CS/INFO 4154: Analytics-driven Game Design

Class 31:

Revenue, Part 2
Mon

by 10:10am: Upload Game to CMS

11/12
Newgrounds Release 2

Wed

11/7
Revenue, Part 2

11/14
Newgrounds Release 3

Fri

11/9
Newgrounds Release 1

11/16
Newgrounds Release 4

by 2pm: Newgrounds Release Report
Review: Freemium
Review: Freemium

Kongregate depends on the 2%

2.1% of players buy virtual goods on Kongregate.com

75% of our revenue comes from virtual goods

Emily Greer, “Don’t Call them Whales: F2P Spenders and Virtual Value”, GDC 2015
Review: The Biggest Whale

$6700

Emily Greer, “Core Games, Real Numbers”, GDC 2011
More Important Questions

- Can microtransactions have negative repercussions?
Star Wars Battlefront II
Most downvoted Reddit comment

Posted by u/MBMMaverick 12 months ago

Developer Response

Seriously? I paid 80$ to have Vader locked?

This thread has been locked by the moderators of r/StarWarsBattlefront
New comments cannot be posted

EACommunityTeam

The intent is to provide players with a sense of pride and accomplishment for unlocking different heroes.

As for cost, we selected initial values based upon data from the Open Beta and other adjustments made to milestone rewards before launch. Among other things, we're looking at average per-player credit earn rates on a daily basis, and we'll be making constant adjustments to ensure that players have challenges that are compelling, rewarding, and of course attainable via gameplay.

We appreciate the candid feedback, and the passion the community has put forth around the current topics here on Reddit, our forums and across numerous social media outlets.

Our team will continue to make changes and monitor community feedback and update everyone as soon and as often as we can.
The intent is to provide players with a sense of pride and accomplishment for unlocking different heroes.

That's rich. Just be honest. The truth is you know very few people are going to sink a full work week into this game and you're hoping that somebody is desperate enough to buy credits to unlock the character. It has nothing to do with providing a "sense of pride and accomplishment." This is a flat-out lie and you know it. How naive do you think your player base is?

also there is no pride with wasting 40 hours grinding for a hero only for the hero to be gimped from the go and require 300 more hours grinding to make them heroic, you're just pushing this system to incentivize spending and for no other reason.

Also tell matt to get a new job, "community managers" dont insult the entire community, especially when they are trying to bring attention to such a cynical and shitty decision.
Example: *Clicker Heroes*
Your purchases contribute to the continued development of this game. Thank you for your support!

- +12,118N Gold
- +1 Cooldowns Refresh

- +14 Hero Souls
- +1 Ascension

- +3 Random Gilded Heroes

Buy Timelapse 20K
Buy Quick Ascension 50K
Buy 3 Gilded Heroes 30K
Clicker Heroes ARPPU

Why Clicker Heroes 2 is abandoning free-to-play

November 20, 2017

We had to choose one of two models: Paid upfront like traditional games, or free-to-play with a real-money shop like Clicker Heroes 1. We chose paid upfront, for $29.99 (fully refundable for a year after launch), and we are in a situation where we have to explain ourselves to a massive number of players who were expecting/hoping for a free sequel. There are several reasons why we are making this decision.

Ethical reasons

Games are inherently addictive. That alone is not a bad thing, until it gets abused. In Clicker Heroes 1, we never tried to abuse players with our real-money shop, and for the most part we designed it without the shop in mind so that you never have to purchase rubies to progress. Despite this, we found that some number of players spent many thousands of dollars on rubies. I can only hope that these people could afford it, and that they were doing it to support us, and not to feed an addiction. But I strongly suspect that this is not the case.

We made a lot of money from these players who spent thousands. They are known to the industry as “Whales”. Great. If you’re rich, please be my guest. But we don’t want this kind of money if it came from anyone who regrets their decision, if it made their lives significantly worse as a result. Unfortunately, those who have a problem are usually in denial about it, and would be too ashamed to ask us for a refund. We would give the refund in a heartbeat. It’s not like we have artists drawing each ruby by hand. It costs us nothing but payment processing fees.

We really don’t like making money off players who are in denial of their addiction. And that’s what a large part of free-to-play gaming is all about. Everyone in the industry seems to rationalize it by shifting the blame, assuming way too much cognizance on the part of their victims. People can make their own decisions, right? But it just doesn’t sit well with me. Despite very few of our players having complained, it felt wrong when we started doing it and it still feels wrong now.
“Games are inherently addictive. That alone is not a bad thing, until it gets abused. In Clicker Heroes 1, we never tried to abuse players with our real-money shop, and for the most part we designed it without the shop in mind so that you never have to purchase rubies to progress. Despite this, we found that some number of players spent many thousands of dollars on rubies. I can only hope that these people could afford it, and that they were doing it to support us, and not to feed an addiction. But I strongly suspect that this is not the case.”

- Fragsworth
This is why we can’t have nice things

“I do think the $30 price is just too high. I absolutely respect the decision to take out microtransactions, as it removes the temptation for addictive personalities (like myself) to pay for shortcuts, and yet $30 still feels too high for this game.”

– Paul Tassi, Forbes
More Important Questions

- Can microtransactions have negative repercussions?
- How do you actually pay $6K for a game?
So how do you spend $5k+ in a game?

Big Spender #1: 40-year-old Californian

Primary game is an Action-RPG
- Single-player in a social environment
- Skill-based leveling, multiple class paths
- Guilds & co-op multiplayer
- PvP & tournaments with lots of modes
- Plays 4-6 days a week, 1000+ lifetime plays

Plays & spends in other games but 90% of money/time spent in main game.

Emily Greer, “Don’t Call them Whales: F2P Spenders and Virtual Value”, GDC 2015
So how do you spend $5k+ in a game?

2014 main game spend: ~$7.5k:
  • Consumables & Energy → $2,200
  • Skill Upgrades → $1,800
  • Equipment/Items → $300
  • Cosmetic Items → $200
  • Guilds/Guild Items → $250
  • PvP/Tournaments/Guild Wars → $2,700
Shocking Reveal #1

I’m the big spender

Emily Greer, “Don’t Call them Whales: F2P Spenders and Virtual Value”, GDC 2015
Shocking Reveal #2

And I’m spending it on figure skating

Emily Greer, “Don’t Call them Whales: F2P Spenders and Virtual Value”, GDC 2015
## Figure Skating Monetization

<table>
<thead>
<tr>
<th>Game Category</th>
<th>Skating Equivalent</th>
<th>My 2014 Spend</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumables &amp; Energy</td>
<td>Ice Time</td>
<td>$2,200</td>
</tr>
<tr>
<td>Skill Upgrades</td>
<td>Lessons</td>
<td>$1,800</td>
</tr>
<tr>
<td>Equipment/Items</td>
<td>Equipment/Locker</td>
<td>$300</td>
</tr>
<tr>
<td>Cosmetic Items</td>
<td>Costumes</td>
<td>$200</td>
</tr>
<tr>
<td>Guilds/Guild Items</td>
<td>Club membership &amp; testing fees</td>
<td>$250</td>
</tr>
<tr>
<td>PvP/Tournaments/Guild Wars</td>
<td>Competition fees + travel</td>
<td>$2,700</td>
</tr>
<tr>
<td></td>
<td>Total Spend</td>
<td>$7,450</td>
</tr>
</tbody>
</table>

Emily Greer, “Don’t Call them Whales: F2P Spenders and Virtual Value”, GDC 2015
# Games are Hobbies

<table>
<thead>
<tr>
<th>Hobby</th>
<th>Possible Spend</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weekly Golfer</td>
<td>$3k-$10k a year for green fees, clubs, lessons, driving range</td>
</tr>
<tr>
<td>Amateur Guitarist</td>
<td>$2k-$8k for guitar, lessons, strings, music, recording equipment</td>
</tr>
<tr>
<td>Restaurant Gourmet</td>
<td>$2k-$5k annually (eating out weekly, $40-$100 avg tab)</td>
</tr>
<tr>
<td>Baseball Fan</td>
<td>$1k - $3k for season tickets, $2k+ for a trip to spring training</td>
</tr>
<tr>
<td>Quilter</td>
<td>$500-$1k for materials, $500-$5k for a high-end sewing machine</td>
</tr>
<tr>
<td>Serious Runner</td>
<td>$500-$5k for shoes, clothing, race fees ($50-$300 each), travel to races</td>
</tr>
</tbody>
</table>
Emily Greer, “Don’t Call them Whales: F2P Spenders and Virtual Value”, GDC 2015
More Important Questions

- Can microtransactions have negative repercussions?
- How do you actually pay $6K for a game?
- Are free-to-play spending habits unique?
Other industries

Source: Consumer Federation of America

Emily Greer, “Don’t Call them Whales: F2P Spenders and Virtual Value”, GDC 2015
Steam Sales

Source: Dorkly

Emily Greer, “Don’t Call them Whales: F2P Spenders and Virtual Value”, GDC 2015
Emily Greer, “Don’t Call them Whales: F2P Spenders and Virtual Value”, GDC 2015
Emily Greer, “Don’t Call them Whales: F2P Spenders and Virtual Value”, GDC 2015
What’s going on?

1. Spending *was* lopsided before but less public data
2. Spending is *more* lopsided now
3. “We don’t value digital games”
4. “We don’t value virtual goods”
5. “We don’t value games equally with other hobbies”

Emily Greer, “Don’t Call them Whales: F2P Spenders and Virtual Value”, GDC 2015
Price and value

Emily Greer, “Don’t Call them Whales: F2P Spenders and Virtual Value”, GDC 2015
So who are these people?

Lee – who asked that we not share his full name, or any specific details about his line of work – is a single, 42-year-old businessman from California. He says that his annual income is “in the six figures.”

Lee says that spending money on games like Clash of Clans is actually saving him money in the long-run: Before he started gaming, he says he and a small group of friends would go out drinking, sometimes spending as much as $6,000 in a single night between them.
Lee stopped spending money on drinking roughly around the same time that he began playing Happy Kingdom, a Facebook game, with some friends. It was the first videogame he’d ever liked, and he became enraptured. He wound up spending nearly $5,000 in that game before trading it for Clash of Clans, but says that’s far less than what he would have otherwise spent on alcohol.

"I actually save money playing these games instead of going out and drinking," he said.