Lecture 27:

On the Money
Emily Greer and Jim Greer
Kongregate Breakout Threshold

3.8
Mu Complex

Rating: 3.6

Mu Complex: Episode One

Rating: 4.3
Intellectual Property

• Your **group** retains all ownership
  • You can commercialize it later
  • You can make derivative works
  • Individual ownership is your responsibility

• But Cornell gets a non-exclusive license
  • Non-commercial use of final version submitted
  • We can post this version on our website
  • We claim no other rights to your game
Ways to make money

- Website competitions & contracts
- Advertiser revenue
- Microtransactions
The Good Old Days

On the Money

game company

you
The Questionably Good Older Days

you

demo / shareware

game company

full game
These Days

base game

you

game company
Source

“Core Games, Real Numbers”, GDC 2011
Kongregate Virtual Currency

EARN FREE KREDS

<table>
<thead>
<tr>
<th>Kred Pricing</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>$5</td>
<td>50</td>
<td>KREDS</td>
</tr>
<tr>
<td>$10</td>
<td>100</td>
<td>KREDS + 10 BONUS KREDS</td>
</tr>
<tr>
<td>$20</td>
<td>200</td>
<td>KREDS + 25 BONUS KREDS</td>
</tr>
<tr>
<td>$50</td>
<td>500</td>
<td>KREDS + 65 BONUS KREDS</td>
</tr>
</tbody>
</table>

* All prices are displayed in US Dollars. Ultimate Game Cards purchased in countries outside the US will be converted upon checkout.

Terms of sale
Choose another payment method
ARPU

average revenue per user
Paying Users

- Pay
- Don't pay

On the Money
average revenue per paying user
On the Money
$500 Whales

Player Distribution

Revenue

Whales  Normal

On the Money
$1000 Whales

Player Distribution

Revenue

Whales  Normal

On the Money
The Biggest Whale

$6700
# A Tale of Two ARPPUs

<table>
<thead>
<tr>
<th>Swords &amp; Potions</th>
<th>Business Tycoon Online</th>
</tr>
</thead>
<tbody>
<tr>
<td>• ARPU: $0.50</td>
<td>• ARPU: $0.61</td>
</tr>
<tr>
<td>• 7M players</td>
<td>• 500K players</td>
</tr>
<tr>
<td>• 2+ plays: 56%</td>
<td>• 2+ plays: 26%</td>
</tr>
<tr>
<td>• 10+ plays: 32%</td>
<td>• 10+ plays: 5%</td>
</tr>
<tr>
<td>• 50+ plays: 17%</td>
<td>• 50+ plays: 3%</td>
</tr>
<tr>
<td>• Difficult to spend &gt; $100</td>
<td>• Difficult to spend &lt; $100</td>
</tr>
<tr>
<td>• Buyers: 2.9%</td>
<td>• Buyers: 0.7%</td>
</tr>
<tr>
<td>• ARPPU: $17</td>
<td>• ARPPU: $96</td>
</tr>
</tbody>
</table>

On the Money
Lessons

1. Allow players to spend $1000+

2. Don’t underprice

3. Think about the endgame
   1. Guilds or leagues
   2. Leaderboards
   3. Player vs. player
   4. Character progression
“Player Journey Funnel”

- aware
- able to access
- in trial
- returning
- loyal

On the Money
ARPU

Regs → Addicts
South Park: True or False?

True!
Lessons

1. Allow players to spend $1000+
2. Don’t underprice
3. Think about the endgame
   1. Guilds or leagues
   2. Leaderboards
   3. Player vs. player
   4. Character progression
4. Keep providing content
On the Money

Dots indicate new “zones” added – content for players
On the Money
Quantifying Developer Effort

![Chart showing fantasy online revenue with peaks corresponding to various events such as Hot New Games, Badges added, Custom User Items, New zone, XL, etc., Equips, Guild bonuses, Halloween, sale, Christmas event, and Guild wars. The x-axis represents months from May 2010 to February 2012.]

On the Money
Summary

- Free-to-play is a big shift
- Shifts payment from the masses to the addicts
- Analytics can be applied to money, also
Other ways to make money

• Get a job in the industry
John Hopson, Bungie

- User Research Lead
- Ph.D. in Behavioral and Brain Sciences (Duke)
Mike Ambinder, Valve

- “Experimental Psychologist”
- Ph.D. Psychology (UIUC)
Emily Greer, Kongregate

- COO from 2006-2014
- CEO as of 2014
- B.A. in Russian (Yale)
Alex Jaffe, Spry Fox