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Liberty Media is going to the dogs. And cats.

Stake in GoPets is company's latest effort to tap into casual game market

By **Joyzelle Davis, Rocky Mountain News**
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It's not unheard of for pet owners to spend hundreds of dollars lavishing their dogs and cats with blinged-out collars and top-shelf chow.

Liberty Media is betting that Fidos and Fluffys in cyberspace will receive just as much love. The company late last year bought a stake in Korea's GoPets, a virtual community of pets that roam across other players' desktops around the world. It's free to register and play, but users can whip out their credit cards if they fancy a baby rattle or chocolate chiffon cake.

"It's a great niche, and here a niche doesn't mean small. It can mean you have a very passionate group of consumers," said Michael Zeisser, senior vice president at Liberty. "Pet owners are really passionate people, and they really care for their pets."

GoPets is just the latest foray by Liberty - whose assets range from premium movie network Starz Entertainment to stakes in Time Warner - into the casual gaming world. In the past year, the Douglas County-based company purchased a majority stake in online skill games company Fun Technologies and overhauled the Game Show Network Web site into a casual-gaming destination. Liberty and Sony jointly own GSN, which reaches 60 million households.

Entering a young market

Liberty is trying to establish a beachhead in a market that hardly existed a decade ago. Research group DFC Intelligence estimates that revenues from casual games grew to \$953 million last year, up from \$713 million in 2005 and \$228 million in 2002.

Casual games are easy to learn but challenging to master, typically involving spelling, puzzles or trivia. They can be played in five-minute bites on any computer, meaning they appeal to a whole different demographic than the stereotypical 20-something hard-core console gamer.

"It's a great way to relieve stress during the day," said Monica Hadler, a Denver secretary who plays *Bejeweled* on her lunch break.

Some 89 percent of casual gamers are 30 or older, 72 percent are female, and 53 percent are married with kids, according to a study by Information Solutions Group.

"Anyone who owns a PC and has an Internet connection can play," said Allison Luong, managing director of San Francisco-based Pearl Research. "The potential audience is so much greater" than for console gaming, which requires hundreds of dollars to buy an Xbox or PlayStation.

GoPets combines casual gaming with two of the biggest buzzwords in online games - *social networking* and *massively multiplayer* games. The pets act as a matchmaker for their owners to make friends around the world, who then exchange messages and virtual presents. If the owners speak different languages, they can communicate through pictures.

"There's no darkness to it at all, which you can appreciate if you've seen *World of Warcraft* or *Second Life*," Zeisser said, referring to two of the best-known, and far more violent, multiplayer games.

GoPets is running as a beta test in 15 languages around the world, but it already has more than 500,000 registered users. It will officially launch in the U.S. in May.

Ads will be discreet

Operating in a virtual world means there's virtual real estate for sale. Liberty's Zeisser says the advertising will be discreet and natural; the site wouldn't use a Coca-Cola can, for example, but it might use the iconic polar bear used in Coke's advertising campaign. He also sees opportunities to tie in some of Liberty's affiliated properties, such as Discovery Network's Animal Planet.

Liberty is interested in gaming, not gambling - an important distinction after Congress passed a law last year that makes it illegal to bet



© Gopets

Liberty Media is betting that virtual dogs and cats in cyberspace will receive just as much love as real pets. The company late last year bought a stake in Korea's GoPets, a virtual community of pets that roam across other players' desktops around the world.

online.

Fun Technologies specializes in fantasy sports and skill-based gaming, which aren't affected by the law because they don't involve betting.

Fun Technologies has one of the largest online communities of people playing skilled games, running tournaments for sites including MSN, AOL and its own SkillJam.com. Such a huge pool of players means the games can keep going at any hour of the day.

Casual gaming revenues

- 2002 \$228 million
- 2005 \$713 million
- 2006 \$953 million *Source: Dfc Intelligence*

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