,70	54,70
6	19,70	37,70	43,70	49,70	55,70	61,70	79,70
7	34,70	55,70	62,70	69,70	76,70	83,70	104,70
8	49,70	73,70	81,70	89,70	97,70	105,70	129,70

The forecast does not include revenues from IRC bouncers, bots or single voice communication rentals. This forecast just counts with Shaolin services package which will be the flag product of Kombat Hosting.

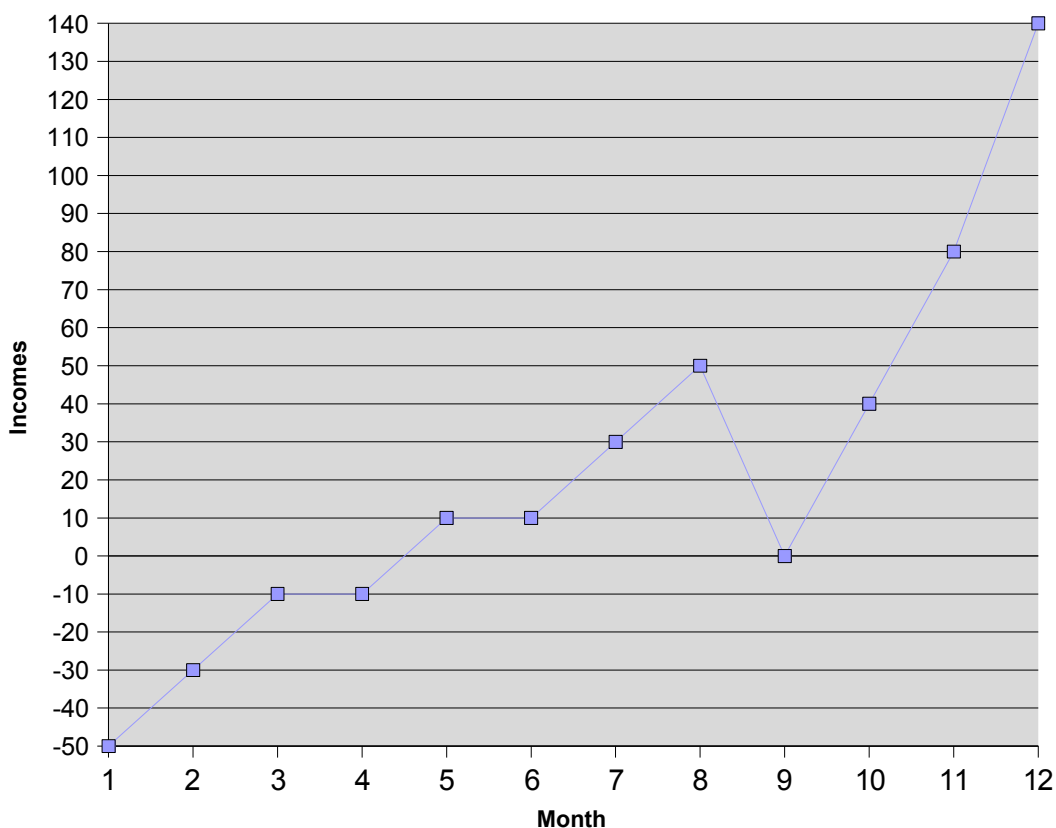
Blue bold numbers are the expected company output and the most probably real numbers. The prices should be set according to this forecast, however, the trial period will be important to adjust proper prices according to real server performance and computer resources usage.

Tab. 12. Estimated number of clients

Month	Number of clients	Costs	Price of Shaolin package (base cost)				
			15	18	20	22	25
1	1	70	-55	-52	-50	-48	-45
2	2	70	-40	-34	-30	-26	-20
3	3	70	-25	-16	-10	-4	5
4	3	70	-25	-16	-10	-4	5
5	4	70	-10	2	10	18	30
6	4	70	-10	2	10	18	30
7	5	70	5	20	30	40	55
8	6	70	20	38	50	62	80
9	7	140	-35	-14	0	14	35
10	9	140	-5	22	40	58	85
11	11	140	25	58	80	102	135
12	14	140	70	112	140	168	210

The calculation again does not include additional revenues besides the clan package. Month 9 is critical because another dedicated server must be purchased (we estimated that one dedicated server can handle around 8 clients, but this is dependent on the type of game servers running). That's why the costs rise to £ 140.

The incomes forecast at the average price of £ 20 per services package is shown on the image below.



Img. 8. Monthly incomes forecast at the price of 20 per package

8.12 Advertising

Because our budget is very limited, we don't intend to spend lot of money for promotion of our company, even if we wished so. In fact there is no budget reserved for marketing and we are aware this is a serious problem. It is important to let the market know about us but we will be relying mainly on customers' references and sponsorship and one of our highest priorities is to create enough funds to realize a small advertising campaign.

On the other hand, we have already support by visitors who learnt about our effort and our interested about our services – these potential customers are mostly friends of Kombat Resurrected clan and visit its IRC channel regularly. This way they caught information about Kombat Hosting.

Our advertising efforts will include:

1. Sponsorship of Electronic Tournaments community which can be found at <http://www.electronic tournaments.com>. Electronic Tournaments is an online gaming tournament. It continues in the tradition of former similar project The Frag Mag (<http://www.the fragmag.com>). We will try to place a banner on their website in exchange for free voice communication server and offer of several free IRC bouncers (particular sponsorship conditions will be agreed according to situation).
2. Placing an advertising banner on ClanBase portal (<http://www.clanbase.com>). ClanBase is a free extensive system for gamers to play action games over the internet, founded by gamers in 1998, and now registering over a million players. Measured by activity, ClanBase has become the largest online gaming community and competition website in the world. This web portal counts thousands of unique visitors a day and it is a great opportunity of promotion. This is the major advertising channel how to let the market know about us (and the most expensive at the same time). Some important values such CPT or total unique visitors a day must be requested when considering seriously the advertising via ClanBase.
3. Purchasing of a sponsored link on Google.com and other popular search engines (www.Yahoo.com, www.Altavista.com, www.Lycos.com and others) so Kombat Hosting gets better ratings when a visitor searches either directly for us or for a game service provider.
4. Active watching of WebHostingTalk forum threads (which can be found at <http://www.webhostingtalk.com>) WebHostingTalk is the largest web hosting discussion forum on the Internet. Launched in January of 2000 and acquired by iNET Interactive in September of 2003, the WebHostingTalk forums contain over 3.6 million posts and over 125,000 registered members, making it the authority in web hosting discussion. It is the most targeted web destination for web hosting resellers and enthusiasts. In addition, it provides community information and feedback for those who are seeking information on web hosting in general. There are also obvious banner advertising advantages on this website.
5. Newsletters – providing of company news to customers, updates, upgrades and service improvements.

8.13 CRM

We will use our own form of a simple CRM (customers' relationship management). It is a control panel where the customer can adjust ordered services according to his or her needs and an information system for us where we can store and gather valuable data about the customer. The main features of our CRM are:

- web interface (viewable with a standard Internet browser),
- contains personal data about the customer (full name, address, etc.)
- gives an overview of ordered services of every customer,
- a client can order new or change current services with “one click”,
- registers all payment transfers and transactions in the history and provides details about customer's account balance,
- clients can get in touch with the staff via the tickets support system (a client can submit a ticket, message to the staff with an issue) and watch its status as the problem gets solved – the staff assigns a status to each problem according to its phase of resolution (e.g. new, verified, assigned, in progress, fixed, etc.).

This is a simple form of a CRM but for our current needs it is suitable and provides complex overview about the customer.

8.14 Crisis communication

To be ready for possible crisis situations that may occur in the future, we have prepared followed two crisis scenarios:

1. One of our computer systems gets compromised.

This situation can happen and it is a very serious case. It is important to know that companies learn their customers that any damage of client's computer or loss of data is not the fault of the company. Usually GSPs put in their “terms of service” a clause that they have absolutely no responsibility in such situations for what happened. This is a standard practice and all customers have to agree to these terms of service when they sign up for a service. Such clauses can be found in Jolt's or Multiplay's terms of service and some other companies have similar formulations.

Nevertheless, it still a very unfavourable event. If it happens to us, we will assure our clients that no important data have compromised (in our case this can't really happen as our current CRM does not allow it) – the only privacy sensitive data is the full address which is no way a serious problem, but this knowledge can't be misused to fake bank transfers and steal money of the customers. We will assure our clients that it will never ever happen in the future because we upgrade immediately our security systems to the best available and we are sorry for the loss.

2. We suffer a several days downtime caused by technical problems.

We assure our clients that the downtime has been caused by technical problems we couldn't affect (otherwise it would be announced on time in advance, if such problem happened and we could influence it, we would at least inform our customers promptly). We will also credit our customers for the downtime period and increase their account balance accordingly. To ensure such problems won't happen in the future, we will check the situation with our network provider and take all necessary steps to avoid this in the future (which may include another network provider).

SUMMARY

In my thesis I tried to give a brief overview of the market situation about online games and the process of foundation of a new game service provider - I suggested a particular progress, the path of forming Kombat Hosting privately owned company and marketing strategies to achieve success on the market.

Our hypothesis has been confirmed. There is a special group of people, gamers, who have needs that can be fulfilled by a for-profit company. I have provided a solution to all questions which appeared at the beginning – what forms of marketing do exists on the Internet, who are the gamers and what is a game service provider. The target group and list of services we can provide and are provided by other companies have been described. And at last I described a way how to form own company and success on the market.

I know the realization of this project will be difficult and not easy. Each bussiness has its hazards and neither our launch will be simple. Because we have personal experiences in this area, we believe we can stand up and survive in the open and tough competition that will come soon. I'm quite optimistic that we can establish on the market and achieve the so desired success and see our little company to grow – I've learned valuable things during my studies on the university and applied them to a real problem which I have analyzed from all aspects I could. I think we are prepared for the battle and only the time shows if I was right or wrong.

LIST OF SHORTCUTS

MMORPG – Massively Multiplayer Online Role-Playing Game

MMORTS – Massively Multiplayer Online Real-Time Strategy

MMOFPS – Massively Multiplayer First Person Shooter

MUD – Multi-User Dungeon (sometimes also multi-user dimension)

LAN – Local Area Network

FPS – First-Person Shooter

IRC – Internet Relay Chat

IP – Internet Protocol

GSP – Game Service Provider

BSD - Berkeley Software Distribution

TCL – Tool Command Language

PHP – PHP: Hypertext Preprocessor (or Personal Home Page)

UK – United Kingdom

VAT – Value Added Tax

WWW – World Wide Web

FTP – File Transfer Protocol

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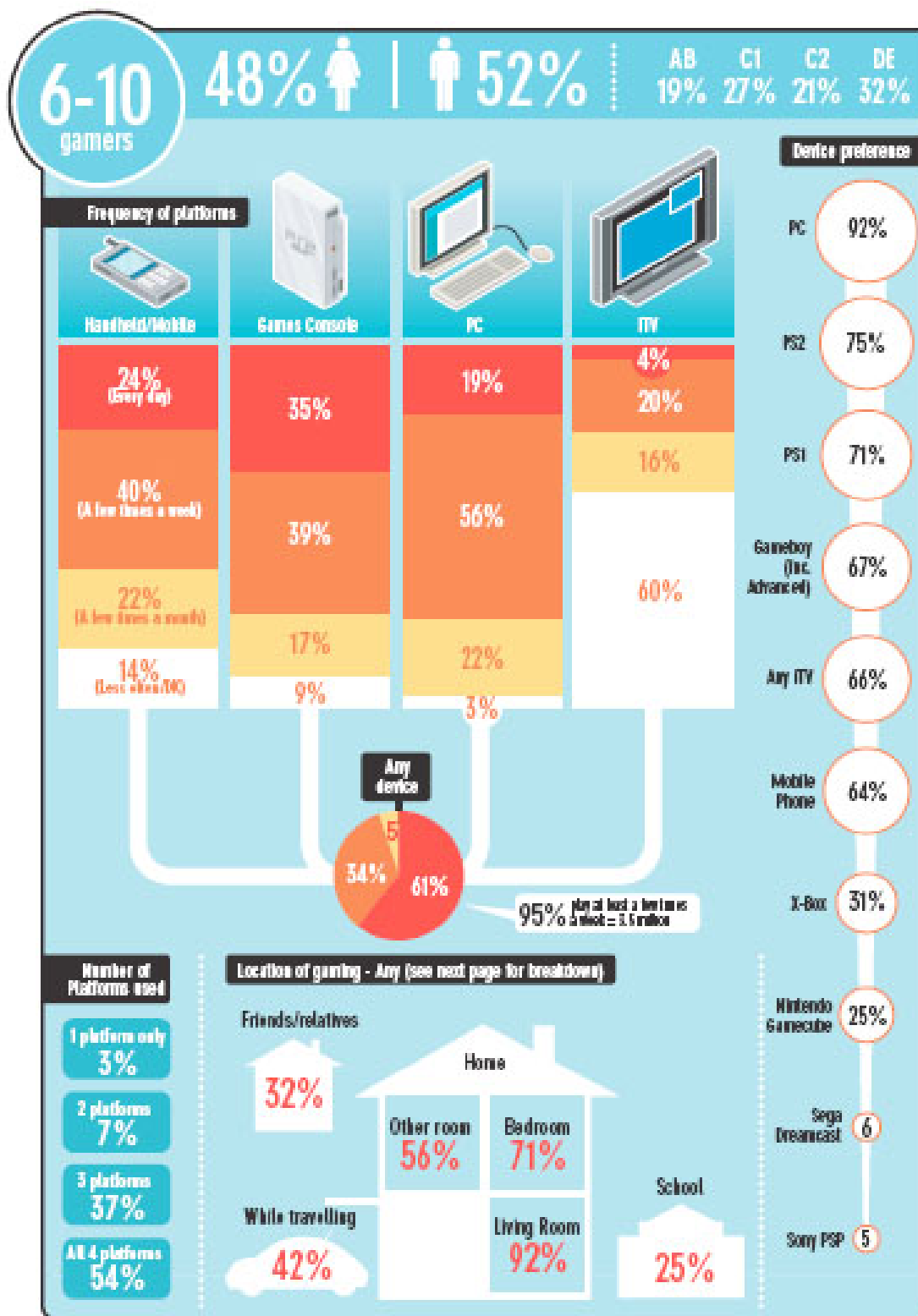
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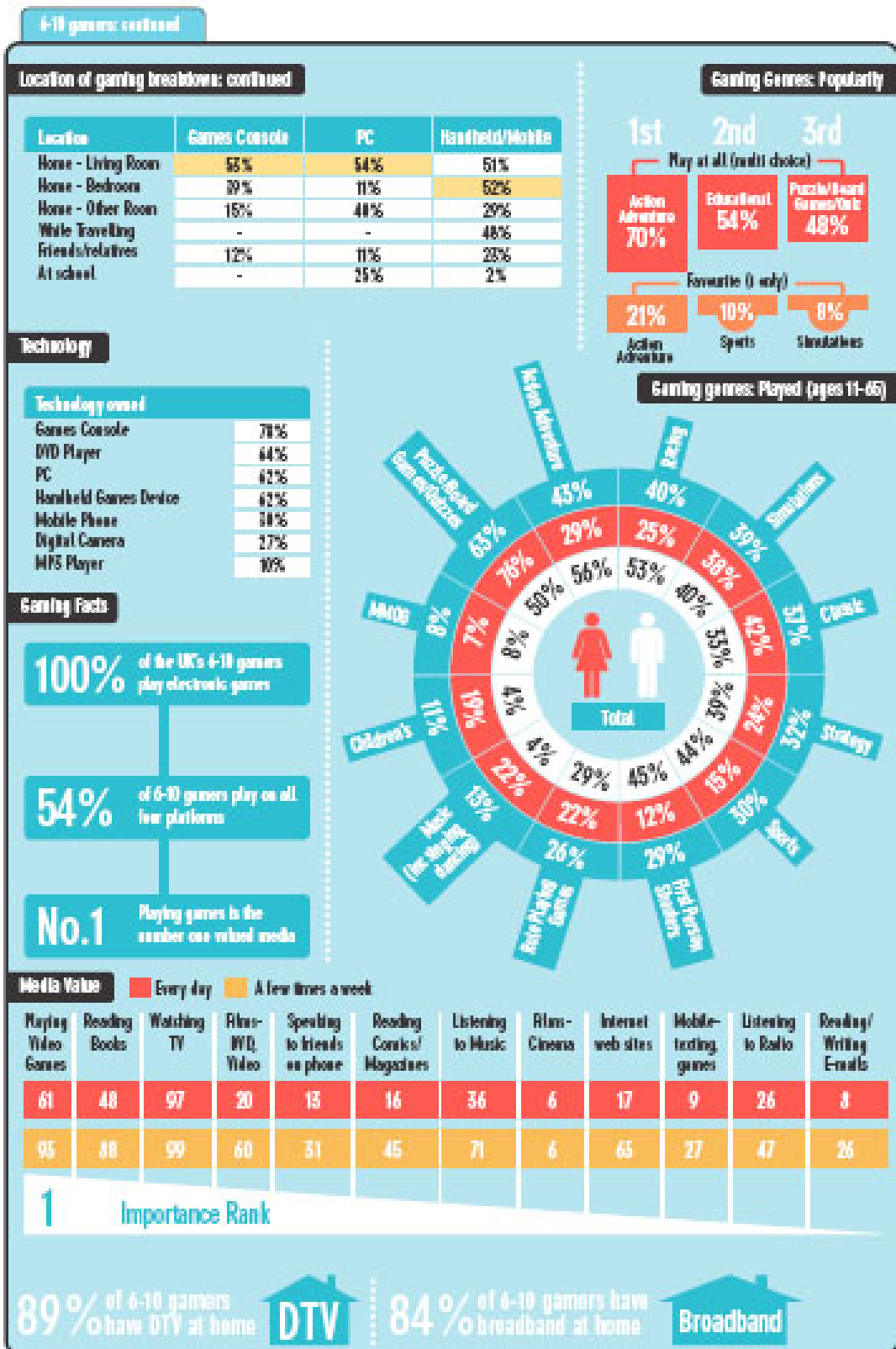
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- [18] *Europa: Panáráma Európskej únie* [online]. [quoted on 2006-05-05] Available at: http://europa.eu/abc/panorama/index_sk.htm
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- [20] *Project Massive: About* [online]. [quoted on 2006-15-04] Available at: <http://www.projectmassive.com/about.html>
- [21] *Game Research: What women want - (and it ain't Counter Strike)* [online]. [quoted on 2006-24-04] Available at: http://www.game-research.com/art_what_women_want.asp
- [22] *Gamasutra: Soapbox: ARGs and How to Appeal to Female Gamers* [online]. [quoted on 2006-24-04] Available at: http://www.gamasutra.com/features/20051129/phillips_01.shtml

LIST OF APPENDICES

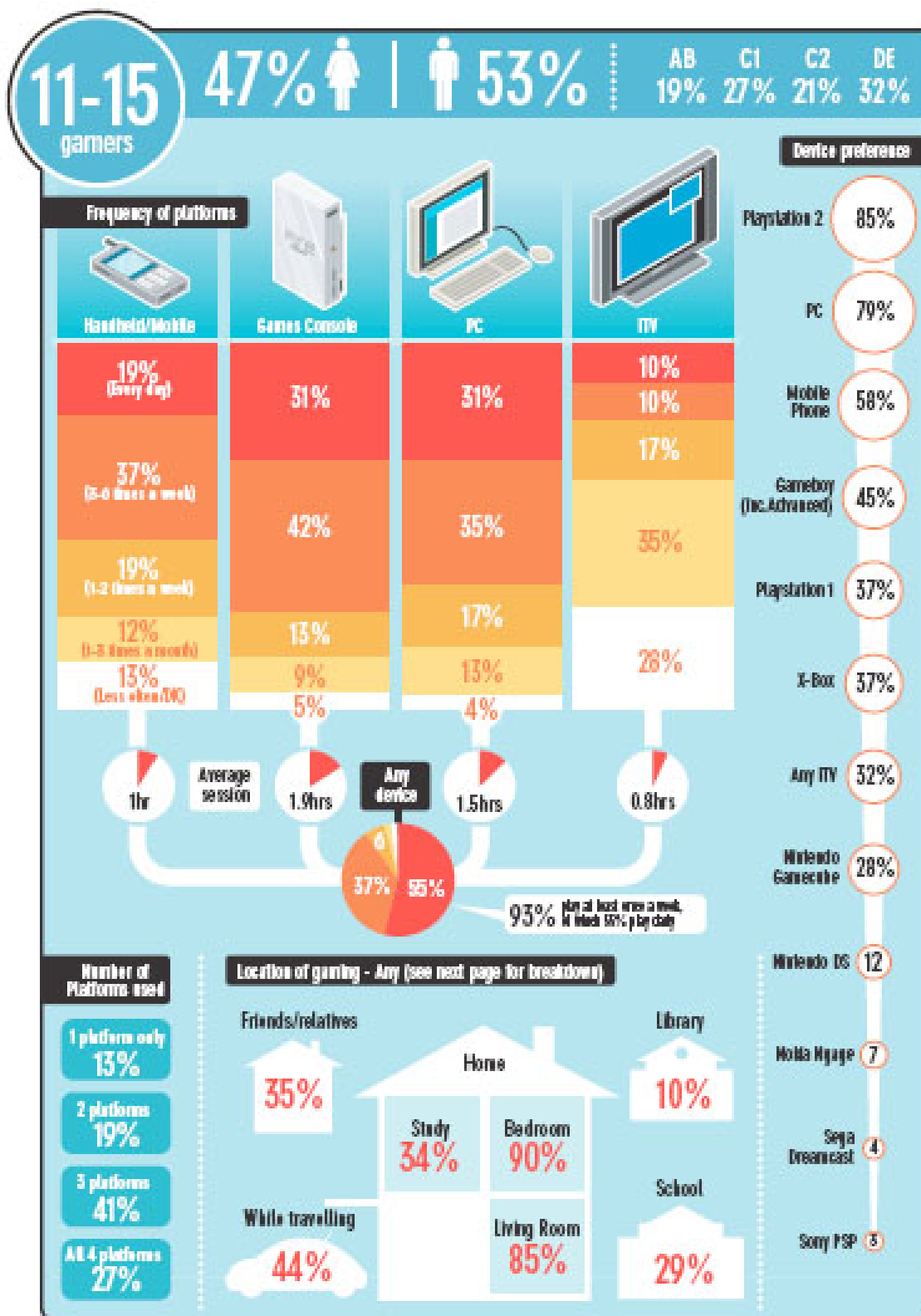
APPENDIX I	Gamers in the UK (6 to 10 years olds)
APPENDIX II	Gamers in the UK (11 to 15 years olds)
APPENDIX III	Gamers in the UK (16 to 24 years olds)
APPENDIX IV	Gamers in the UK (25 to 35 years olds)
APPENDIX V	Gamers in the UK (36 to 50 years olds)
APPENDIX VI	Gamers in the UK (51 to 65 years olds)
APPENDIX VII	Massive Project survey
APPENDIX VIII	Website preview

APPENDIX I: GAMERS IN THE UK (6 TO 10 YEARS OLDS)





APPENDIX II: GAMERS IN THE UK (11 TO 15 YEARS OLDS)

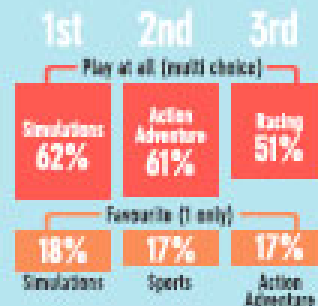


11-15 year olds: continued

Location of gaming breakdowns: continued

Location	Games Console	PC	Handheld/Mobile
Home - Bedroom	79%	20%	67%
Home - Living Room	37%	58%	48%
While Travelling	1%	2%	58%
Friends/relatives	24%	9%	32%
Home - Study	8%	39%	10%
At school	0%	33%	13%
Library	0%	9%	7%

Gaming Genres: Popularity



Technology

Technology owned

Games Console	90%
Mobile Phone	87%
DVD Player	80%
PC	75%
Handheld Games Device	69%
MPS Player	41%
Digital Camera	38%

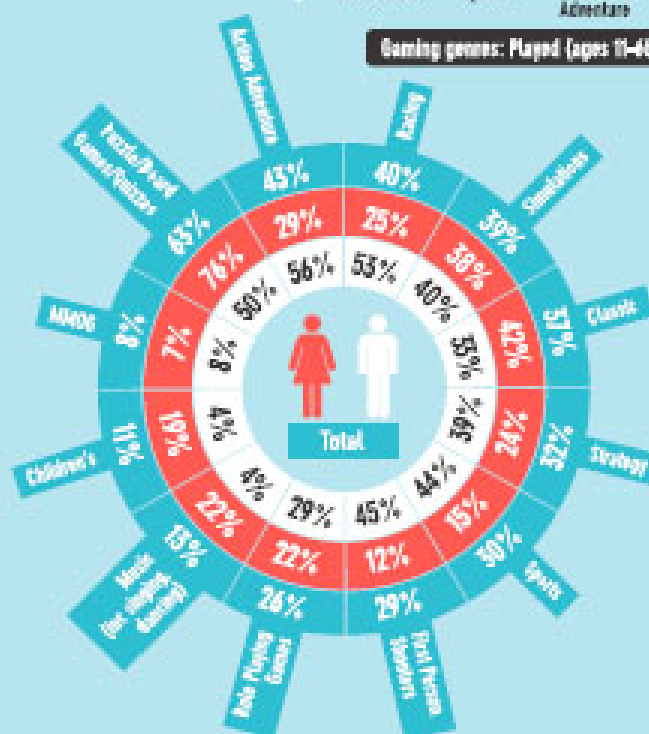
PC Functions

Instant Messaging	98%
Downloading Music	62%
Storing digital photos onto PC	40%
Watching DVDs	35%
Forums, chat rooms, etc	28%
Creating/updating own website	21%
Sharing digital music	12%

Mobile Phone Functions*

Sending Text Messages	98%
Playing games	80%
Downloading ringtones	64%
Playing music	58%
MMS	21%
receiving Text Info	20%
Visiting MAP sites	15%

Gaming genres: Played (ages 11-16)



Media Value

Every day 1+ a week Average session (hours)

Playing Video Games	Watching TV	Reading Books	Internet-Non email	Music-CDs MP3s	Speaking to friends on phone	Mobile-Non phone calls	Films-DVD, Video	Reading/Writing E-mails	Listening to Radio	Reading Newspapers	Reading Magazines	Films-Cinema
56	89	29	45	53	34	40	4	12	27	19	7	-
94	180	65	97	91	80	74	58	69	72	57	50	5
2.22	2.44	1.15	1.71	1.46	0.85	0.89	2.21	0.77	1.28	0.98	0.82	N/A

1 Importance Rank

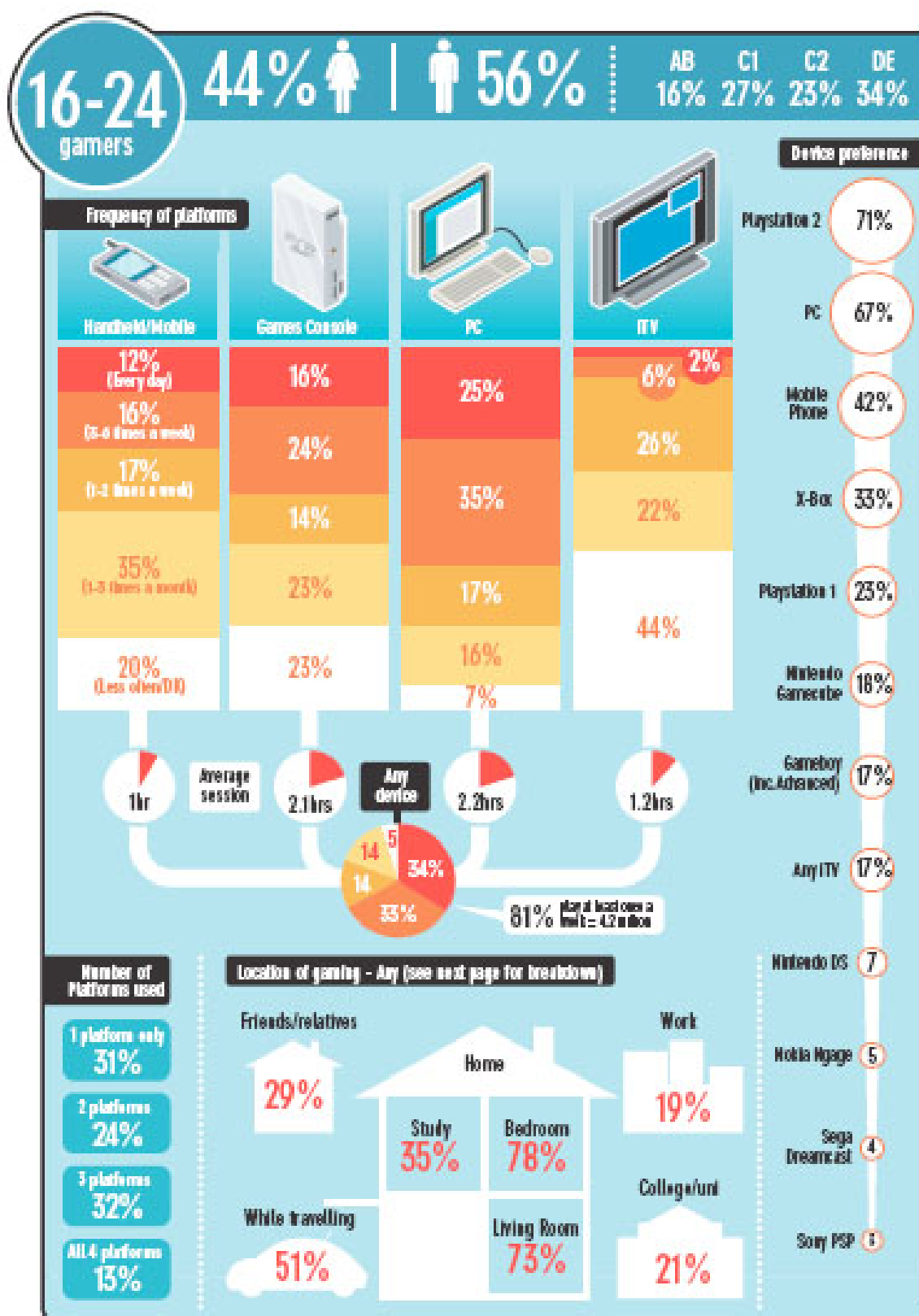
91% of 11-15 gamers have DTV at home



81% of 11-15 gamers have broadband at home



APPENDIX III: GAMERS IN THE UK (16 TO 24 YEARS OLDS)

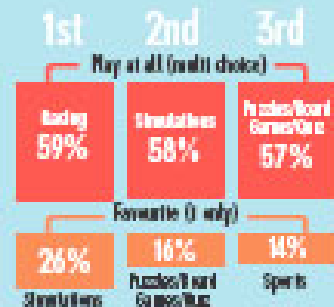


16-24 gamers: continued

Location of gaming breakdown: continued

Location	Games Console	PC	Handheld/Mobile
Home - Bedroom	57%	41%	63%
Home - Living Room	51%	32%	46%
While Travelling	4%	1%	59%
Home - Study	3%	22%	19%
Friends/relatives	24%	8%	11%
At College/university	2%	14%	14%
At work	-	10%	15%

Gaming Games: Popularity



Technology

Technology owned

Mobile Phone	91%
PC	91%
DVD Player	89%
Games Console	74%
Digital Camera	64%
HPS Player	34%
Handheld Games Device	38%

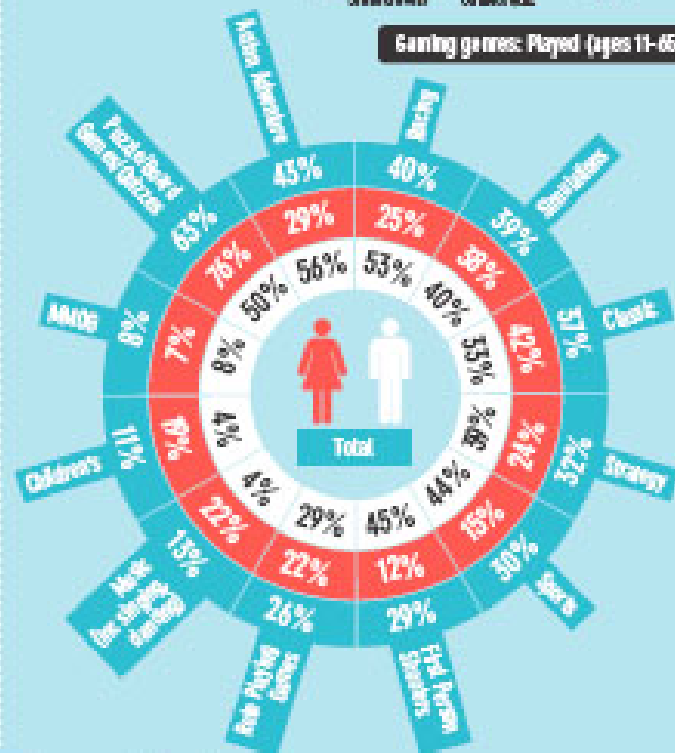
PC Functions

Instant Messaging	84%
Storing digital photos onto PC	73%
Downloading Music	71%
Watching DVDs	55%
Forums, chat rooms, etc	54%
Storing digital photos on net	48%
Downloading movies/TV	37%

Mobile Phone Functions

Sending Text Messages	99%
Playing Games	71%
MMS	41%
Visiting Web sites	41%
Downloading ringtones	38%
Receiving Text Info	38%
Playing Music	28%

Gaming games: Played (ages 11-65)



Media Value

Every day 1+ a Week Average sessions (hours)

Watching TV	Playing Video Games	Internet-Non email	Reading/Writing Emails	Music-CDs MP3s	Reading Books	Mobile-Web phone calls	Speaking to friends on phone	Reading Newspapers	Viewing Video	Listening to Radio	Film-Others	Reading Magazines
81	46	85	70	45	20	57	24	28	5	31	-	10
97	67	95	97	62	53	85	85	68	47	47	10	44
2.93	2.98	3.44	1.53	1.70	1.56	1.12	1.13	0.93	2.57	2.14	N/A	1.12

1 Importance Rank

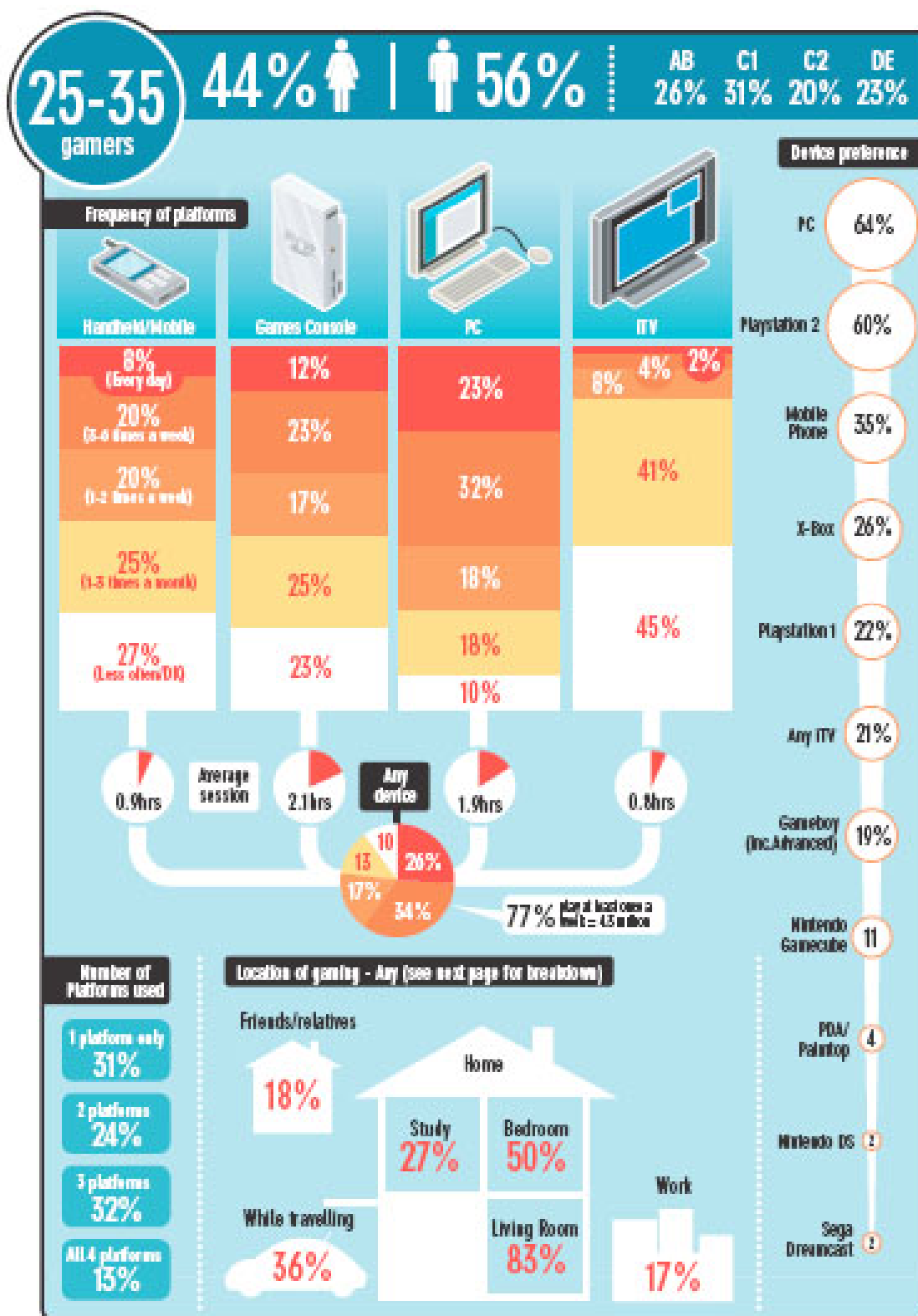
73% of 16-24 gamers have DTV at home



82% of 16-24 gamers have broadband at home



APPENDIX IV: GAMERS IN THE UK (25 TO 35 YEARS OLDS)

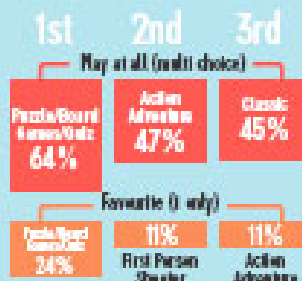


25-35 gamers: continued

Location of gaming breakdown: continued

Location	Games Console	PC	Handheld/Mobile
Home - Living Room	44%	53%	50%
Home - Bedroom	33%	34%	27%
While Travelling	1%	2%	50%
Home - Study	4%	35%	7%
Friends/relatives	10%	1%	15%
At work	-	8%	15%

Gaming Games: Popularity



Technology

Technology owned

Mobile Phone	97%
PC	96%
DVD Player	93%
Digital Camera	86%
Games Console	75%
Handheld Games Device	57%
MPS Player	36%

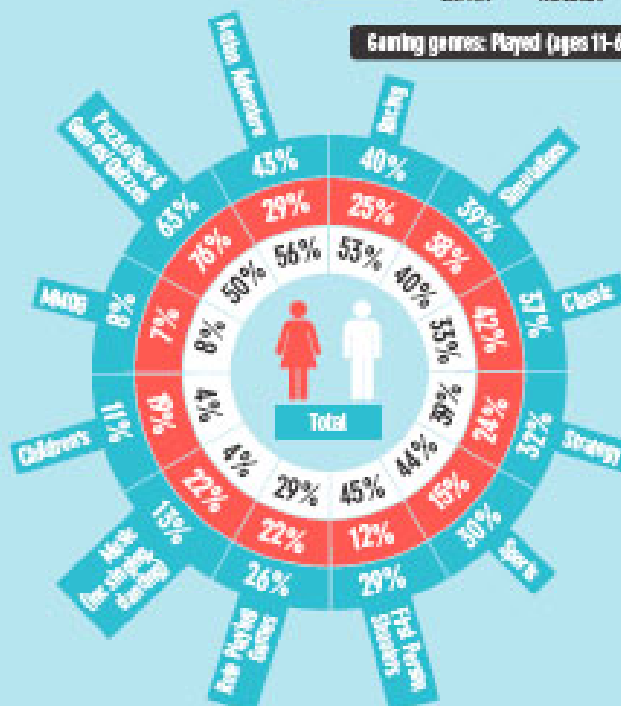
PC Functions

Storing digital photos onto PC	82%
Instant Messaging	71%
Forums, chat rooms, etc	53%
Downloading Music	52%
Watching DVDs	43%
Storing digital photos onto PC	32%
Creating/updating own website	23%

Mobile Phone Features

Sending Text Messages	91%
Playing Games	59%
MMS	38%
Visiting Map sites	25%
Downloading ringtones	24%
Receiving Text Info	24%
Playing Music	22%

Gaming genres: Played (ages 11-65)



Media Use

Every day (red), 1-2 a Week (orange), Average session (hours) (yellow)

Watching TV	Internet-Non email	Reading Books	Spending to friends on phone	Playing Video Games	Reading/Writing E-mails	Reading Newspapers	Music-CDs MP3s	Film-DVD, Video	Mobile-Non phone calls	Listening to Radio	Film-Cinema	Reading Magazines
84	87	35	42	32	75	27	36	3	47	52	-	9
97	99	57	91	80	96	75	86	58	81	88	5	50
1.07	2.52	1.54	0.81	2.59	1.15	0.74	1.84	2.35	1.71	2.14	NA	1.08

1 Importance Rank

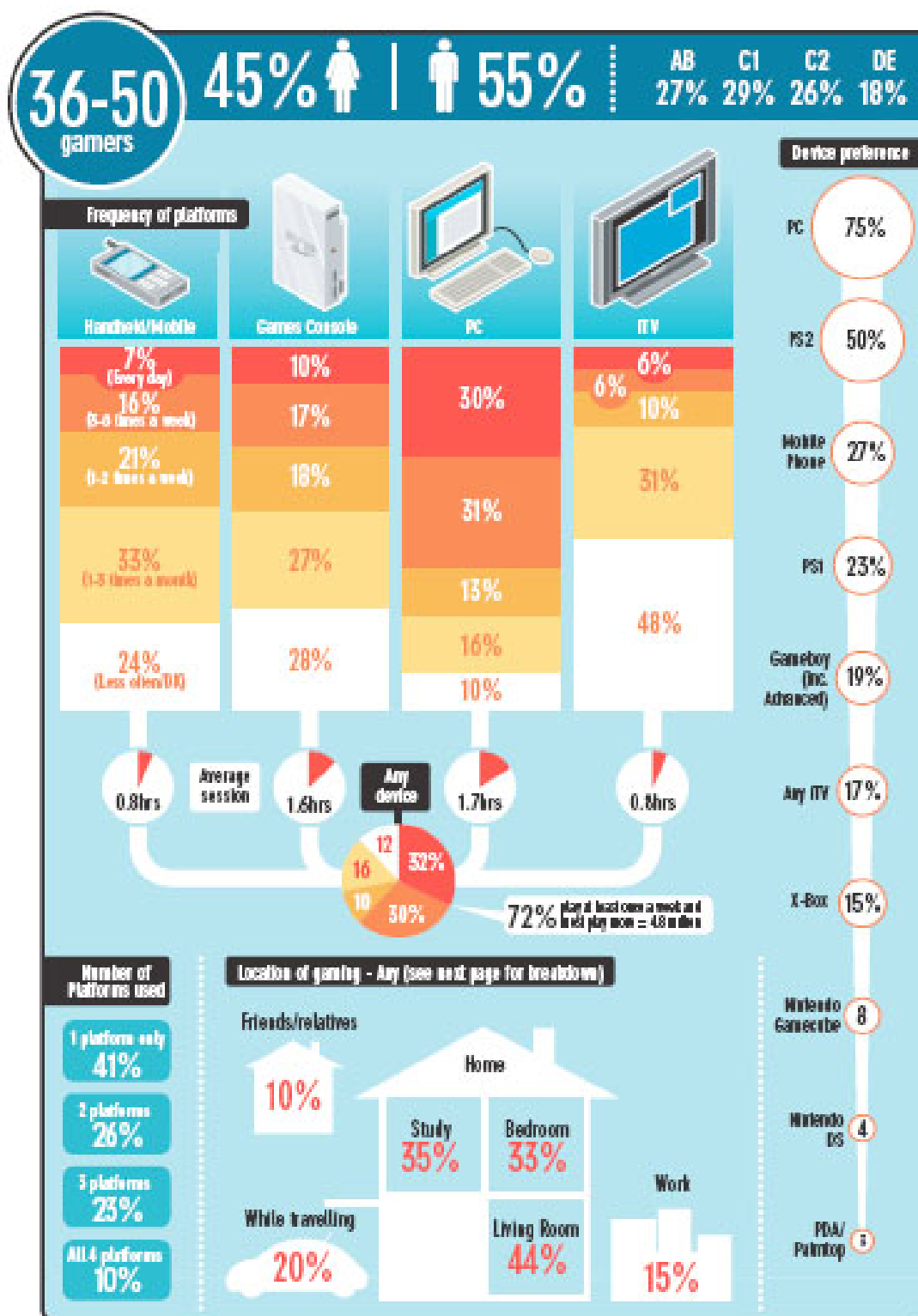
73% of 25-35 gamers have DTV at home



83% of 25-35 gamers have broadband at home



APPENDIX V: GAMERS IN THE UK (36 TO 50 YEARS OLDS)

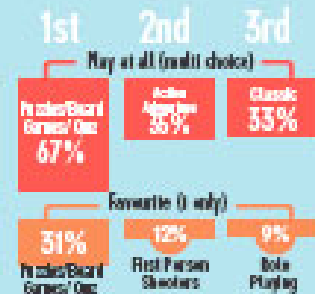


36-50 gamers continued

Location of gaming breakdowns: continued

Location	Games Console	PC	Handheld/Mobile
Home - Living Room	89%	48%	56%
Home - Study	7%	34%	6%
Home - Bedroom	17%	28%	19%
While Travelling	2%	1%	86%
At work	2%	5%	16%
Friends/relatives	8%	1%	10%

Gaming Genres: Popularity



Technology

Technology owned

Mobile Phone	97%
PC	97%
DVD Player	94%
Digital Camera	86%
Games Console	68%
Handheld Games Device	41%
HFS Player	32%

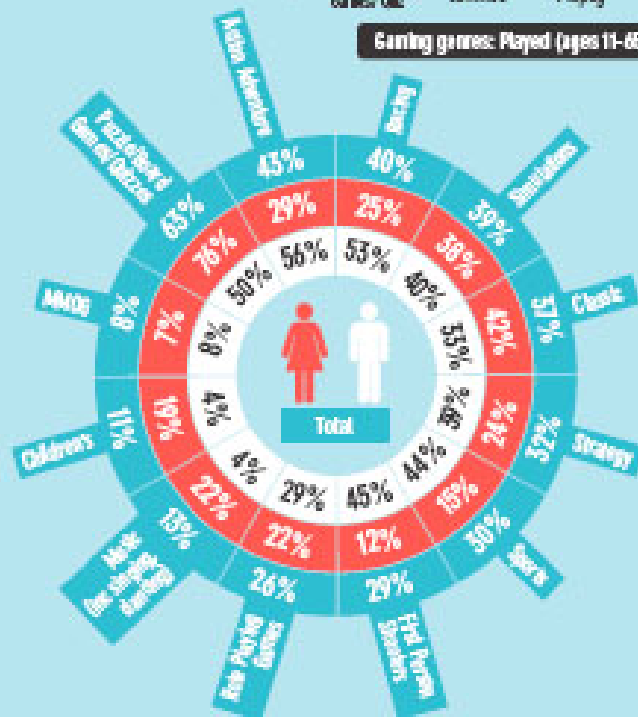
PC Functions

Sharing digital photos onto PC	86%
Instant Messaging	57%
Forums, chat rooms, etc	47%
Downloading Music	44%
Watching DVDs	42%
Sharing digital photos on net	27%
Creating/updating own website	21%

Mobile Phone Functions*

Sending Text Messages	98%
Playing Games	44%
Downloading ringtones	39%
Receiving Text Info	21%
MMS	21%
Visiting Web sites	21%
E-mail	16%

Gaming games: Played (pages 11-65)



Media Value

Every day 1- a Week Average session (hours)

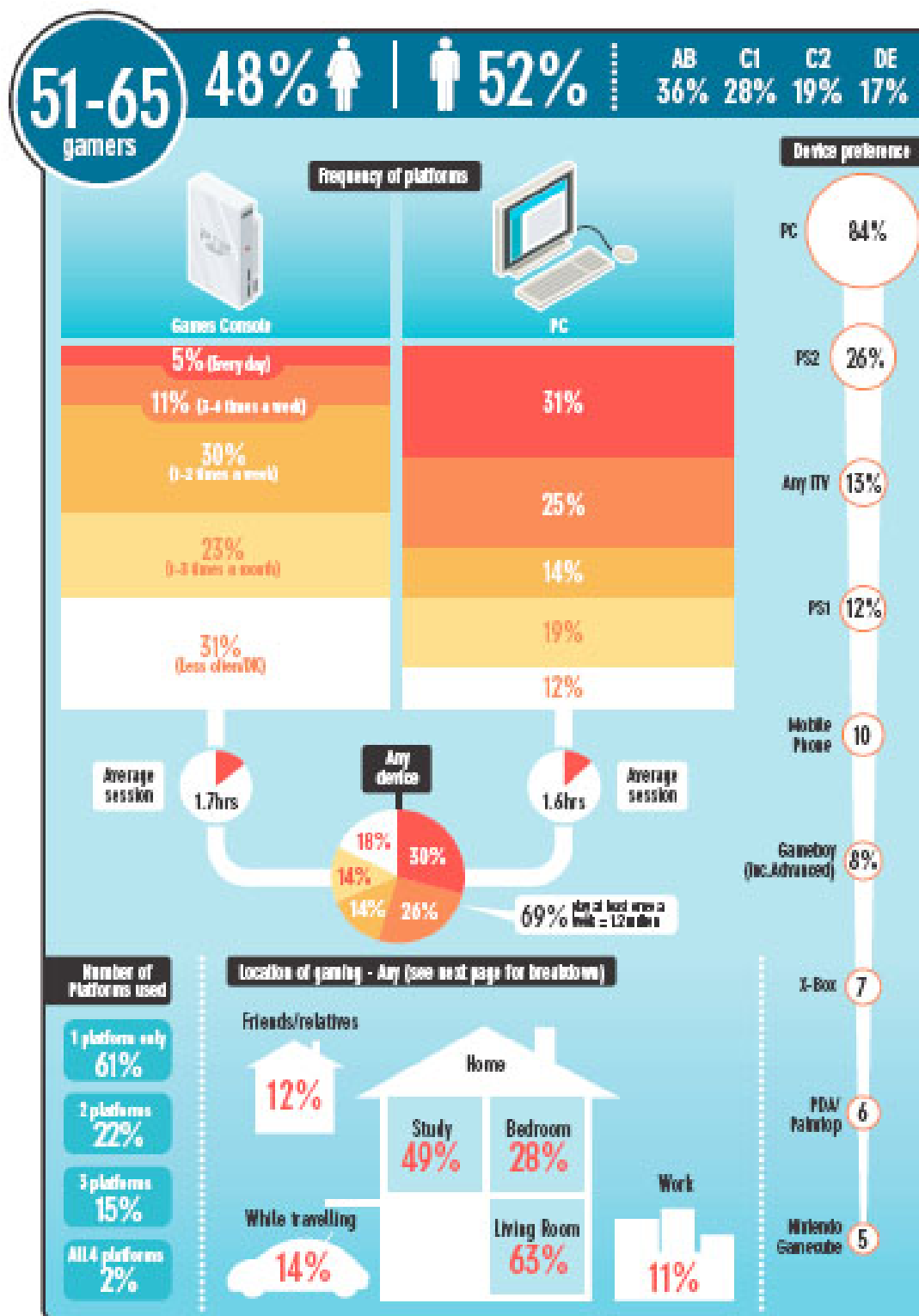
Internet- Mail	Watching TV	Speaking to friends on phone	Reading Books	Listening to Radio	Reading Newspapers	Playing Video Games	Reading/ Writing Emails	Music- CDs MP3s	Film- DVD, Video	Mobile-Non phone calls	Reading Magazines	Film- Cinema
85	81	40	27	58	36	35	81	28	2	36	11	-
98	100	81	57	86	77	74	99	88	42	78	58	1
1.86	2.99	0.86	1.42	1.24	0.71	2.84	1.81	1.44	2.28	0.69	0.76	NA

1 Importance Rank

86% of 36-50 gamers have DTV at home

84% of 36-50 gamers have broadband at home

APPENDIX VI: GAMERS IN THE UK (51 TO 65 YEARS OLDS)



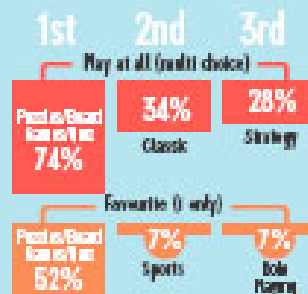
51-65 gamers: continued

Location of gaming breakdowns: continued

Location	PC	Any
Home - Living Room	41%	65%
Home - Study	44%	49%
Home - Bedrooms	15%	28%
While Travelling	-	14%
Friends/relatives	15%	12%
At work	3%	11%

NR: Data not broken for Console & Handheld games

Gaming Games: Popularity



Technology

Technology owned

PC	100%
Mobile Phone	96%
DVD Player	98%
Digital Camera	85%
Games Console	48%
PDA/Palmtop	28%
Handheld Games Device	16%

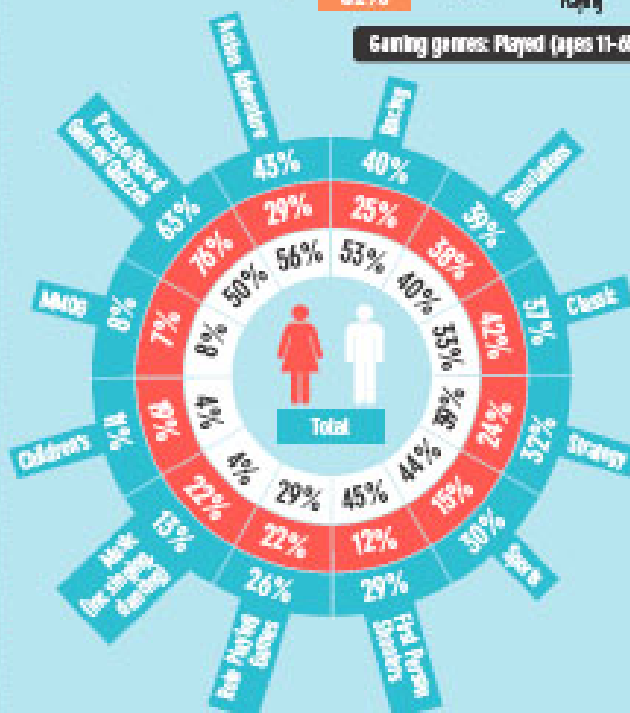
PC Functions

Storing digital photos onto PC	86%
Instant messaging	57%
Forums, chat rooms, etc	47%
Downloading Music	44%
Watching DVDs	42%
Storing digital photos on net	27%
Creating/updating own site	28%

Mobile Phone Functions*

Sending Text Messages	79%
Playing Games	23%
E-mail	28%
TV programme voting	17%
Downloading ringtones	16%
MMS	14%
Receiving Text Info	9%

Gaming games: Played (ages 11-65)



Media Values

Every day 1+ a Week Average sessions (hours)

Speaking to friends on phone	Reading Books	Internet-Non email	Watching TV	Film-DVD, Video	Listening to Radio	Playing Video Games	Reading Newspapers	Reading/Writing Emails	Music- CDs MP3s	Mobile-Non phone calls	Reading Magazines	Film-Cinema
35	28	95	14	4	51	28	60	16	24	29	18	-
51	44	99	181	39	81	66	62	11	67	52	46	1
0.91	1.29	2.91	3.55	2.15	1.96	1.67	0.78	1.87	1.32	0.67	0.71	N/A

1 Importance Rank

76% of 51-65 gamers have DTV at home

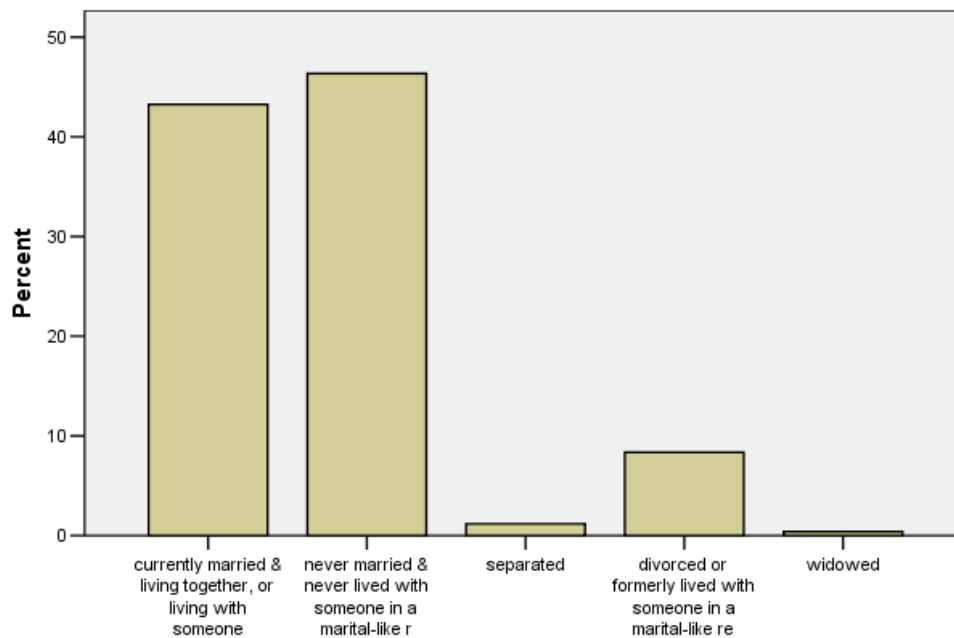


74% of 51-65 gamers have broadband at home

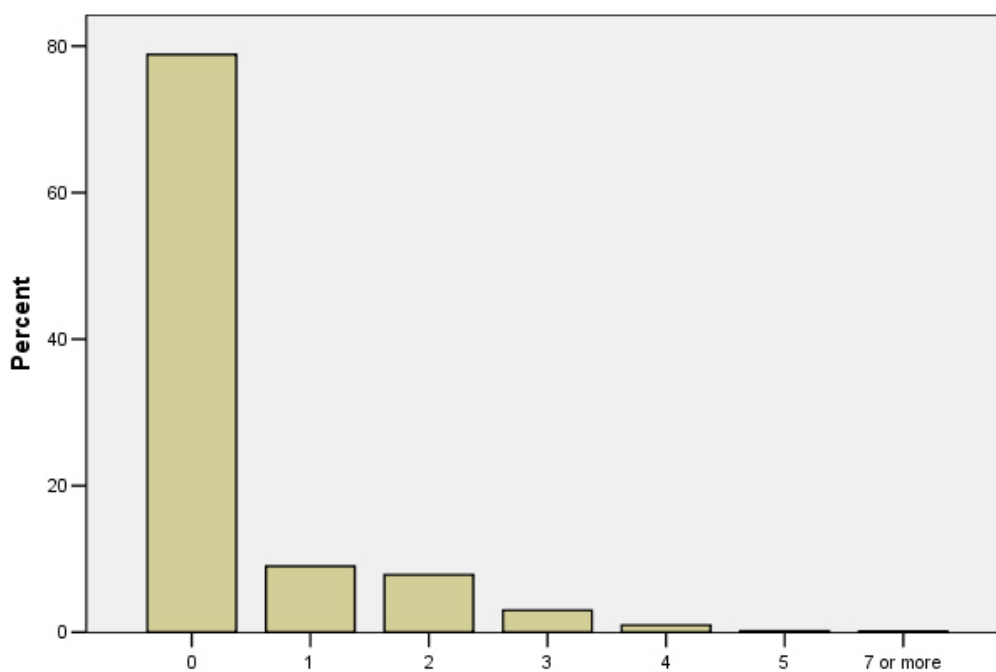


APPENDIX VII: MASSIVE PROJECT SURVEY

Which of the following best describes your marital status?



How many children do you have?



APPENDIX VIII: WEBSITE PREVIEW

