

Making money off the Web

Singapore-based start-ups are making money on the Net and reaching millions of users. THAM YUEN-C finds out more

THERE is money to be made on the Internet and it is not through traditional channels like blogging and advertising. In fact, some Singapore-based start-ups have been raking in the bucks through linking people up with internships, selling virtual items and even lending out virtual money.

One of the companies, Tyler Projects, earns close to \$100,000 in a good month selling virtual goods used in their online game, Battle Stations.

They are not the only ones.

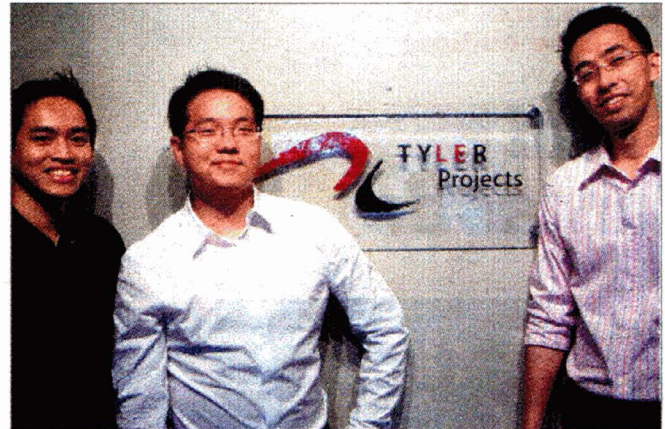
Of the 150 companies which have received funding from the Interactive Digital Media Programme Office (IDMPO) set up under the Media Development Authority, many are doing well, said Michael Yap, executive director of the IDMPO.

"Most of the supported interactive and digital media companies operating in the social networking and virtual worlds are doing well," he said. "Besides being profitable, some of these companies have also attracted private funding and have reached out to millions of users worldwide."

With the Web becoming more social, there are now more ways for companies to cater to special interest groups and thus there are more money-making opportunities, said Claus Mortensen, IDC's principal analyst of the digital market place and new media.

We profile four start-ups here that have got their Web 2.0 ways right.

yuenc@sph.com.sg



Game plan

WHILE their peers are busy making friends on Facebook, Ng Tiam Yang (left), Leonard Lim (centre) and Ronnie Neo (right) are busy making money, to the tune of almost six figures a month.

The founders of Tyler Projects are the brains behind Battle Stations, a multi-player Facebook game that has 200,000 registered players.

"We would meet at the Bishan McDonald's to programme games," said Leonard on how they started. "It was more of a Sunday hobby, until my professor from Singapore Management University encouraged us to start the company."

The three dragged their feet until the professor secured funding for them.

Company: Tyler Projects
Founders: Leonard Lim, 27, Ng Tiam Yang, 28, and Ronnie Neo, 29
Team: 10 people
Revenue: \$250,000 in 2008

Their first game, though, did not take off. Mobile Weapon was a single-player title for mobile phones.

"We learnt a couple of lessons from

that. If you want to make money, multi-player games are the way to do it, because there is more interactivity. So people will come back to play more and buy more things," said Leonard.

They created Battle Stations in 2007. They emulated the business model of another popular online game, Maple Story, of selling virtual goods.

"It's good to be innovative in your product. But as far as business models are concerned, it's always better to follow something that has been tried and tested," he said.

Business model: When the company first started, it depended on online ads, which generated \$3,000 a month. It now has a turnover of \$50,000 a month selling game items, such as action points.