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TECHNOLOGY, KIDS & LEARNING: The Future and the Opportunities

**By Scott Traylor
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**Casual Connect
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July 25, 2012**



Slides also available at
http://www.360KID.com/st/20120725_360KID_Casual_Connect_presentation.pdf



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About 360KID



//CODiE//





Overview

- 1. Size of market**
- 2. Trends in apps**
- 3. Industries and learning games**
- 4. Learning game development tips**



Overview

1. **Size of market**
2. Trends in apps
3. Industries and learning games
4. Learning game development tips



Size of the Market

Total US Population:	311,591,917	
Number of Households:	119,545,000*	
Total Youth Population 0 - 17:	73,934,272	(23.7%)
Adults w Internet Access:	71%**	
Number of Public Schools:	98,706***	
Number of Public School Teachers:	~3,300,000****	

Source: * 2010 US Census
** 2012 American Community Survey
*** 2009 US Department of Education
**** 2011 projection, Institute of Education Sciences
all others data from 2011 US Census projections



Size of the Market

Ages and stages

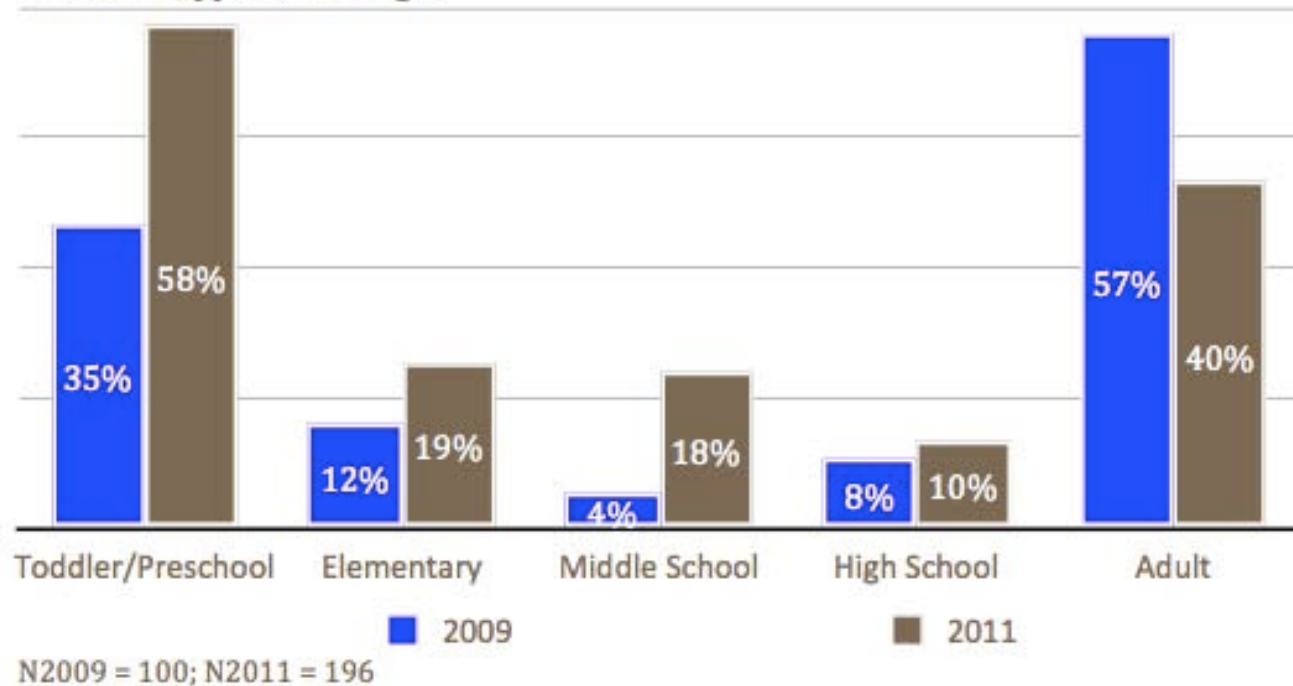
	Age	Population	%	Developmental Stage
Toddler/Preschool	0 - 4	20,162,058	27.27%	Sensorimotor, Preoperational
Kid	5 - 7	12,246,254	16.56%	Preoperational
Tween	8 - 12	20,541,796	27.78%	Concrete Operational
Teen	13 - 17	20,984,164	28.38%	Formal Operational
Total	0 - 17	73,934,272	100%	

Source: US Census, Piaget



Size of the Market

Chart 1: Target Age, 2009 vs 2011
Percent of apps which target:



Source: Joan Ganz Cooney Center: iLearn II Report, January 2012



Size of the Market

Table 12: Use of Mobile Media

Among 0- to 8-year-olds, percent who have ever used a cell phone, iPod, iPad, or similar device to:

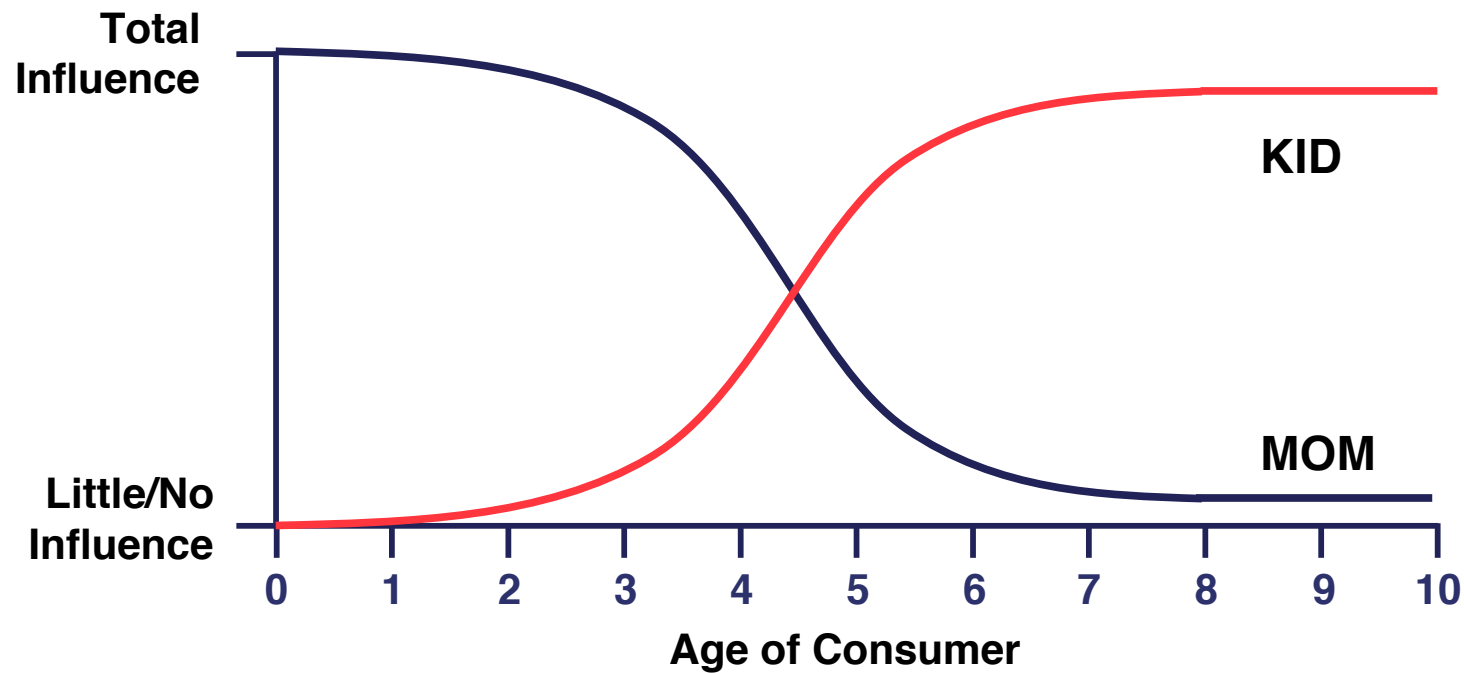
	Among all	0-1	2-4	5-8
Play games	33%	31%	49%	35%
Watch videos	20%	5%	20%	27%
Use apps	16%	4%	16%	23%
Watch TV shows/movies	11%	4%	15%	11%
Read books	4%	2%	3%	5%
Any of the above	38%	10%	39%	52%

Source: Zero to Eight - Children's Media Use In America, Common Sense Media, 2011



Size of the Market

Who's making the purchasing decision?



Source: Wynne Tyree, Just Kid, Inc. 2001



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Trends in Apps

- **“As a category, games generate the most revenue compared to any other app store category. However, education is much more popular in the Apple App store for iPads than compared to any other platform or device.”**
- **In terms of monetization, the Apple iPad app prices tend to be higher, and as a result, the most revenue can be generated with an iPad app.**



Trends in Apps

- **While downloads of educational apps are slightly less in the Apple App Store compared to other app stores (Google Play, Amazon, etc.), the revenue generated from educational iPad apps was higher by a factor of 3-10x when compared to the other app stores.**

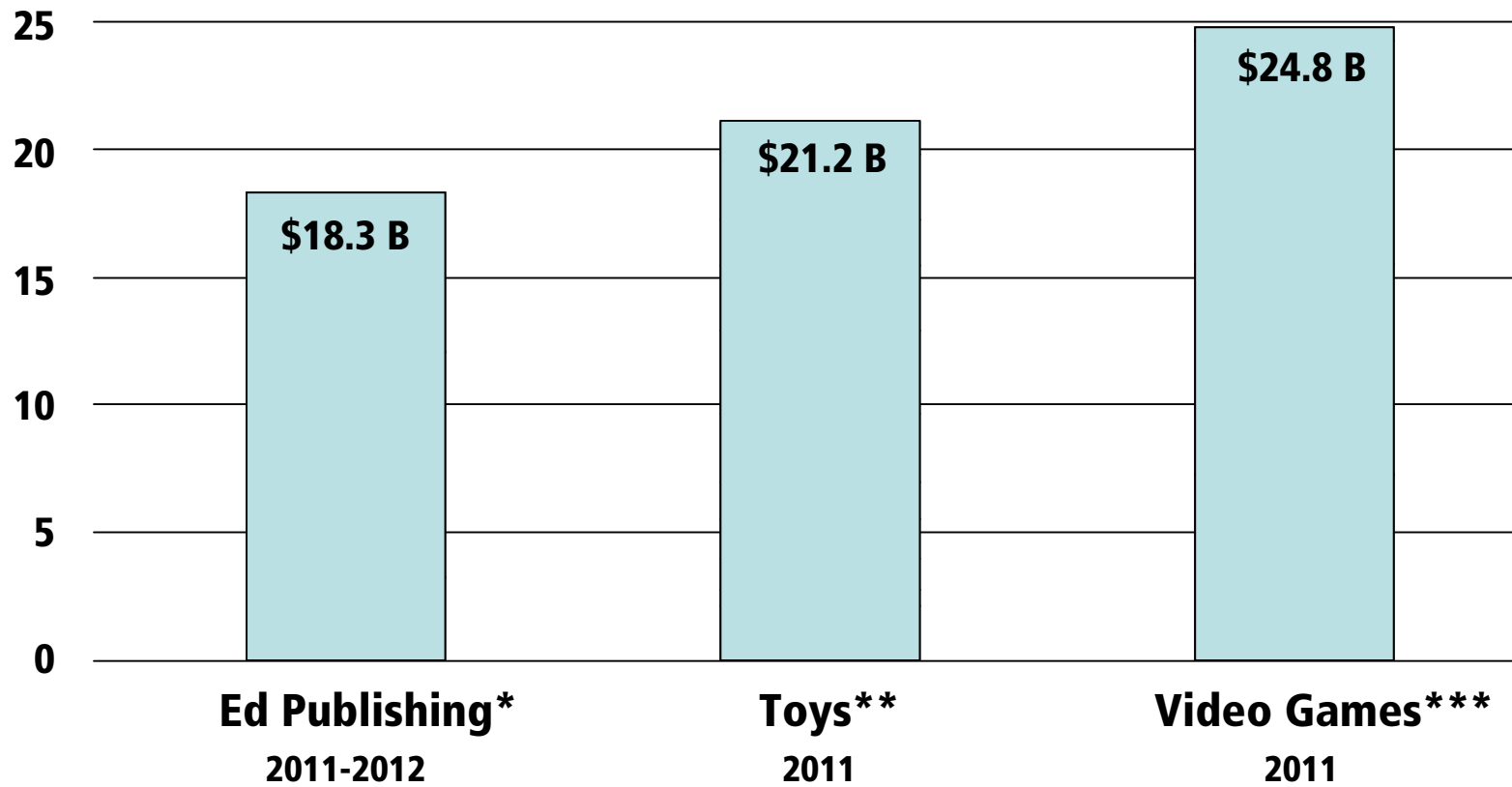


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2. Trends in apps
3. **Industries & learning games**
4. Learning game development tips



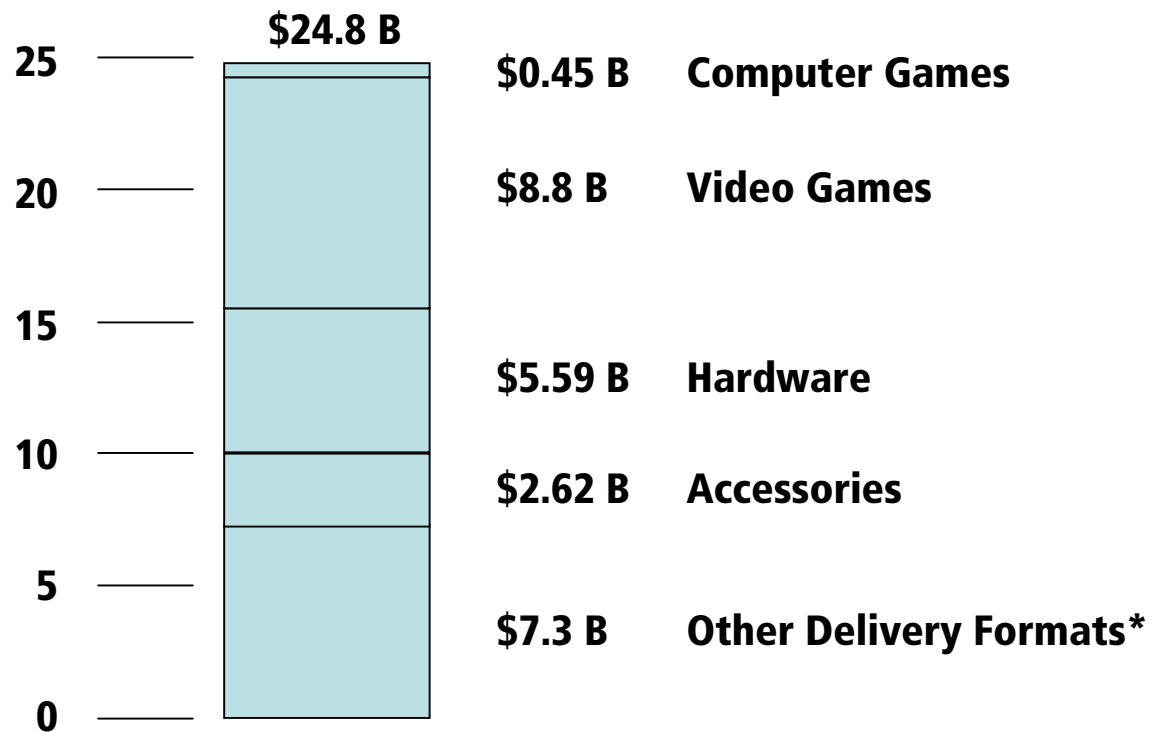
Sales by Industry (\$ Billions)



Source: * Education Market Research
** The NPD Group
*** The NPD Group / Games Market Dynamics: U.S.



2011 US Sales for the Video Games Industry (\$ Billions)

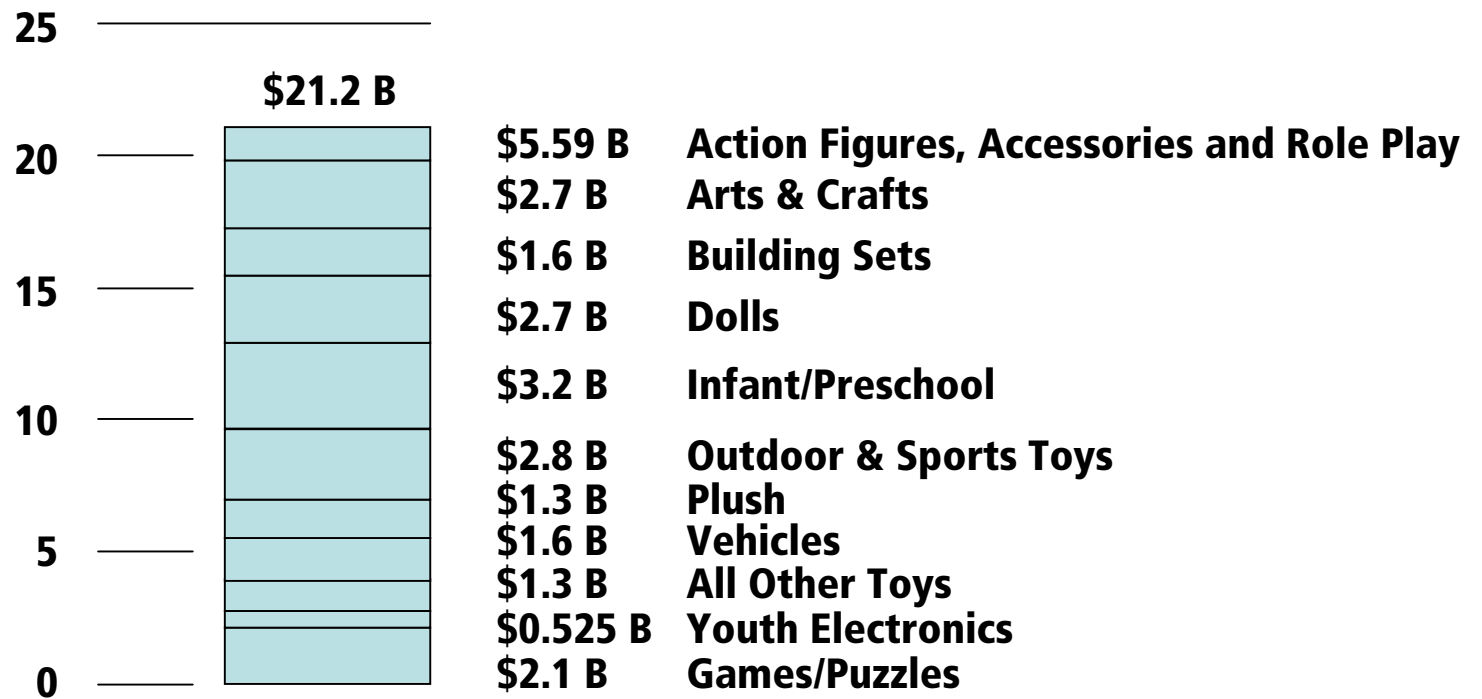


Source: The NPD Group / Games Market Dynamics: U.S.

* Other delivery formats include subscriptions, digital full games, digital add-on content, mobile apps, social network gaming and other physical delivery.



2011 US Sales for the Toy Industry (\$ Billions)



Source: The NPD Group, Inc.



Industries & Learning Games

- **“Youth Electronics” used to be known as “Learning & Exploration”.** It’s this supercategory along with **“Games/Puzzles”** where a portion of these sales would best fit learning games.

SUPERCATEGORY	ANNUAL U.S. SALES DATA					
	2011	2010	2009	2008	2007	2006
Action Figures, Accessories and Role Play	\$1.3 B	\$1.4 B	\$1.7 B	\$1.6 B	\$1.5 B	\$1.4 B
Arts & Crafts	\$2.7 B	\$2.8 B	\$2.8 B	\$2.5 B	\$2.6 B	\$2.7 B
Building Sets	\$1.6 B	\$1.3 B	\$1.1 B	\$0.9 B	\$0.7 B	\$0.7 B
Dolls	\$2.7 B	\$2.5 B	\$2.4 B	\$2.6 B	\$3.0 B	\$3.1 B
→ Games/Puzzles	\$2.1 B	\$2.3 B	\$2.5 B	\$2.4 B	\$2.3 B	\$2.4 B
Infant/Preschool Toys	\$3.2 B	\$3.3 B	\$3.3 B	\$3.2 B	\$3.2 B	\$3.4 B
→ Youth Electronics	\$525 MM	\$0.5 B	\$0.6 B	\$0.9 B	\$1.0 B	\$1.0 B
Outdoor & Sports Toys	\$2.8 B	\$2.8 B	\$2.7 B	\$2.7 B	\$2.9 B	\$3.0 B
Plush	\$1.3 B	\$1.7 B	\$1.4 B	\$1.6 B	\$1.4 B	\$1.4 B
Vehicles	\$1.6 B	\$1.6 B	\$1.7 B	\$1.8 B	\$2.3 B	\$2.1 B
All Other Toys	\$1.3 B	\$1.4 B	\$1.2 B	\$1.3 B	\$1.4 B	\$1.6 B
TOTAL TRADITIONAL TOY INDUSTRY*	\$21.2 B	\$21.7 B	\$21.4 B	\$21.6 B	\$22.2 B	\$22.7B

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Source: The NPD Group, Inc.



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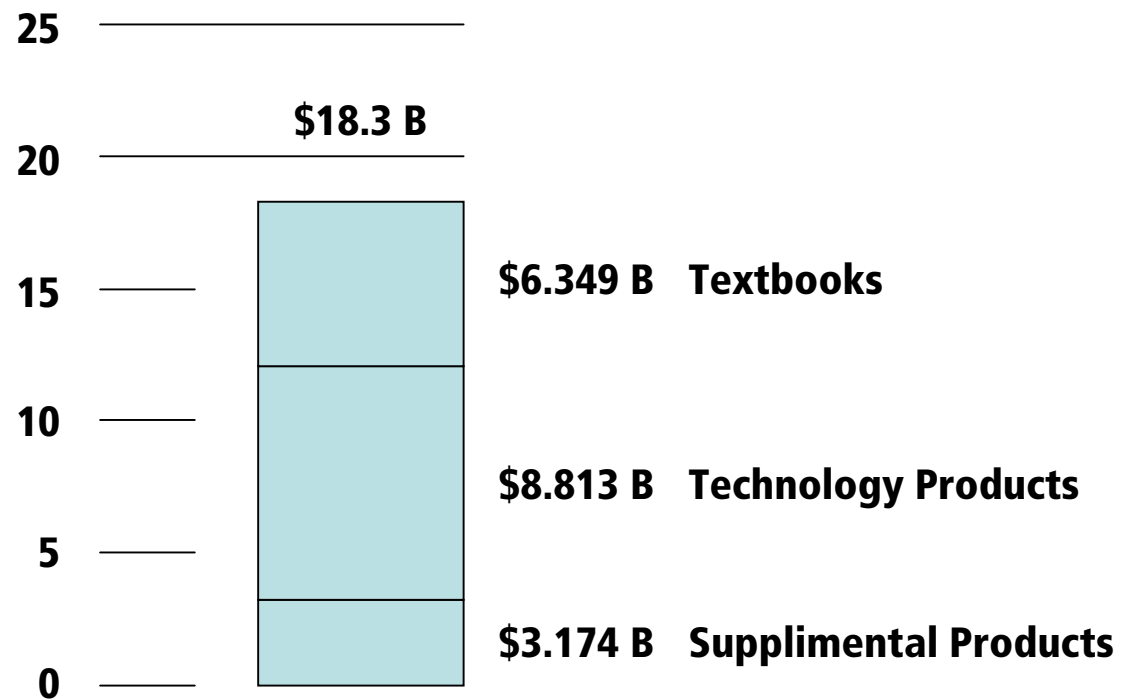
Industries & Learning Games

- **“Educational toys tend to have a longer life cycle and consumers can justify the higher-price.”**
- **“In 2009, sales of learning and exploration toys outsold the overall sales of traditional toys.”**

Source: Little & King 2010, The NPD Group, TIA



2011-2012 US Sales for the Educational Publishing Industry (\$ Billions)



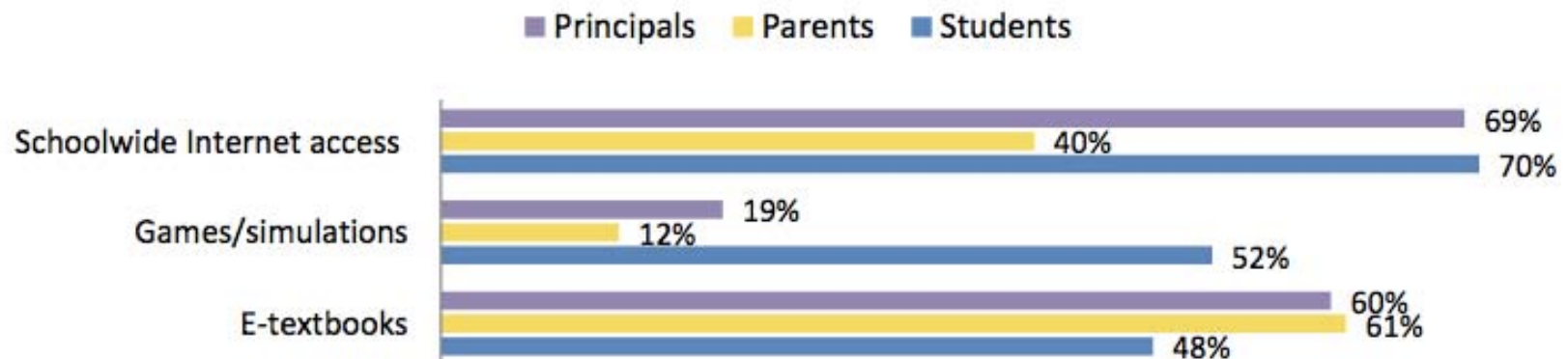
Source: The Complete K-12 Report: Market Facts & Segment Analysis 2012, Education Market Research



Industries & Learning Games

Chart 4: Technologies to Enable More Personalized Learning - Views of Middle School Stakeholders

*"Imagine you are designing the ultimate school.
Which of these tools would have the greatest positive impact on your learning?"*



Source: Mapping a Personalized Learning Journey, Project Tomorrow 2012



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Industries & Learning Games

EDUCATION WEEK

Calif. Governor Sets Plan to Offer Open-Source Digital Texts

California will offer free, open-source digital textbooks in mathematics and science for high school students, under a plan unveiled by Gov. Arnold Schwarzenegger. The Republican governor says his state would be the first in the nation to take that step.

Digital textbooks and other resources have become increasingly popular in recent years, and Mr. Schwarzenegger believes putting those offerings online will relieve costs and encourage collaboration between school districts. He wants to have a set of

Source: Education Week, May 18, 2009



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Nook Color



Kindle Fire



Galaxy Tab



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TechnoSource – Kurio 7



LexiBook tablet



Oregon Scientific – Meep



Matrix One tablet



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Industries & Learning Games

- **GooglePlay has the most free apps offered out of any other app store platform**

Source: May 2012 Distimo Report



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4. **Learning game development tips**



Learning Games Development Tips

Number 1 Tip

- **Language used to sell a learning game in the consumer space is very different from the language used to make the same sale in the school space**
- **Consumer = Fun first, learning second**
- **Classroom = educational worthiness, appropriateness, effectiveness**



Learning Games Development Tips

Consumer or classroom products

- **Be specific with your audience. Have a sweet spot.**
- **Make your content developmentally appropriate**
- **Make the play open ended, sandbox-like**
- **Instructions or no instructions**
- **Forced instructions vs. bypassing instructions**



Learning Games Development Tips

Classroom products

- **No crude sounds**
- **No branded characters**
- **Teachers dislike noisy apps**
- **Teachers like transparency – provide teacher materials, background info on the app, how to use in the classroom, preference settings**



Learning Games Development Tips

Consumer or classroom products

- Beware of too much praise in your feedback
- Be aware of the languaging you're using. Is it appropriate for the age/grade
- Time-based gaming mechanics, beat the clock*
- Leader boards*
- Code of Ethics Guidelines for Publishers of Children's Interactive Media **

* Carrie Heeter, Brian Winn - Beyond Barbie and Mortal Combat, Chapter 18. 2007 MIT Press

** <http://dustormagic.wikispaces.com/Code+of+Ethics+for+the+Publishers+of+Children%27s+Interactive+Media+%28Draft%29>



Take Away

- 1. There are many open opportunities in the learning games space waiting to be filled**
- 2. Opportunities not just in consumer for the toys and games industries, but also education industry**
- 3. Games, learning and apps are a growing area of research**
- 4. Be thoughtful of the child, the parent, and the teacher in the development and selling process of your product**



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Casual Games Association

The 360KID team



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5. **Additional slides not show during original presentation**



Trends in Apps

- **During its third quarter call with investors held on July 24, 2012, Apple stated it had sold 17 million iPads in Q3 with one million to educational institutions. Despite the fact that Q3 also saw "record" sales of Macs to schools, Apple sold twice as many iPads as Macs to educational institutions.**



Industries & Learning Games

- **"In terms of emerging technologies, companies indicated that 'internet enabled mobile devices' (43.4%) seem to be of immediate interest to their customers, who are either using this technology or have near-term plans to buy it."**
- **"'Online learning games' (23.7%) also scored well as an area of immediate customer interest."**



Industries & Learning Games

- **“Currently, the integration of games into K-12 is largely driven by individual educators who are motivated to experiment with gaming at school. There is a small but growing set of organizations that partner with schools to help them design or implement games, but until a way is found to marshal resources more effectively in support of game-based learning, it will remain on the mid-term horizon.”**



More About Parents and Teachers

- **They want to do the right thing in their decision making process when it comes to choosing learning games but may not know the difference between a good learning product and a bad product**
- **Beware of marketing puffery**
- **Lower price points allow a teacher to test a product out or make a purchasing decision without the approval from an administrator/principal**
- **You get one shot at convincing a parent or teacher. If you blow it, you've lost them**



Parents Involvement

- 91%** pay attention to the content of the games their children play
- 52%** say video games are a positive part of their child's life
- 40%** play computer & video games with their child at least weekly
- 59%** play computer & video games with their child at least monthly



Learning Games Development Tips

Consumer or classroom products

- **Do not collect personal data (COPPA)**
- **In app micro-transactions are evil**
- **Do not advertise in apps for the youngest of users
(Do not advertise at all in a classroom setting!)**
- **Do not make educational assumptions**
- **Test constantly with your target audience and with
adults and/or teachers**



Learning Games Development Tips

Final tips

- **Think about the ecosystem you can build to tie together multiple products**
- **Think about a multi-platform strategies**
- **Create alliances with industry specific professional organizations**