

FREE TO PLAY VERSUS PAY TO WIN

JAGEX

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INTRODUCTION

- WE'RE NOW ENTERING THE **6TH** AGE OF MMOS
- 1ST AGE, 1978-1985: WHAT WE NOW CALL MMOS ARE **INVENTED**
 - MUD, SCEPTRE OF GOTH, AVATAR, HABITAT, ...
- 2ND AGE, 1985-1989: **CREATIVE** FLOWERING
 - SHADES, GODS, FEDERATION II, MIRRORWORLD, ARADATH, ABERMUD, ...
- 3RD AGE, 1989-1995: GREAT **SCHISM**, STOCK MUDS, **GOLDEN AGE** OF TEXTUAL WORLDS
 - DIKUMUD, LPMUD, TINYMUD, MOO, MUSH, ...

PROGRESS

- 4TH AGE, 1995-1997: **COMMERCIAL**
POTENTIAL REALISED, **FORTUNES** MADE
 - DRAGON'S GATE, GEMSTONE JIL, NEVERWINTER NIGHTS, ...
- 5TH AGE, 1997-2012: 3D **GRAPHICAL** WORLDS,
SUBSCRIPTION MODEL
 - M59, UO, LINEAGE, EQ, DAOC, WOW, LOTRO, SW:TOR, EVE, COH, TSW, GW2, ...
- 6TH AGE, 2012-?: **F2P** REVENUE MODEL
 - DDO, AOC, MANY OF THE ABOVE, ...

FREE?

- THERE'S A **DIFFERENCE** BETWEEN **FREE-TO-PLAY** AND **FREE**
- MOST OF THE 1ST TO 3RD AGE WORLDS WERE **GENUINELY** FREE
 - “AND WORTH EVERY PENNY”
- **FREE-TO-PLAY** MEANS YOU DON'T **HAVE** TO PAY TO PLAY, BUT IMPLIES YOU **CAN** PAY FOR ... WHAT?
- THAT “WHAT” IS THE SUBJECT OF THE **REMAINDER** OF THIS TALK...

RUNESCAPE

- RUNESCAPE HAS **ALWAYS** BEEN FREE-TO-PLAY
 - A TRAILBLAZER, BUT THE TEXTUAL WORLD ACHAEA GOT THERE FIRST IN 1997
 - IRON REALMS MAKES \$2M A YEAR PROFIT...
- IN RUNESCAPE, PLAYERS PAY FOR **COSMETIC** ITEMS ONLY
 - THEY HAVE NO TANGIBLE **GAMEPLAY** EFFECTS
 - CLOTHES, TITLES, PETS, EMOTES, DYES, HAIRSTYLES, ...
- YET THIS IS JUST **ONE** END OF A SLIDING SCALE
- THERE IS **MUCH** MORE YOU CAN CHARGE FOR...

SLIDING SCALE

- **HERE ARE SOME OTHER IDEAS:**
 - SERVER TRANSFERS, CHARACTER RENAMES
 - TELEPORTS, FAST TRAVEL, FASTER MOUNTS
 - MORE POWERFUL CONSUMABLES
 - SPECIAL EVENTS
 - BAG SLOTS, BANK TABS
 - REMOTE BANK ACCESS, REMOTE REPAIRS, REMOTE SHOPS
 - XP GAIN BOOST, MAGIC DROP BOOST, CRAFTING BOOST
 - CHARACTER CLASSES
 - CRAFTING MATERIALS, CRAFTING RECIPES
 - HIGHER STATS
 - LFG QUEUE PRIORITY
 - ABILITY SLOTS
 - LEVELS, XP POTIONS
 - RECOVERY FROM DEATH POTIONS
 - BOSS NERFS
 - KICK-ASS GEAR

PAY TO WIN?

- YOU **CAN** CHARGE FOR THOSE, BUT **SHOULD** YOU?
- WHEN DOES IT BECOME **PAY TO WIN**?
- THE ANSWER **ACTUALLY** DEPENDS ON WHAT **PLAYER TYPE** YOU ARE
- EXPLORERS & SOCIALISERS ARE **OK** BUYING XP
 - THEY DON'T TREAT THE MMO AS A **GAME**
 - ACHIEVERS WHO BUY DO SO **FURTIVELY**
- HOWEVER, EXPLORERS HATE **BOSS NERFS** AND SOCIALISERS HATE **LFG PRIORITY...**

YOUR PROBLEM

- IT ALL DEPENDS ON WHAT JAGEX IS **ABOUT**
- IF IT'S ABOUT **GAMES** THEN YOU ARE **LIMITED** IN WHAT YOU CAN CHARGE FOR
 - YOU MAY **LOSE** SOCIALISERS AND EXPLORERS, BUT ACHIEVERS WILL **LOVE** YOU
- IF IT'S ABOUT **WORLDS** THEN YOU ARE LESS LIMITED
 - YOU **WILL** LOSE ACHIEVERS, THOUGH
- DO YOU WANT TO MAKE **GAMES** OR SIMPLY *SECOND LIFE* WITH CONTEXT?

ADVICE

- I'M GOING TO FURNISH SOME **NUGGETS** OF ADVICE TO HELP INFORM YOUR DECISION
- THIS IS **GENERAL** ADVICE I GIVE WHEN ACTING AS A **CONSULTANT**
 - YES, I'D NORMALLY CHARGE YOU £4,000 FOR THIS...
- THE **FIRST** THING TO NOTE IS THAT AT THE MOMENT, LAUNCHING A **AAA** TITLE F2P IS LIKE LAUNCHING A **MOVIE** DIRECT TO VIDEO
- AAA TITLES LAUNCH AS SUBSCRIPTION, **THEN** GO HYBRID

NUGGETS #1

- THE NUMBER OF **SYSTEMS** YOU CHARGE FOR SHOULD BE KEPT **LOW**
 - PLAYERS **RESENT** NICKEL-AND-DIMING
- **IN-CONTEXT** EXPLANATIONS FOR REAL MONEY EXPENDITURE **HELPS**
 - SENDING AN NPC COMPANION TO BUY A CAPTURED HUMAN **SOUL** TO **IMPRISON** IN YOUR SWORD BEATS A “BUY SWORD BUFF” BUTTON
- CHEATING **FEELS** LESS BAD IF IT'S **INDIRECT**
 - LOOK AT DUAL-CURRENCY SYSTEMS (GW2 GEMS)

NUGGETS #2

- ENGINEERING A **PROBLEM** SO YOU CAN SELL ITS **SOLUTION** INFURIATES PEOPLE
 - IF PEOPLE SUSPECT YOU **BROKE** THE GAMEPLAY TO MAKE THEM BUY THE **FIX**, THEY **LEAVE**
- OUT-OF-GAME STUFF IS LESS **CONTENTIOUS**
 - EG. 3D PRINTOUTS OF THEIR CHARACTER
 - **BUT** VIEWS ON FAIRNESS STILL APPLY – NO 3D PRINTOUTS WEARING EPIC LBWT THEY DON'T HAVE?
- LIMITING ACCESS BY **TIME** IS **NOT GOOD**
 - THEY JUST SET UP A SECOND ACCOUNT OR QUIT

NUGGETS #3

- SPECIAL EVENTS CAN ATTRACT A **PREMIUM**
 - REAL-LIFE **FREE** MUSEUMS & GALLERIES DO THIS
 - THE EVENT **DOES** HAVE TO BE SPECIAL, THOUGH, NOT SIMPLY “THIS WEEK’S” SPECIAL EVENT
 - IF YOU VIEW IT AS A PACKAGE TO GAIN ACCESS TO BETTER LOOT DROPS, PLAYERS **WILL** CARE...
- IF PEOPLE HAVE TO **QUALIFY** TO PAY, THEY ARE MORE **INCLINED** TO PAY
 - FEWER PEOPLE **CAN** BUY THE HAT THAT GOES WITH THE SNAKE-KILLING ACHIEVEMENT, BUT MORE **WILL**

NUGGETS #4

- DIFFERENT **TYPES** OF PLAYER SPEND DIFFERENT **AMOUNTS** OF MONEY
 - AVERAGE REVENUE PER ACHIEVER IS **40 TIMES** THAT PER SOCIALISER
 - BUT IF SOME ACHIEVERS BUY, OTHER ACHIEVERS WILL STOP PLAYING
 - AVERAGE REVENUE PER EXPLORER IS **60 TIMES** THAT PER SOCIALISER
 - BUT THERE ARE FAR FEWER EXPLORERS THAN SOCIALISERS
- ON **NO** ACCOUNT MUST PLAYERS BE ALLOWED TO TAKE MONEY **OUT** OF THE MMO

THE FUTURE

- A F2P MMO IN WHICH ONLY **3%** OF THE PLAYERS SPEND **ANY** MONEY AT ALL CAN BE MORE **PROFITABLE** THAN SUBSCRIPTIONS
 - THIS IS BECAUSE THAT 3% PAYS **CRAZY** MONEY
- HOWEVER, REVENUE BUILDS **SLOWLY**
 - SUBSCRIPTION MAKES MORE MONEY **INITIALLY** WHILE THE **CONTENT LOCUSTS** EAT IT UP
- WHALES ARE **LIMITED** IN SUPPLY AND WON'T **REMAIN** WHALES **INDEFINITELY**
- HOW LONG WILL THIS 6TH AGE **LAST?**

CONCLUSION

- F2P IS EXPANDING **BEYOND** MERE COSMETICS
- WORLDS ARE BECOMING **LESS** GAME-ORIENTED
 - PLAYERS ARE BECOMING **ACCUSTOMED** TO THIS
- PERHAPS **TRUE** GAME WORLDS WILL BE **NICHE** IN THE FUTURE?
- SO: DO YOU WANT TO MAKE **GAMES** OR MAKE **MONEY**?
 - YES YOU WANT **BOTH**, BUT WHICH DOMINATES?
- OR IS THIS F2P BUSINESS ALL JUST A 4TH AGE STYLE **FLASH-IN-THE-PAN**?