April 2018

Keynore Address

Mark Long

Lunch Presentation

Mr. Mark Long
Founder and CEO
Meteor Entertainment, Inc.

Professor W. Keith Robinson:

Good afternoon, everyone. Our guest speaker this afternoon is Mark Long. Mr. Long is a creator of video games, graphic novels, and films, in a career that spans two decades. In 1994, Mr. Long co-founded a game development company called Zombie Studios.[1] At that company, he produced over twenty-five games for worldwide distribution and a wide range of genres.[2] Under Mr. Long's leadership, Zombie Studios partnered with the likes of Microsoft,[3] Disney,[4] Activision,[5] Ubisoft,[6] Konami,[7] Take-Two,[8] and the U.S. Army.[9] Last year, Mark left Zombie Studios to become the CEO of Meteor Entertainment.[10]

At Meteor, Mr. Long is working to publish a new online free-to-play game called HAWKEN.[11] One reason Mr. Long was asked to join Meteor is because of his thought leadership on free-to-play gaming. Accordingly, HAWKEN is not your typical free-to-play game. HAWKEN is a highly polished, first-person shooter that allows players to pilot Mechs;[12] it is well financed and will be supported by state-of-the-art server technology. In a recent Forbes article, Mr. Long discussed how to change the way micro-

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1. Zombie Studios, http://www.zombie.com/ (last visited Mar. 4, 2013).

2. Zombie Studios Inc. Games, Moby Games, http://www.mobygames.com/ browse/ games/zombie-studios-inc/list-games/ (last visited Mar. 4, 2013).

3. Microsoft, http://www.microsoft.com/en-us/default.aspx (last visited Mar. 4, 2013).

4. Disney, http://disney.com/ (last visited Mar. 4, 2013).

5. Activision, http://www.activision.com/atvihub/home.do (last visited Mar. 4, 2013).

6. Ubisoft, http://www.ubi.com/US/ (last visited Mar. 4, 2013).

7. Konami, http://www.konami.net/ (last visited Mar. 4, 2013).

8. Take-Two Interactive, http://www.take2games.com/ (last visited Mar. 4, 2013).

9. U.S. Army, http://www.army.mil/ (last visited Mar. 4, 2013).

10. *Game Veteran Mark Long Leaves Zombie Studios for HAWKEN Publisher Meteor Entertainment*, G4TV (Feb. 27, 2012), http://www.g4tv.com/thefeed/blog/ post/721162/game-veteran-mark-long-leaves-zombie-studios-for-hawken-publisher-meteor-entertainment/.

11. *Id.*

12. *Id.*

transactions are handled in games to avoid forcing users to pay money to be competitive with other players.[13]

In addition to his leadership on the free-to-play space, Mr. Long has also employed a unique marketing strategy for HAWKEN. He refers to this strategy as trans-media.[14] HAWKEN's marketing strategy includes using other media like web series, feature films, novels, and comics to market the game.[15] For example, you can now download a free comic book that explores the world in which the HAWKEN game will take place.[16] The gaming industry is excited about what Mr. Long is doing at Meteor; we are even more excited to have him here with us this afternoon to share his experiences and his thoughts on the future of gaming. Please join me in welcoming Mark Long.

Mr. Mark Long:

I would like to thank SMU for having me. HAWKEN is this indie sensation that posted a ninety second work-in-progress video in April, 2011 that had one million hits within a week. The game was discovered by, and belongs to, Meteor—who shaped how people think and feel about it. When I joined Meteor, I said we have to be careful not to lose that street credibility. Whatever we do in terms of marketing or advertising has to amplify that idea; so I decided we would spend no money on advertising.

The title is free-to-play, and we monetize by micro-transactions in the game. This marketing and business model became very successful in the United States, and it has spread all over the world, generating a lot of buzz today. HAWKEN is one of a handful of titles that have extremely high production players that you would normally associate with retail titles. I think we are going to see more and more of these kinds of titles.

HAWKEN went into open beta on December 12, 2012, and was simultaneously launched globally.[17] I get an analytics report every morning at 7:00 A.M. In the report, there is a little roadmap that is color-coded by how many players we have in the world. White is for zero players. There were only three countries colored white in the entire world, located in the little African republics.

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13. John Gaudiosi, *Metor Entertainment CEO Mark Long Explains Why HAWKEN Is Bypassing Traditional Marketing*, FORBES (Nov. 30, 2012, 9:49 AM), http://www.forbes.com/sites/johngaudiosi/2012/11/30/meteor-entertainment-ceo-mark-long-explains-why-hawken-is-bypassing-traditional-marketing/.

14. *Id.*

15. *Id.*

16. *Hawken Digital Comic Includes Code for Game Credits*, BRUTAL GAMER, http://brutalgamer.com/2012/12/12/hawken-digital-comic-includes-code-for-game-credits/, (last visited Mar. 10, 2013).

17. *HAWKEN Beta Now Open*, HARDOCP, http://www.hardocp.com/news/2012/12/13/ hawken_beta_now_open (last visited Mar. 26, 2013).

This is the future of this style of business marketing and monetization. It is a rare opportunity to reach all the way upstream to consumers. We are the developers going all the way to the consumers in Russia, Latvia, and Poland. Our fastest growing territories are: the United States; Russia; Brazil; and various European countries. If you do not know very much about free-to-play it may seem very surprising that Russia and Brazil are in the top three, but they are actually the fastest growing markets in the world.

Simultaneously with the convergence of free-to-play electronic gaming and the ability to distribute globally, we are seeing the emergence of gaming in markets we are working toward. For example, in Brazil, we are seeing the recapitulation of the style of gaming we saw emerge in China. In China, the expensive computers are owned by the cafes and are played by the hour.[18] As seen in China, this usually migrates into home and office computers that are adapted for gaming. The third phase is moving into the multi-platform gaming society—meaning smart phones and tablets.

Trans-media marketing encompasses three layers of strategies. Inbound and content marketing exist underneath my trans-media strategy. Inbound marketing is considered state-of-the-art in marketing products and services. Basically, instead of cramming your message down the consumers' throats, the consumers are coming to you, and you are adding value. You are socializing your content so that it goes viral, and it is discovered by their social representative.

Contact marketing is inbound, but it produces something of value that will go through that same cycle of creation, or original distribution, discovery, and aggregation which then causes you to go viral. For example, the Games Convention in Europe typically attracted about 150,000 European gamers all in one tent.[19] It was one of the only fan conferences in the world.[20] Electronic Entertainment Expos are professional game developer conferences.[21] Games Convention, PAX, and PAX East are the big fan conferences.[22]

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18. Simon Carless, *In-Depth: Inside China's Gaming Cafes*, GAMASUTRA (Aug. 19, 2008), http://www.gamasutra.com/php-bin/news_index.php?story=19911#. UT4ZRjcVXIY.

19. JJ Hendricks, *7 Game Conventions to Attend Before You Die*, PRICE CHARTING (Aug. 21, 2008), http://blog.pricecharting.com/2008/08/7-game-conventions-to-attend-before-you.html.

20. GAMES CONVENTION ONLINE, http://www.gamesconvention.com/ (last visited Mar. 24, 2013); *Leipzig's Games Convention Online confirmed for July 8-11, 2010*, THE INDEPENDENT (Nov. 27, 2009), http://www.independent.co.uk/life-style/gadgets-and-tech/news/leipzigs-games-convention-online-confirmed-for-july-811-2010-1829027.html.

21. Electronic Entertainment Expo Wiki Guide, IGN, http://www.ign.com/wikis/e3 (last updated Feb. 28, 2013).

22. PAX EAST, http://east.paxsite.com/what-is-pax (last visited Mar. 4, 2013).

We did not have the budget for advertising at the Games Convention, so I came up with the idea that we do this kind of street stunt with a 3D chop-art object. People took photographs and put these photographs up on Facebook. This may sound like a minor technique; however, what happens is that you create the contact, it is distributed socially, it is aggregated to sites like Digg[23] and Reddit,[24] and it produces this mesh of cross links that makes discovery easier. Ultimately, when you get to search engine optimization, you are spending a lot less money to come to the top of the list when you search on Google.

On top of that, we have this strategy of trans-media. Trans-media is a fancy Hollywood term right now that simply means to distribute story-telling across multiple platforms. For example, we may put out the comment first. The comment may not be a prequel, but it may be a sequel to what we consider the main story part. The important thing is that each piece of media makes a unique, stand-alone contribution to the overall canon.

Take this example of *The Matrix*.[25] When *Matrix Reloaded* came out, it was kind of a really big buzz on the heels of the original film.[26] The Wachowskis commissioned nine independent anime that were distributed on DVD,[27] and the game *Enter The Matrix*[28] came out simultaneously. In one of the video shorts, two characters are trying to get a letter into a mailbox to warn Morpheus that the machines are drilling to Zion. But, in the game, Ghost and Niobe go to pick up that letter from the post office box and are trying to get that letter to Morpheus. In the movie, there is this short scene where Ghost walks in and gives a letter to Morpheus that the machines are drilling to Zion.

In each one of those pieces, it was not necessary for you to see all three pieces of media, but it was really cool that they were all connected. It gives us what Danny Bilson calls "additive comprehension."[29] It is necessary in trans-media that the underlying material be encyclopedic in nature, like the *Lord of the Rings*[30] or *The Matrix*. It has to be a big world with its own language, culture, look, and society.

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23. DIGG, http://digg.com/ (last visited Mar. 4, 2013).

24. REDDIT, http://www.reddit.com/ (last visited Mar. 4, 2013).

25. THE MATRIX (Warner Bros. 1999).

26. THE MATRIX RELOADED (Warner Bros. 2003).

27. *The Animatrix*, ANIMENEWSNETWORK, http://www.animenewsnetwork.com/ encyclopedia/ anime.php?id=1710 (last visited Mar. 6, 2013).

28. *Enter the Matrix*, IMDB, http://www.imdb.com/title/tt0277828/ (last visited Mar. 4, 2013).

29. Danny Bilson—Profile, IMDB, http://www.imdb.com/name/nm0082677/ (last visited Mar. 4, 2013).

30. THE LORD OF THE RINGS: THE FELLOWSHIP OF THE RING (New Line Cinema 2001).

As geeks, we are attracted to these types of worlds. We love when we get involved in something like *The Matrix* or HAWKEN. After playing it often, we want to know more. If you do this right, you are producing the most high value content for your market.

My approach was to contact some friends who have an independent company called DJ2 Entertainment.[31] If you are interested in trans-media, you should look up DJ2.[32] These guys are game designers, film makers, film producers, and screen writers; they produce what I call a trans-media bible.[33] Ahead of everything else, we actually outline every story we plan to tell. Then, we decide which segments the stories will go.

When I partnered with Mary Parent[34] and Cale Boyter[35] at Disruption Entertainment[36] with Paramount,[37] I was just able to hand them "the bible" and say, "Here is what we are thinking about the feature." They loved that because their normal experience in trans-media is actually more of what we call platforming or licensing. Think of *Toy Story*[38] and *Cars*[39] and how each one of the stories are just platformed over and over. Like Little Golden Books,[40] it is the same story over and over again. This bible is a godsend for them. Normally, they acquire a graphic novel and then commission writers to give their take. They make these writers interpret the material for the future. The novel then goes into what we call "development hell" because by the time they actually have a take they like, the executives who bought it all have left. This is why companies like Warner Brothers[41] have 400 active projects simultaneously in development.

Trans-media is a much more efficient way to do it. Trans-media requires that there be a single visionary, or a team of visionaries, on the project. An early discipline is used where you plan it all out ahead of time. Then you find

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31. DJ2 ENTERTAINMENT, http://dj2entertainment.com/ (last visited Mar. 4, 2013).

32. *Id.*

33. About, DJ2 ENTERTAINMENT, http://dj2entertainment.com/about/ (last visited Mar. 24, 2013).

34. Borys Kit, *Mary Parent Joins 'Pacific Rim' as Producer*, THE HOLLYWOOD REPORTER, http://www.hollywoodreporter.com/heat-vision/mary-parent-joins-pacific-rim-227315 (last visited Mar. 26, 2013).

35. Cale Boyter, IMDB, http://www.imdb.com/name/nm1212547/ (last visited Mar. 09, 2013).

36. Disruption Entertainment - Profile, IMDB, http://www.imdb.com/company/co0336253/ (last visited Mar. 10, 2013).

37. PARAMOUNT, http://www.paramount.com/ (last visited Mar. 4, 2013).

38. TOY STORY (Pixar 1995).

39. CARS (Pixar 2006).

40. GOLDEN BOOKS, http://www.randomhouse.com/golden/ (last visited Mar. 26, 2013).

41. WARNER BROS., http://www.warnerbros.com/ (last visited Mar. 4, 2013).

the artists and creators you want to work with and commission them to do the individual work.

We have a graphic novel with Archaia,[42] a prose novel by Zack Sherman,[43] an anime that we will distribute on video-on-demand, and I told you about the feature film. We are also producing a web series, and we have a teaser[44] for this web series available, produced by Joel Silver[45] and directed by Jerry O'Flaherty, who is an art director on the *Gears of War*.[46]

We distributed that teaser on Machinima.[47] Machinima is the biggest video channel on YouTube.[48] It aggregates over 2 billion minutes of content and receives 45 million views per month.[49] It is a funny company because Machinima's influencers, the talking heads who are in the videos talking about games, are not employees of Machinima. They are individuals all over the world, and Machinima contracts them. For example, Machinima will give their influencers a video and tell them to do whatever they want with it. Usually they will introduce it or talk about it. When we released this to Machinima, 49% registered for the game, 75% became active players, and 13% converted to paid players. That bundle of engagement was off the chart for a level of engagement.

The graphic novel performed even better. There were 8,000 people who downloaded the first chapter, and 2700 of them registered to play the game. And still, 86% of them are active players, which is a big thing in free-to-play. If you do not have a community, you do not have a game service. Also, 18% of them converted to paying players.

Now compare those figures to traditional programs associated with affiliate networks like IGN[50] or GameFly.[51] We gave GameFly 50,000 codes;

42. *Hawken: Genesis' Digital First is Available Now on Comixology*, ARCHAIA (Mar. 20, 2013), http://www.archaia.com/hawken-genesis-digital-first/.

43. About, M. ZACHARY SHERMAN, http://www.mzacharysherman.com/about (last visited Mar. 10, 2013).

44. Machinima, *Hawken Exclusive E3 2012 Trailer*, YOUTUBE (June 1, 2012), http://www.youtube.com/watch?v=Ojlk4wdHr7Q.

45. Joel Silver—Profile, IMDB, http://www.imdb.com/name/nm0005428/ (last visited Mar. 26, 2013).

46. Jerry O'Flaherty—Profile, IMDB, http://www.imdb.com/name/nm1720331/ (last visited Mar. 26, 2013).

47. MACHINIMA, http://www.machinima.com/overview (last visited Mar. 4, 2013).

48. Lewis DVorkin, *Who's Doing It Right? How Machinima.com Got 70 Million Viewers on YouTube*, FORBES (May 25, 2011), http://www.forbes.com/sites/lewisdvorkin/2011/05/25/whos-doing-it-right-how-machinima-com-got-70-million-viewers-on-youtube/.

49. *Id.*

50. IGN, http://www.ign.com/ (last visited Mar. 26, 2013).

51. GAMEFLY, http://www.gamefly.com/ (last visited Mar. 26, 2013).

14,000 of those were used to register, 13,000 became active, and only 1% monetized. Even though the comic was a much smaller number, it resulted in much higher engagement and much more valuable customers.

My theory about that stems from being a geek and a comic author. If you draw a Venn diagram of everything "geeky," comics are at the very center as the most engaged consumer of media. Everything fans off of that, like games, movies, and shows. An illustration of this would be a mesh that looks like a funnel. We talk about a digital funnel all the time. The idea is discovery, registration, engagement, and monetization. We have the expression "pay, stay, play." I would argue that most free-to-play is "pay, go away." Right now, most free-to-play games use poor strategies to monetize their players as early as possible; this usually works by creating frustration and then the player must pay his or her way out of that frustration. Then, after one game-play session, the players usually quit.

We are going for something more profitable and with a much longer life. We have cross-linked all of these things using social acceleration. If you search "HAWKEN" on Google right now, it would be at the top of the list. I know companies that pay $500,000 a month in Adword[52] fees to be at the top of that list. So, we are hugely effective in this campaign and, as the rest of our media rolls out, I think we will only grow more effective.

An interesting thing about our approach is that we start with the smallest media and move to the largest. We usually begin with comics and graphic novels. They are fast to market and cheapest to produce. Gaming is obviously next, which is going to be two orders of magnitude more views. When you get to feature films, if that ever happens, that is another order of magnitude— the number of people who become aware of it. So, theoretically, this digital funnel that I am building gets extremely big as a result of a kind of trans-media creation.

You can follow me on Twitter[53] or if you want to friend me on LinkedIn,[54] it's easy to find me. I am Mark V. Long. Thanks for having me. I'll take any questions that you have now.

Audience Member 1:

How do you deal with alienating players and users of the other media because they do not sample all forms of the media?

Mr. Mark Long:

Well, I do not think it alienates players. I think it does the opposite. Each time players discover more, they think, "Oh, wow this is so cool. There is more out there."

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52. Adwords, GOOGLE, http://www.google.com/adwords/?sourceid=awo&subid=ww-et-awhp_nelsontest3_nel_p&clickid (last visited Mar. 26, 2013).

53. Mark V. Long—Profile, TWITTER, https://twitter.com/MarkVLong (last visited Mar. 26, 2013).

54. Mark Long—Profile, LINKEDIN, http://www.linkedin.com/in/findme-onfacebook (last visited Mar. 26, 2013).

This is being authentic about our brands. When we started, gamers were very skeptical. They were thinking, "We have seen this before. Gamers are all scratching and itching. You are wannabe film makers." We said that it might look like we are being overly ambitious. But having been on the other side of that funnel, I have actually produced video games based on the movie *Saw*, if you can believe it.[55] I thought, "How are we going to make a game out of this movie?" It is just beyond the underlying material. It is the mechanics of *Saw*. The character is trapped, and there is some moral choice he has to make to get out of a trap.

That is the worst idea for a game I have ever heard. If I had been in those first design meetings or writer's meetings, I would have prevented this and pushed to come up with a completely different story element to explore. If we were present at those meetings, we would have been able to do this, since that is what we do as creators. We could have created a separate storyline and separate media that would have been appropriate.

A lot of my motivation in wanting to be authentic is that I have been on the other side of the equation and have seen it done poorly. I was going to be the one who tried to do it right the first time.

Audience Member 2:

I have a question about a related example—*The Walking Dead*[56]— which has been very good with trans-media. It started out as a comic and then went to television. What happens when someone else comes up with something very similar to your idea and jumps the bandwagon before you get to do that next piece of the puzzle? A good example is *War Z.*[57] How can you circumvent that when someone sees you have a good story and background, and then comes up with a television show that is very similar to, but not called, HAWKEN?

Mr. Mark Long:

I was just thinking, "Welcome to the entertainment industry." But, he is talking a favorite game of mine called *Day Z.*[58] It is the single guy that modified the Arma II[59] engine. It is a completely unforgiving zombie simulator.[60] That is what I love about it. It is like going back to old school gaming where there is perma-death. You spawn in, the map is fifty kilometers by fifty kilo-

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55. SAW (Twisted Pictures 2004).

56. *Walking Dead* (American Movie Classic released Oct. 31, 2010).

57. Evan Lahti, *The War Z Announced: Zombie Survival Shooter-MMO with Strong Parallels to Day Z*, PC GAMER, July 19, 2012, *available at* http://www.pcgamer.com/2012/07/19/the-war-z-announced-zombie-survival-shooter-mmo-with-strong-parallels-to-day-z/.

58. DAYZ, http://en.wikipedia.org/wiki/DayZ (last visited Mar. 4, 2013).

59. ARMA II, http://www.arma2.com/home_en.html (last visited Mar. 23, 2013).

60. *Id.*

meters, and I think there are sixty-four players there.[61] It creates complete paranoia because the other players can approach, kill you, and take way whatever you have.[62] It is just completely unforgiving. As a result, it is also highly engaging.

I love the emergent quality of that world. Well, another crafting company ripped them off and made a game called *War Z*, which used confusion in the market to make millions of dollars before they were shut down.[63] You cannot really do anything about this. Trans-media definitely exposes your storyline in that way.

Thank you for having me and enjoy rest of the conference.

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61. *Id.*

62. *Id.*

63. Seth Tipps, *The War Z Sales Shut Down on Steam*, DEVELOP (Dec. 19, 2012), http://www.develop-online.net/news/42837/The-War-Z-sales-shut-down-on-Steam.