How the SA games industry ticks

By Sindy Peters   26 May 2014

This year's Net Prophet attendees were introduced to two of South Africa's game industry pioneers; Danny Day and Marc Luck. The game designers gave vivid insight into the workings of a community Day had started by accident.

"We design games because they're unique to the design world - instead of solving problems, we give you problems to solve," explained Luck.

Seems to me though that through their entrepreneurial endeavours, they've flipped that sentiment on its head. Since establishing QCF Design in 2007, the pair have made games that teach Maths, grow social entrepreneurship, sell products, and earn them money. Beyond the games, they've created a vibrant creative community that very few have heard of - a supportive community that has developed, it seems, beyond their own expectations.

Digital distribution

Meet Desktop Dungeons - a game that in its prototype phase picked up the 2011 award for Excellence in Design at the Independent Games Festival in San Francisco. You won't find Desktop Dungeons at your local BT Games; it's not a financially viable option for indie game developers. They've invested in digital distribution.

"Building and producing physical products is both expensive, time-consuming, and limiting, but a digitally distributed game can be reproduced at absolutely no cost, and instantly delivered anywhere in the world, including here in South Africa. Digital distribution also earns more. For every boxed game sold for R600 on a shelf, a developer is lucky to just pocket R10. But for every R150 sale of Desktop Dungeons online, we get to keep R110," explained Day.

It's also a more flexible means of distribution, said Day, with the launch of PayPal allowing them access to an international market. How successful has Desktop Dungeons been? The game broke even before its actual release. But its success doesn't stop there - this is where the real advantage of digital distribution comes in!

"A boxed game makes 80% of its total lifetime value in the first two weeks after launch. Digital distribution however, allows for the long tail. That means the first two weeks of launch account for only 20% of your total lifetime sales. If you're smart, you can fill that tail with sales, specials and bundles to keep earnings up," explained Luck.

The proof is in the pudding - Desktop Dungeons launched in November 2013. On 1 January 2014 it earned R1m in eight hours on a 50% off sale. On 15 May it earned another R1.4m in another half-price sale. They ran another sale last week... you do the math.

"A six-month-old box game wouldn't even be in the bargain bin anymore, let alone earning money. That's why we ignore retail. Digital distribution allows independent developers like us to enter niche markets and out innovate the large publishers that are stuck on store shelves," said Luck.

Pure meritocracy

Meet Free Lives' Broforce. According to Day, Broforce is probably the most well-known game to come out of South Africa so far - and it's not even done yet. So, how does that compute? Word-of-mouth means a lot online, and in the gaming community it means everything! There are even celebrity gamers on YouTube - the most popular, with 27 million subscribers, is PewDiePie. PewDiePie's first Broforce video has earned over 3.8 million views, his second: 3 million views. All this marketing cost the Kenilworth-based developers nothing.

"As indies, we value this sort of word-of-mouth because it's pure meritocracy - these are the game ideas worth expanding and investing in because people already like them. We can't buy users like the free-to-play giants at the top of the app store because that's simply too expensive. But if you're working on a game and you don't already have buzz amongst the people who are baying your potential players, you're doing it wrong," said Day.

Crowdfunding - licence to innovate

Meet Stasis - a horror adventure game created by Christopher and Nicholas Bischoff, brothers based in Johannesburg. Luck explained that since larger publishers no longer see the value in adventure games, indie developers have capitalised on the the gap left in the market. With a Kickstarter campaign, Stasis' developers managed to raise US$132,523; that's almost R1.4m in crowdfunding!

"Stasis is no longer a gamble, it's got funding to continue, and it's proved that it has an audience ready and waiting to pick the game up when it releases. Plus, it's got a story angle for the press come launch day. Kickstarter keeps showing us the massive publishers aren't actually very good at predicting what the market wants. Crowdfunding gives indies like us licences to innovate," explained Luck.

Generation C

The SA games industry falls well within the bracket of Generation C with its values and drive showing commitment to creation, curation, connection, and community. Investing time, money and energy in game development is a risky business if you keep your ideas siloed. The only way to avoid this risk, explained Day, is to communicate with as many designers, developers and play-testers as possible.

Meet Rooks Keep - this one didn't have a happy ending... After two years of isolated development in Howick, KZN, the game didn't do well. But its failure did bring the makers, RuneStorm Games, into contact with the online forum, now MakesGamesSA.com - the community formed by accident. RuneStorm later released the game concept online for Viscera Cleanup Detail to enthusiastic reception - now in pre-order phase, the game is doing really well, according to Day.

"Feedback helps indies manage risk. A strong community can springboard something special that's barely 10 days old to international success. There's no need to waste years of development time anymore," explained Day.

Official industry body

MakeGamesSA, established as an online forum, is now a registered NPO recognised as an official industry body by the dti. It runs workshops in Joburg, Cape Town, and Durban; organises meetups and runs competitions - they even promise to have you coding your own games in under an hour.

MakeGamesSA's bursary programme will be sending two students to Wits University to earn a B Eng in Game Design, a course vetted by, and partnered with MakeGamesSA. In 2013 its members produced over 200 playable prototypes, created 30 jobs, and released more than 25 commercial games.

"Each game we've mentioned here today wouldn't be possible without the collective skill and experience of the MakeGamesSA community. And each of these (development / design) companies is now a core member of that community, lending their knowledge to the next round of gamers. We're working on formalising the entire process as part of games incubators in Johannesburg and Cape Town, and we've done all this on zero funding," explained Day.

"What we need now, is you - we need you to spread the word, not for the foreign currency we bring in, or the kids we teach to programme. Do it because games create problem-solvers that treat failure not as an obstacle, but an opportunity to learn, and we desperately need more people like that. The only way to get them is to build more games to switch them on."

For more information, go to www.makegamessa.com.

Net Prophet 2014 took place on Wednesday, 21 May, at the Artscape Theatre in Cape Town.

Danny Day designs games. He is a committee member for the South African games industry organisation MGSA, sits on the UCT Computer Science advisory board and lectures to students across the country.

Marc Luck has been a game designer for over a decade. He is a founding member of local game development studio QCF Design, and one of the first members of the South African Game Developers Association, MakeGamesSA.

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