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# LB Games Pioneers Christian Video Games in Successful Walmart Test

How 21st Century Technology Made it Happen and What's Next?

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## Background

Christian Music grew and eventually exploded in popularity in the early 1990s. For quite some time, such music couldn't be found in music retailers like Warehouse Records, Musicland, Sam Goody, Tower Records, etc... But finally, thanks to the pioneering efforts of those at EMI, Christian music today represents approximately 7% of all music sales in America. And because of that foresight, EMI distributes 40% of all Christian music in America and more than 50% internationally.

Our CEO and his team developed some of the top selling games including the first EA Sports' Hockey and 3D John Madden Football games, which has gone on to become a billion dollar franchise for Electronic Arts. In 1993, he was awarded the coveted Entrepreneur of the Year Award, from Inc. Magazine, Merrill Lynch and Ernst & Young. In 1998, after much success, Troy Lyndon left the industry to serve one of the world's largest missionary organizations, Campus Crusade for Christ International. And after 5 years, he came back to video games with a purpose to perpetuate a thriving Christian Video Games market.

In 2006, LB Games launched its first product known as Left Behind: Eternal Forces. It sold approximately 100,000 units. But more importantly, it became the most widely distributed Christian PC game to-date. This initial launch was considered successful as an independent release. But for us, it fell considerably short of our expectations, which is why LB Games has remained focused for several years on developing a marketing program that could drive traffic to and sell-through Christian games effectively at any retailer.

Even with the majority of Americans identifying themselves as Christians, virtually every game company which has made games for this market-segment specifically, has faced insurmountable challenges, until this important break-through. In our own independent research, we found that 72% of those surveyed intend to buy one of our games for themselves or a family member. But even after we identified the market, the challenge became how to reach this powerful demographic. During the holiday season of 2009, LB Games pursued a test to evaluate a new church marketing program to see if it would accomplish the goal of driving consumers to stores. The test was very telling and the results, nothing short of spectacular.

## The Test Details

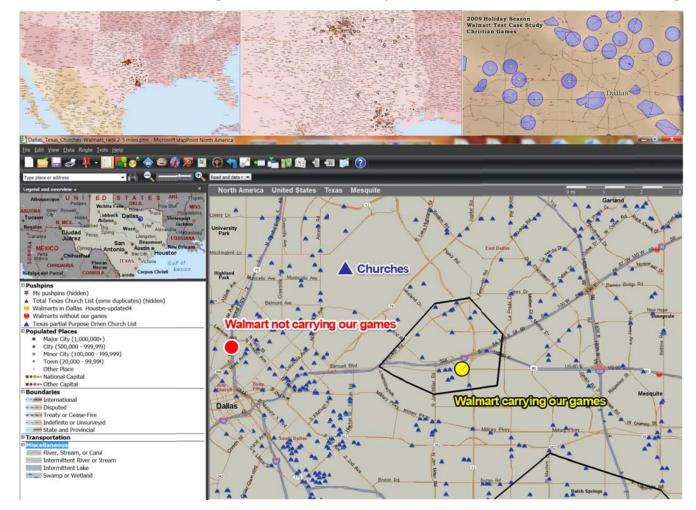
The test took place from the latter part of October through Christmas, and included three of our games; something for every member of the family. (Updated/Improved Games Shown here)







The Test was spread throughout 100 Dallas & Houston Walmart stores. The games were placed 8 units deep in every store with the idea that replenishment would not affect sales results. It was a clear challenge to send traffic to only one-third of Walmart stores in the region.



LB Games has a database which includes more than 191,000 evangelical churches in America. From that database, we identified approximately 20 churches surrounding only those individual stores by defining a 2-5 mile radius around each store.

### A LEFT BEHIND GAMES' CASE STUDY

Once we could visually see roads and the geopolitical layout, our team then, in some cases, modified the circular radius to represent a more appropriate regional representation of short routes between churches and corresponding stores. This was an important step because sometimes we found a 10-mile ride to drive around a riverbed or other boundary. Then, using Microsoft MapPoint, we export only those churches surrounding each and every one of our predefined regions to maximize our direct marketing efforts to churches.

We then sent a letter requesting Pastors help us 'get the word out' to the public; Christian games are here and available now at a store very near to them. We then sent out the same letter three times to each church within that 2-5 mile radius of each store, to promote only those stores carrying our games. (see letter on back page for example of this year's letter)

# The Analysis & Results

As a result of a unique church marketing plan, LB Games' products sold in the top 10% of all PC games during the test period, despite the fact that they sold-out in most stores before Christmas.

Time Period: 10-15-09 to 12-28-09, Number of Stores: 100, Product Depth: 8

<u>Test Market Region</u>: Dallas to Houston (approximately 1/3 of Walmart stores)

Products: Left Behind: Tribulation Forces, Charlie Church Mouse & Keys of the Kingdom

<u>Units Sold</u>: 2,224, <u>Retail Revenue Generated</u>: \$53,129, <u>Churches Receiving Letters</u>: 2,000

Mailings to Church Pastors: 3, Cost per mailing: \$800, Church Marketing Budget: \$2,400

<u>Performance Comparison to All other PC Games</u>: All 3 Titles performed in the top 10% of stores. Results would have been higher had replenishment occurred when games were sold out. We lost additional sales while fielding more than 100 phone calls from consumers unable to find the 'right' Walmart to visit, despite posting a list of the stores online.

<u>Additional Research and Comments</u>: According to the Entertainment Software Association, the average PC Game buyer is over 40 years old; a parent or grandparent in most cases. We thereby believe our marketing to churches matched our target demographic, the buying-consumer.

With more than 300,000 churches in America, we believe this strategy can be put into place for every retailer carrying our product, for every store, without creating any competitive advantages or disadvantages or church marketing overlap.

Further, we find that Pastors get emotionally involved when discussing our youth and the negative impact of other games upon their lives. What is worth noting is that our games appeal, philosophically, to their core values...by focusing on the 'evangelical' nature of our games, we align our purpose with their personal goals in life. And because of this, they will talk with their church members about our games, but not necessarily other Christian media products.

# Taking "sell-through" to a whole new level

In 2010, we will be the only video game company in the world to merge retailer sell-through data with our proprietary marketing system to ensure chain-wide sales by "affordably" driving retail traffic to every store independently, based upon years of experience pioneering and refining the best way to reach the Christian consumer.

#### A LEFT BEHIND GAMES' CASE STUDY

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Look for these quality games at a Walmart near you.

«Church»
Attn: «MiddleName» or Current Pastor
«Street»
«City», «State» «Zip Code»



Dear Pastor,

### FOR THE SAKE OF OUR CHILDREN AND CULTURE, PLEASE READ THIS ENTIRE LETTER AND RESPOND ACCORDINGLY.

According to Josh McDowell, "We are losing between 50% and 70% of our youth to the world before they graduate from high school." We know that violent video games are having a significant negative impact on many of our children. We need your help!

For the first time ever, your local Wal-Mart is carrying these fine Christian games this holiday season. These games have led more than a thousand game players to Christ through a special connection to our evangelistic website.

We are asking that you inform your congregation, youth groups, children's ministry and most importantly, **parents**, to join with us in support of Christian games by going to Wal-Mart to purchase one or more of these games. **Please DO NOT WAIT until Christmas. Encourage everyone to SHOP NOW**, while the games are on the shelves!

## And if the shelves are empty, they can go to Walmart.com and search for "Inspired Media" to buy online!

Lord willing, if you help us succeed, Wal-Mart will recognize the demand for Christian games and continue to offer our games nationwide! Help us make a difference!

These games are supported by the *Billy Graham Center* and *Focus on the Family*, because they too, understand how seriously we need to reach video game players for Christ. To get more information and artwork to promote this campaign during your announcements, on your website or in your bulletins, go to: <a href="https://www.inspiredmedia.com/church-resources">www.inspiredmedia.com/church-resources</a>.

With warm affection in Christ,

Troy Lyndon

Chief Executive Officer

LB Games & Inspired Media Entertainment

### **Troy Lyndon Personal Bio**

Mr. Lyndon's career spans 25 years in the video game industry; most well known as the original developer of the world famous 3D John Madden Football games. "After selling that to EA, I left to serve God and spent five years with Campus Crusade for Christ before returning to make video games with a mission to reach this generation for Christ." (CL4)