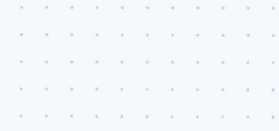


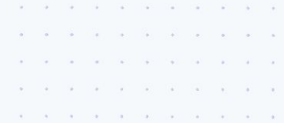
GLOBAL WINNERS





TEAM UAE

EMEA REGION





Creating Connections

Tiger Global Case Competition



WOLVES OF
WALL STREET

SONY

make.believe

Executive Summary^[1]



Situation

Create and deliver emotion

Good Games and Low Prices

PS5 Launch



Issue

Gaming – Connection Breaker^[2]

Extremely Competitive Industry^[4]

Console Hardware → Obsolete^[3]



Question

How can Sony become a connection maker instead of a connection breaker?
How can Sony dominate the competitive gaming console industry?
How can Sony plan for the long term phasing out of hardware consoles?



Recommendation

Developing a mobile application to connect customers
Exclusive game deals with game developers
Transitioning hardware gaming to cloud based systems



Impact

44.8

Million people connected
by the end of 2021

\$380

Million USD in Profit from
exclusive games in 2023

\$450

Million USD in cloud based
revenue by the end of 2021

Sources: ^[1]TGCC Case Report ^[2]Smith ^[3]NewZoo ^[4]Greenwald

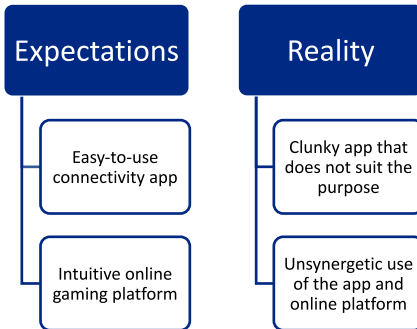


Sony's G&NS division faces three key issues in the current market

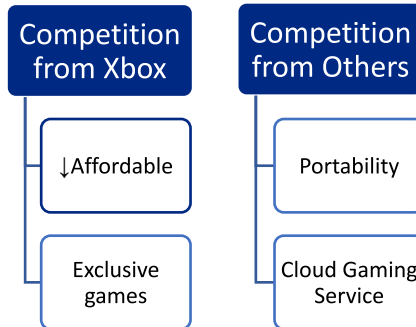
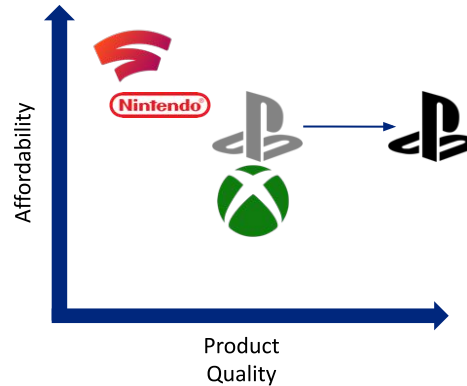
Gaming – Connection Breaker

“Socializing agents such as media **perpetuate the stereotype** of a video gamer as a teenage boy who sits in the dark alone playing his game all day long”

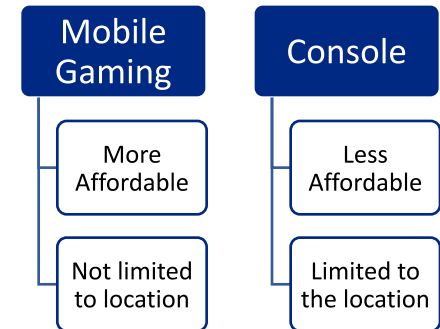
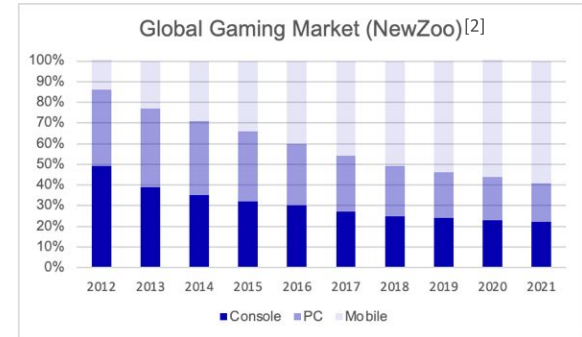
“ Negative stereotypes of gamers lead to prejudice and **inhibit communication** between gamers and other groups of society^[1] ”



Extremely Competitive Industry



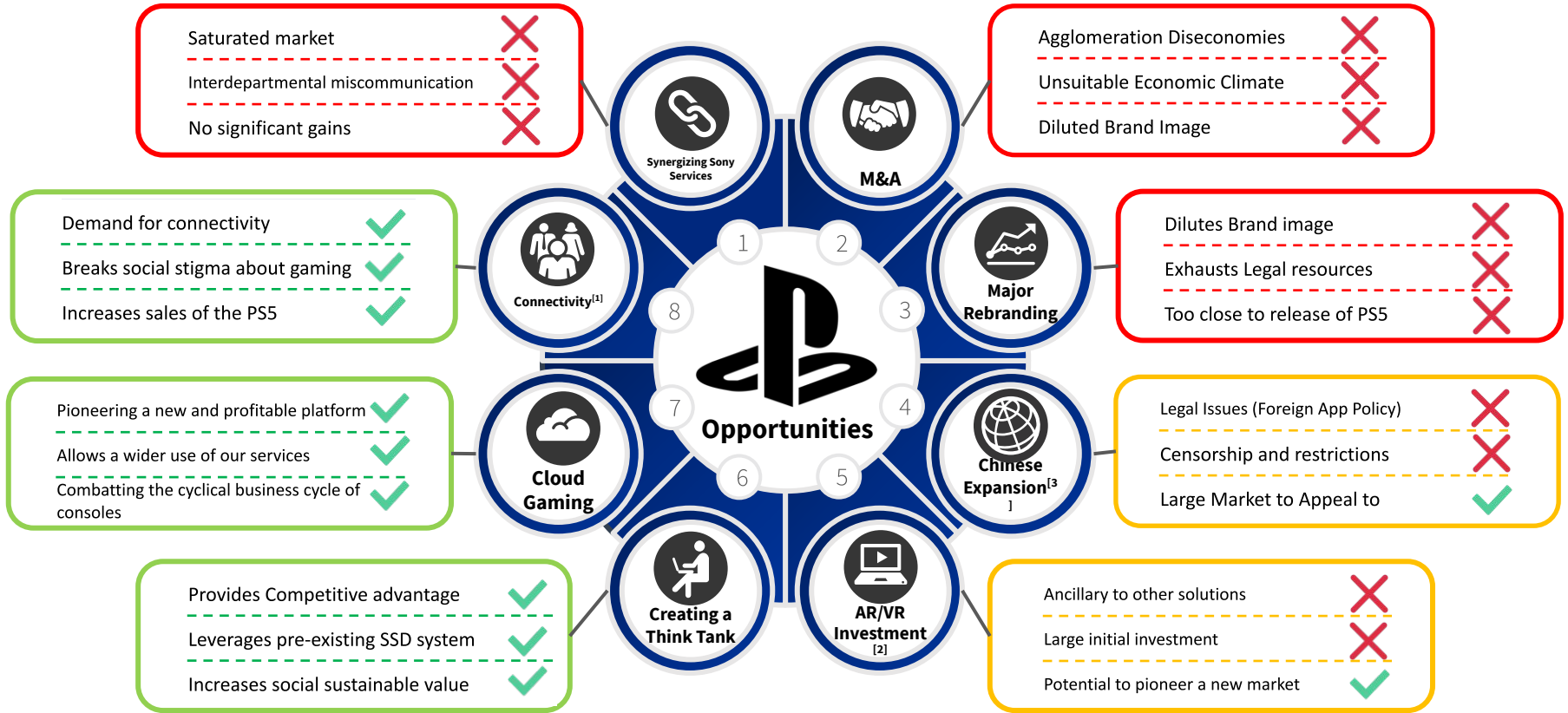
Console Hardware → Obsolete



Sources: ^[1](Smith) ^[2](NewZoo) ^[3]Greenwald



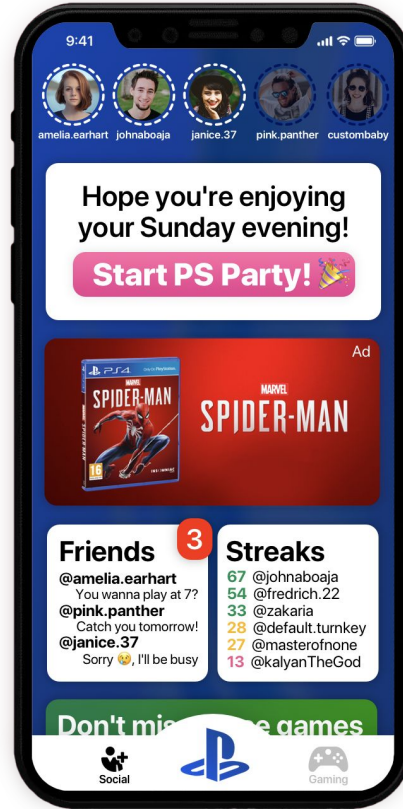
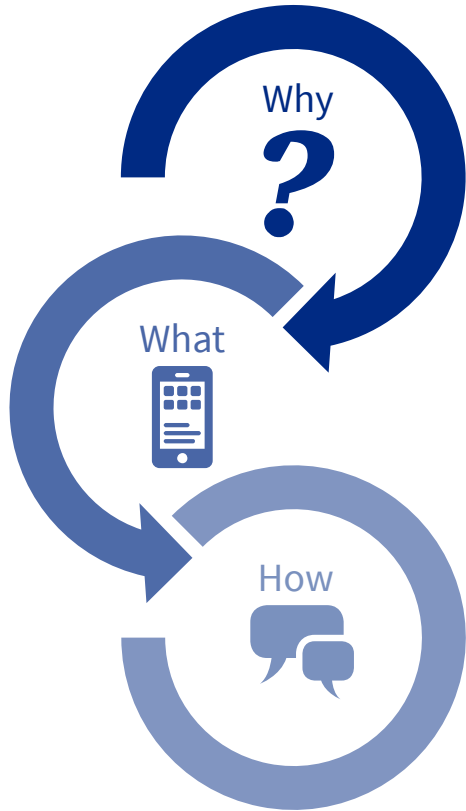
After exhausting all possible recommendations, three remain



Sources: ^[1]Smith ^[2]TGCC Case Report ^[3]Leswing



Revitalizing the PS App to increase connection and monetization



Impacts



5.14%^[1]
Increase in PS5
Sales

44.8^[2]
Million people
connected by
the end of 2021



\$510.72^[3]
Million USD revenue
by the end of 2021

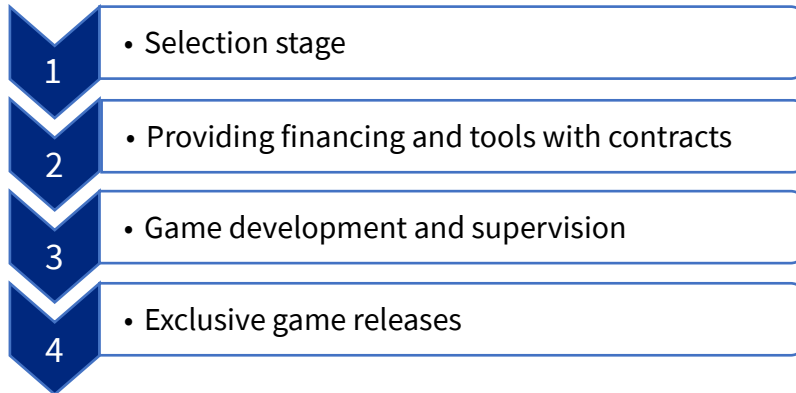
Sources: ^[1]IBISWorld ^[2]Gough ^[3]eMarketer

To dominate the competition, we create a loyal & exclusive developer base



Creating an environment for developers to help provide **end to end support** in game development. [2]

Developer Journey: **ThinkFast Games**



- Think Tank for developers
- Open Program for creatives
- Led to Rovio and Supercell



19 [1]

Titles per year
by 2023



\$20

Million in profit
per title



\$380

Profit FY 2023

Sources: [1] finland.fi, [2] bruegel

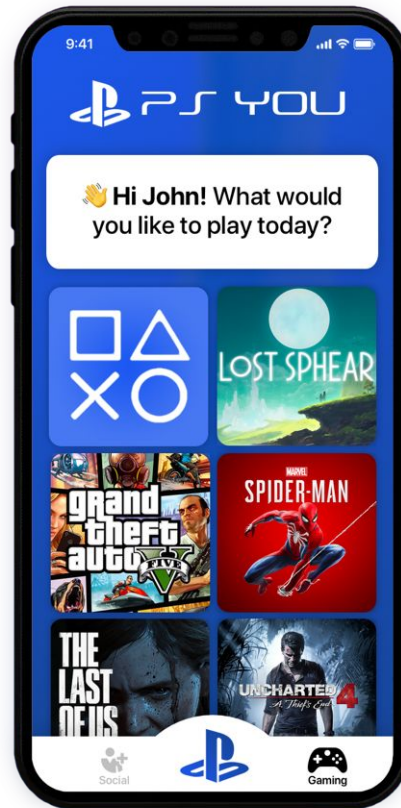
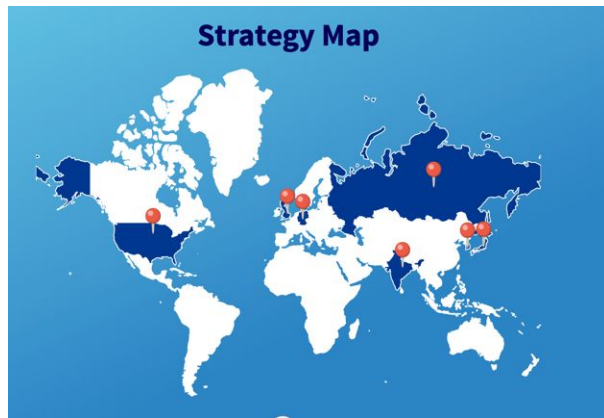


Cloud Gaming is the future for Sony to mitigate the risks of obsolete HW

Key Strategy

Connecting Mobile gamers to high quality games (PS5 Quality)

PS Now + PS Plus = **PS You**



Impacts

4.5 [1]

Million users by the end of 2021



\$100

per person revenue through the PS You subscription

\$450

Million USD revenue in FY2021



Sources:[1] Case Brief



By leveraging our recommendations, Sony can mitigate its risks effectively

Strengths

- Monetization of PS App
- **Building meaningful connections through gaming**
- Building a strong content base
- Play on the go

Weaknesses

- **Necessity to regularly update software**
 - Requires heavy upfront investment
 - Reliant on internet speeds

Risk Mitigation

- **Ensuring sufficient R&D for speed to market plan**
 - Reevaluating the plans in the long term
 - Adaptable suite of recommendations
- **Building a loyal developer and consumer base**

Opportunity

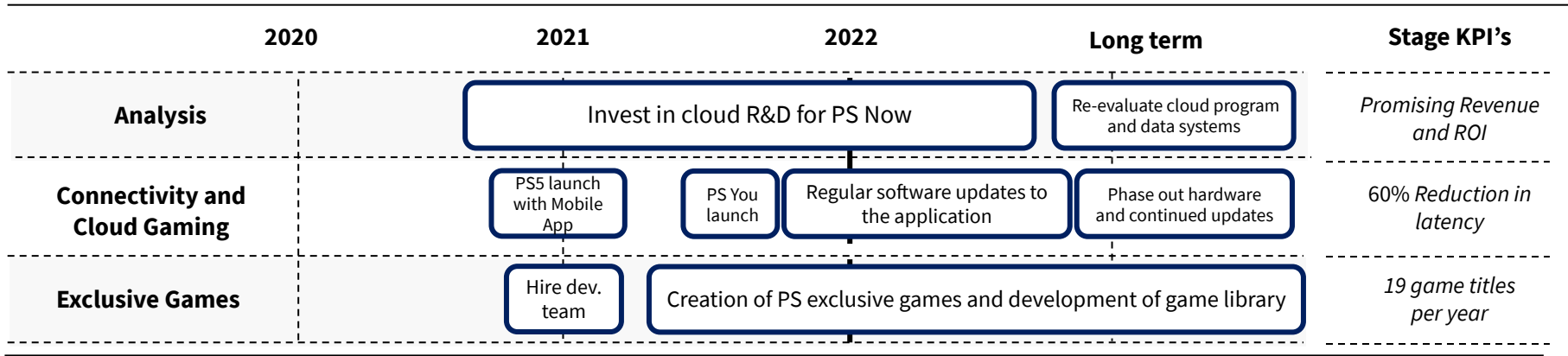
- Creating a new platform for advertising
- **Potential for an innovative, successful and creative game developer community**
- Appeal to social/casual gamers

Threats

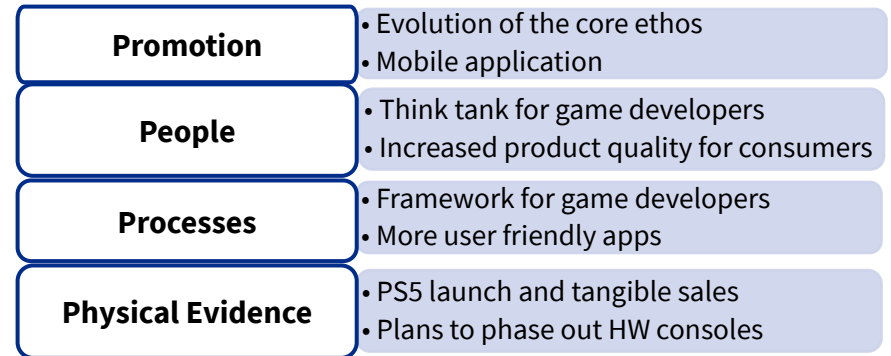
- **Competitors can copy us**
 - Internet doesn't innovate fast-enough
- Political Constraints



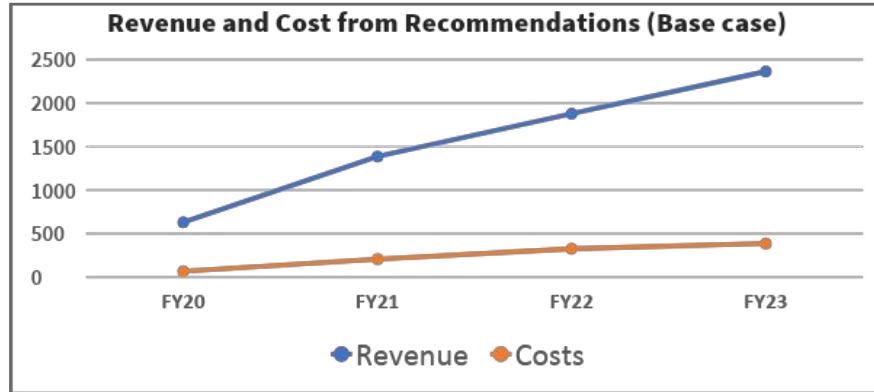
Sony will succeed through an effective timeline and marketing strategy



Marketing Strategy



Our recommendations have high monetization potential *All numbers in million USD

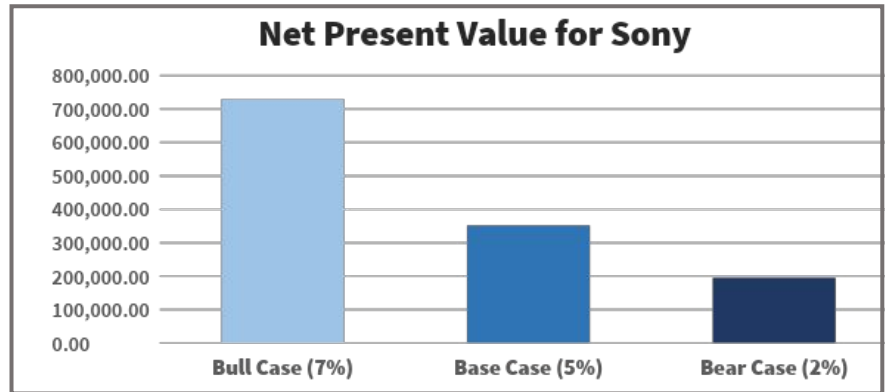
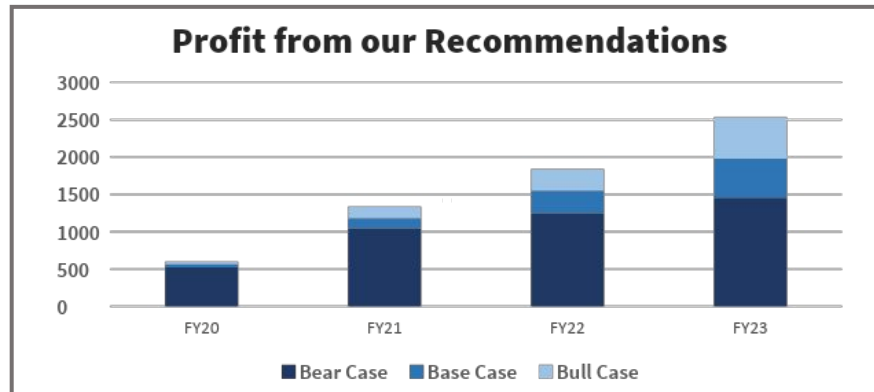


Costs incurred:

- Mobile application development
- Game Development Funding
- Data centre leasing

Revenue streams:

- Application ad revenue
- Sale of exclusive PS games
- Increase in PS users due to cloud gaming



Sources: ^[1] yahoofinance, ^[2] TGCC Case Report



Synthesis



Issues

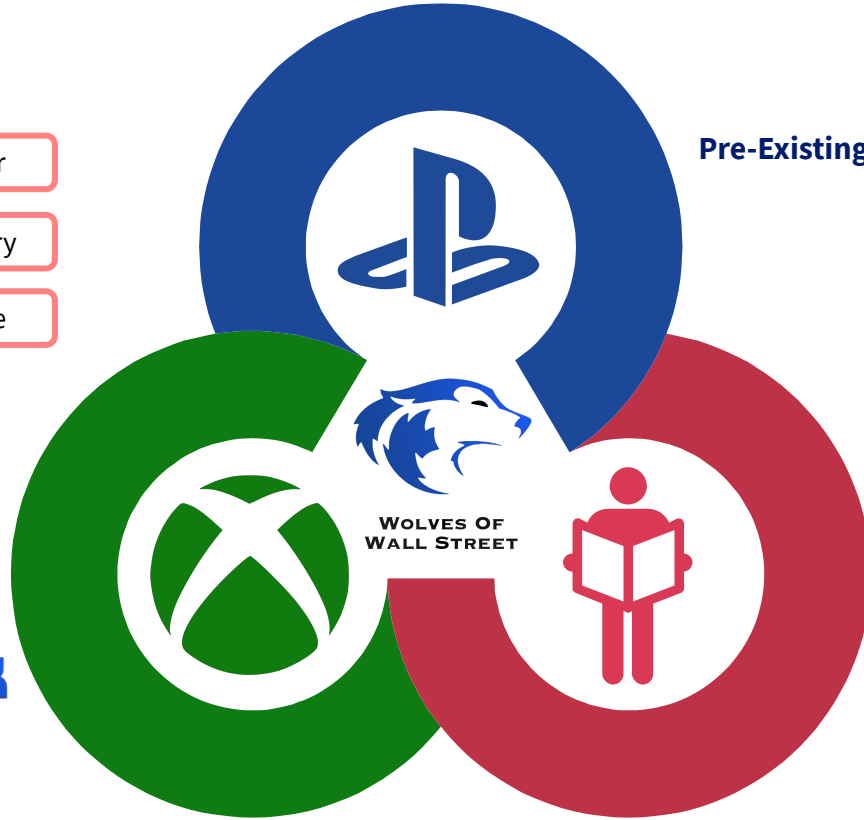
Gaming – Connection Breaker

Extremely Competitive Industry

Console Hardware → Obsolete



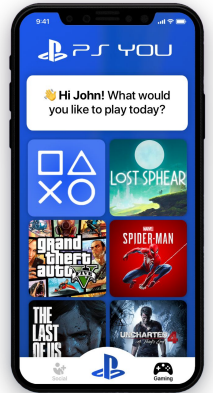
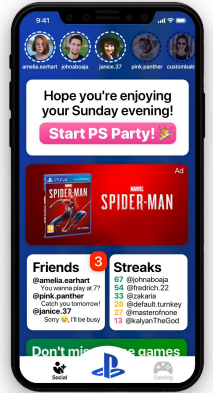
Customers of Competitors



Pre-Existing Customers

Non - Gamers

SONY
make.believe



Sources:[1] Case Brief

Setting the Stage

Issue Analysis

Recommendations

Risk Mitigation

Implementation

Financials

Synthesis



10



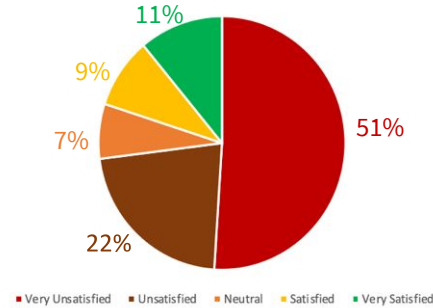
WOLVES OF
WALL STREET

Appendices

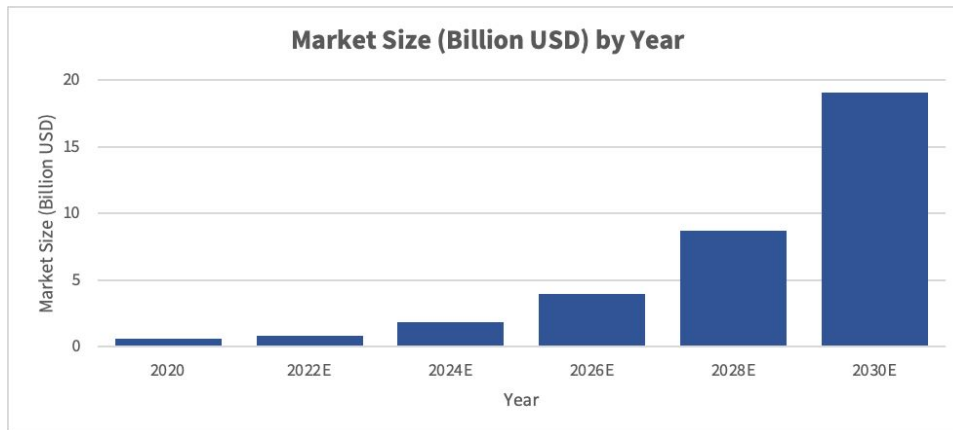


Primary Research - Connectivity

How satisfied are you with the current PS Connectivity Platform



Cloud Gaming Market Growth (Newswire)



Mobile Application's Revenue

	FY20	FY21	FY22	FY23
Per person	4.76	11.44	11.44	11.44
Users	44,800,000	47,040,000	49,392,000	51,861,600
Revenue (Base Case)	213,248,000	536,256,000	563,068,800	591,222,240
Bull Case	44,800,000	48,384,000	52,254,720	56,435,098
Revenue (Bull Case)	213,248,000	553,512,960	597,793,997	645,617,517
Bear Case	44,800,000	45,696,000	46,609,920	47,542,118
Revenue (Bear Case)	213,248,000	522,762,240	533,217,485	543,881,835

Exclusive game development revenue

	FY20	FY21	FY22	FY23
Revenue per game	40,000,000	40,000,000	40,000,000	40,000,000
Additional Games Released - Base Case	3	10	16	19
Revenue (Base Case)	120,000,000	400,000,000	640,000,000	760,000,000
Additional Games Released - Best Case	5	17	23	26
Revenue (Best Case)	200,000,000	680,000,000	920,000,000	1,040,000,000
Additional Games Released - Worst Case	1	4	8	11
Revenue (Worst Case)	40,000,000	160,000,000	320,000,000	440,000,000

Cloud Gaming Revenue

	FY20	FY21	FY22	FY23
CAGR rate - Base Case %	50	50	50	50
Users - Base case	0	4,500,000	6,750,000	10,125,000
Revenue	0	450,000,000	675,000,000	1,012,500,000
CAGR rate - Bull Case %	75	75	75	75
Users - Bull Case	0	4,500,000	7,875,000	13,781,250
Revenue - Bull Case	0	450,000,000	787,500,000	1,378,125,000
CAGR rate - Bear Case %	25	25	25	25
Users - Bear Case	0	4,500,000	5,625,000	7,031,250
Revenue - Bear case	0	450,000,000	562,500,000	703,125,000

Per person
revenue: 100
USD

PS5 projected sales

	FY20	FY21	FY22	FY23
Price	499	499	499	499
Number of users	11,000,000	6,000,000	2,000,000	500,000
Revenue	5,489,000,000	2,994,000,000	998,000,000	249,500,000
Cost of production	450	450	450	450
Total production cost	4,950,000,000	2,700,000,000	900,000,000	225,000,000
Gross profit	539,000,000	294,000,000	98,000,000	24,500,000

Mobile Application Costs

	FY20	FY21	FY22	FY23
Initial Cost	1,000,000			
Recurring Cost		350,000	350,000	350,000

Exclusive Game Development Costs

	FY20	FY21	FY22	FY23
Cost per game	20,000,000	20,000,000	20,000,000	20,000,000
Additional Games Released - Base Case	3	10	16	19
Cost (Base Case)	60,000,000	200,000,000	320,000,000	380,000,000
Additional Games Released - Best Case	5	17	23	26
Cost (Bull Case)	100,000,000	340,000,000	460,000,000	520,000,000
Additional Games Released - Worst Case	1	4	8	11
Cost (Bear Case)	20,000,000	80,000,000	160,000,000	220,000,000

Cloud Gaming Costs

	FY20	FY21	FY22	FY23
Cost to purchase datacenter	15,000,000	15,000,000	15,000,000	15000000
Leasing cost per datacenter (15% annually)	2,250,000	2,250,000	2,250,000	2,250,000
Number of datacenters	3	3	3	3
Overall cost of leasing datacenters	6,750,000	6,750,000	6,750,000	6,750,000

Gross Profit

*All numbers in millions

	FY20	FY21	FY22	FY23
Bear Case	525	1,046	1,249	1,460
Base Case	563	1,179	1,551	1,977
Bull Case	603	1,336	1,838	2,537