Meaningful Pay:
Monetizing F2P without "The Pinch"

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GAMIFICATION

I DO NOT THINK THAT WORD MEANS WHAT YOU THINK IT MEANS
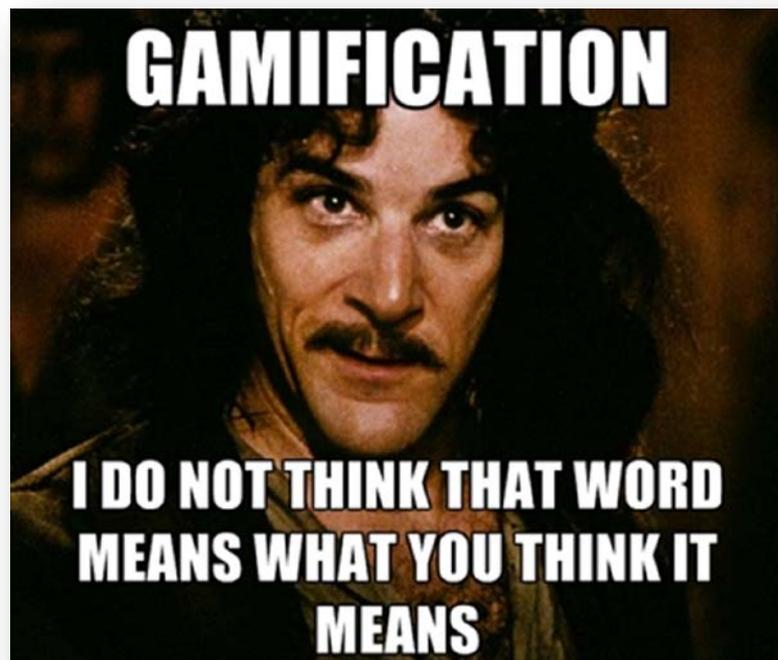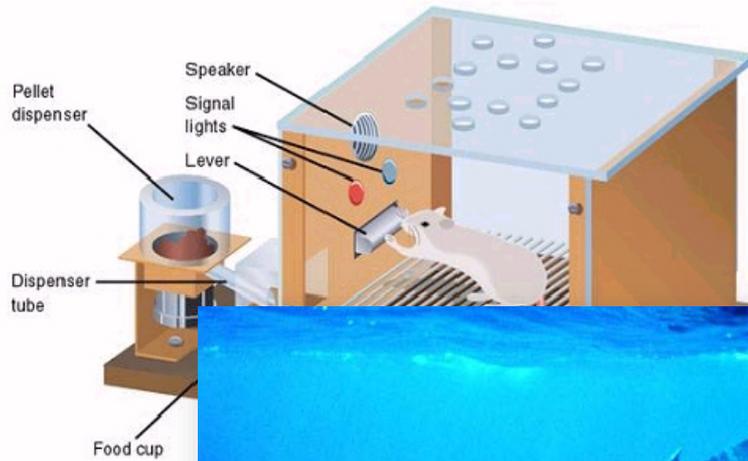
Subtle Language of Control
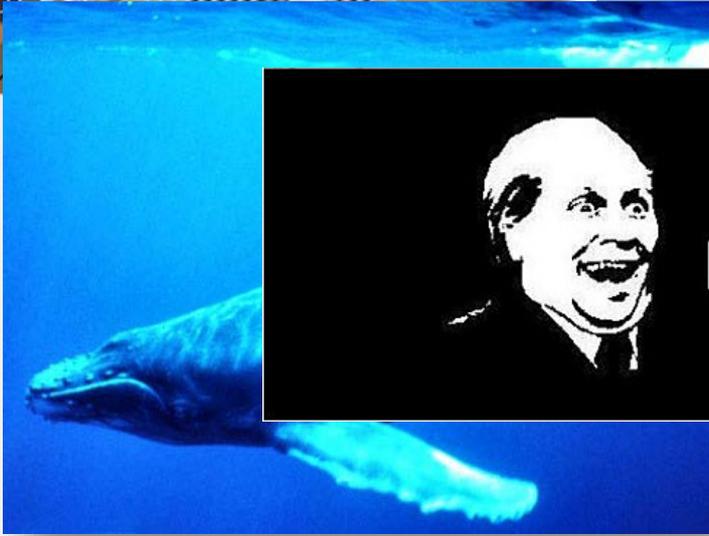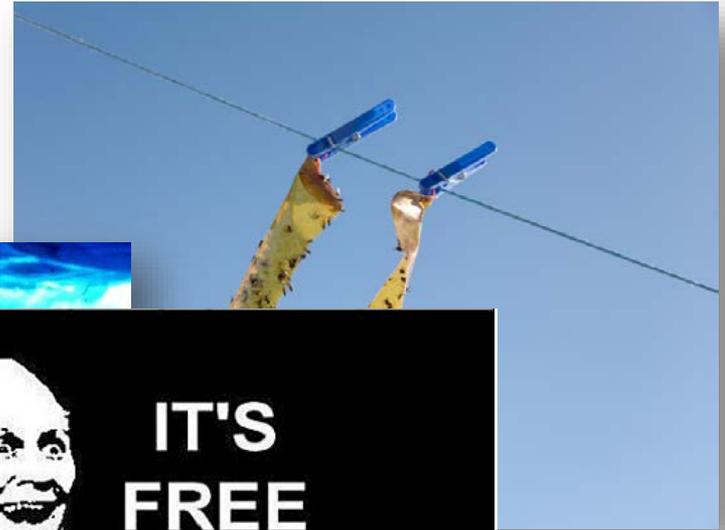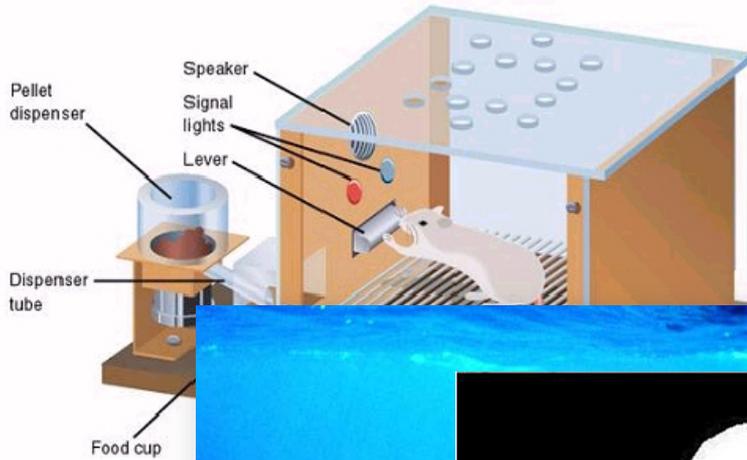
Let's add to that some bul...err...misdirection

Surfer has more
MAU's, DAU's, etc.
than LoL

Just looking at the top 30 games (Daily Revenue)

Ranks 1 - 10

Ranks 11 -20
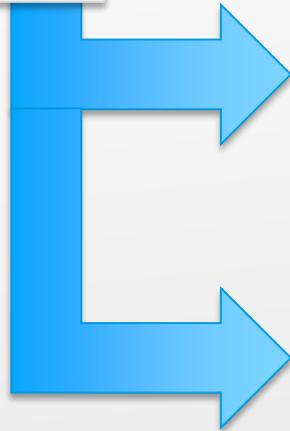
Ranks 21 - 30

500%+ more than Ranks 11-20

1000%+ more than Ranks 21-30

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Maybe given all these pressures it is understandable then that we want to take something that is a source of joy and love...

And use it to "encourage" certain responses

Our problem is…

We have made our selling proposition…

FREE **2** PLAY

PLAY **4** FREE!

Play Free!

BUY ME

"WHY?"

And the <u>vast majority</u> of players are not satisfied with what comes next.

The Ill-effects this causes to our marketplace

SHAME
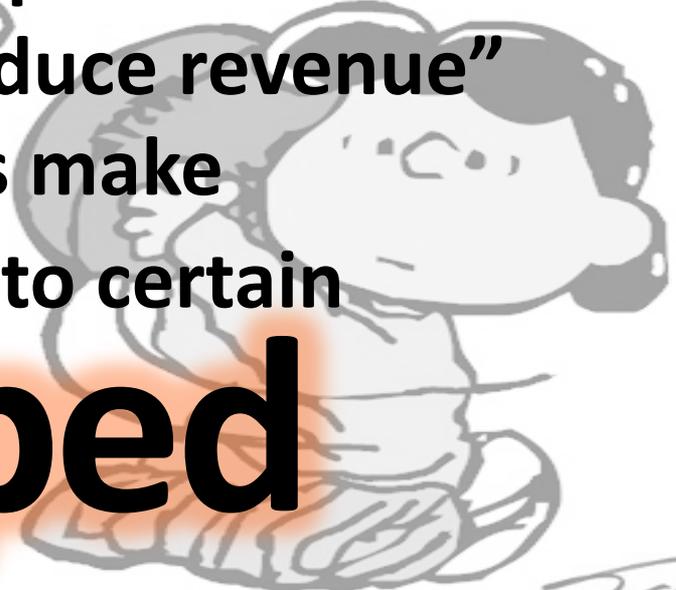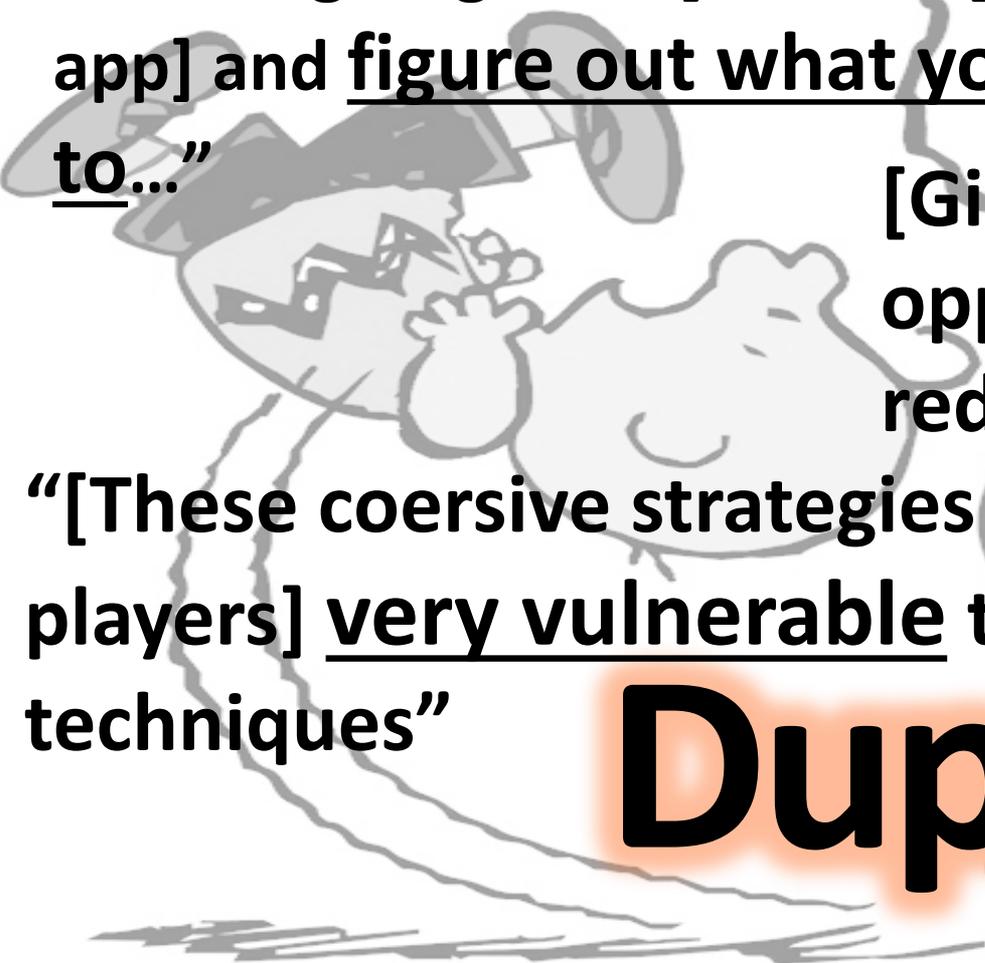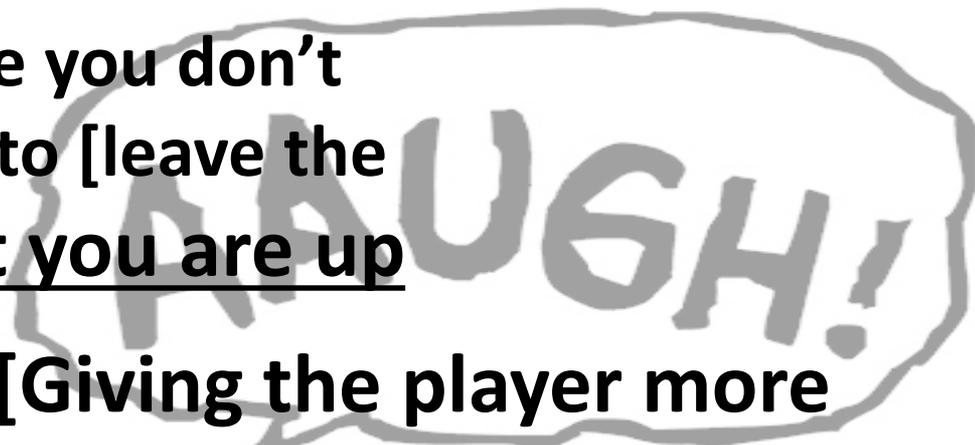
How do you feel?

Is there any reason your players would feel differently?

Ever consider this contributes to 98% of them never paying?

This industry is barely begun...how do we feel about the models we are establishing?
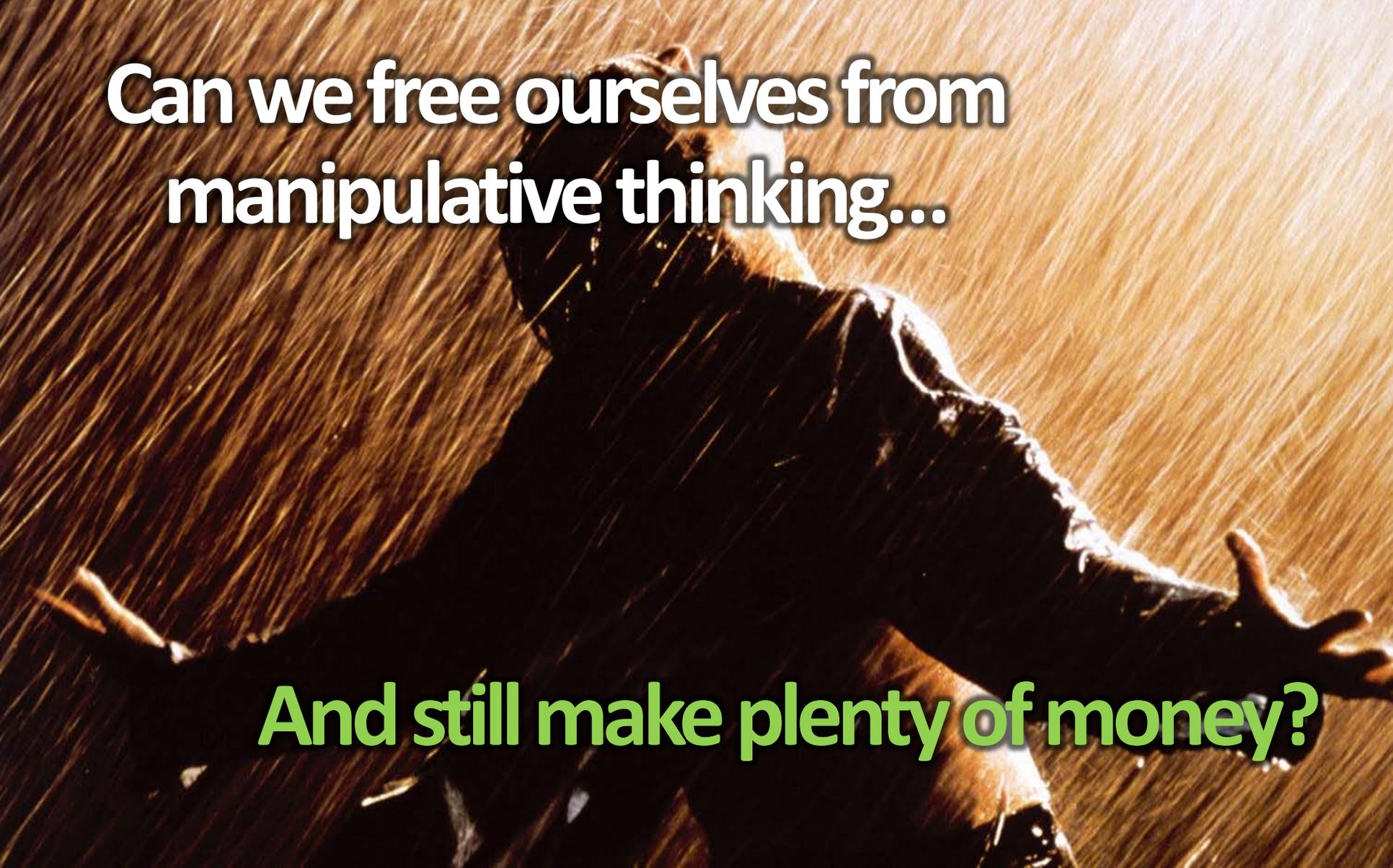
Can we free ourselves from manipulative thinking…

And still make plenty of money?

We've been doing decades of hard research on the psychology of motivation, satisfaction, and engagement

And doing it for over a decade in video games

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Players engage and spend when basic psychological needs are met

Relatedness

Autonomy

Competence
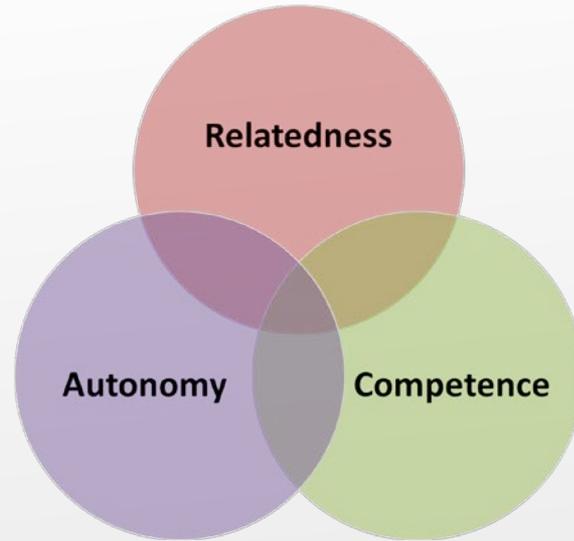
[...and no manipulation is needed]

"Player Experience of Need Satisfaction" (PENS)

AUTONOMY
- Need to experience personal volition (not necessarily "freedom"), meaningful choice and opportunity

RELATEDNESS
- Need for meaningful connection to others, and feeling their support for our competence and autonomy

COMPETENCE
- Need to successfully grow; to extend our abilities, skills and efficacy

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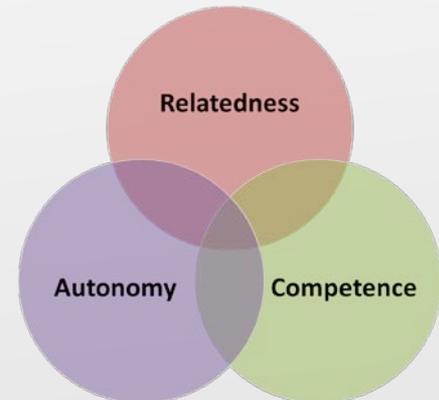
When these needs are met...

People Spend More

People Engage Longer

People Become Evangelists
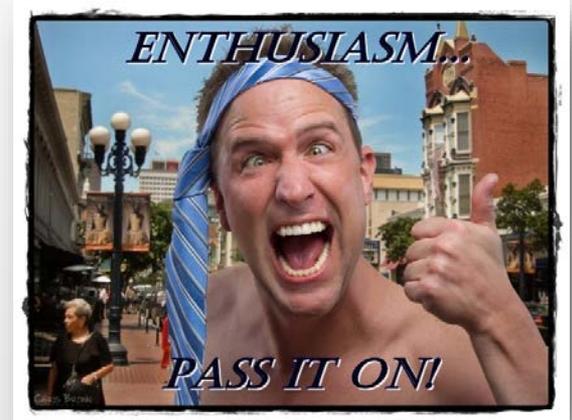
Let's look at how this translates into mechanics
within current F2P Winners

Competence: Efficacy and Growth

Effective

Meaningful Growth

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Relatedness: Positive Emotional Connection

Tank

Healer
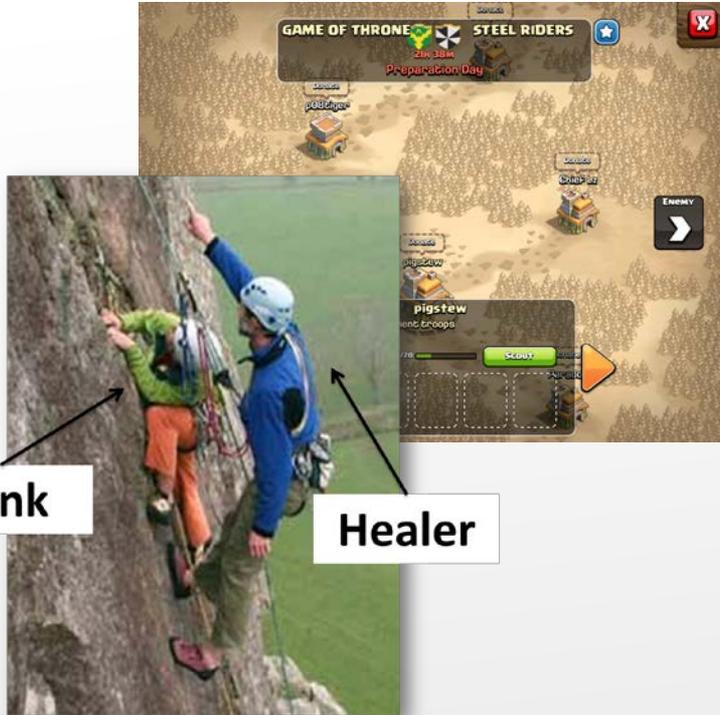
Mutual Support

Friendly Competition and Status

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Altruism is an immensely valued activity

Thanks for always being there to give me lives on Candy Crush... It means a lot

Research shows: The Giver gets as much or more benefit than the Receiver

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Case Example: Fire Age (a top earner) heavily monetizes altruism

Fire age combines multiple levels of altruism with the ability to "level up" your status as a giver

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Autonomy: Feeling choiceful and free from external controls

What undermines all of these needs?

When players feel controlled…
*They are less satisfied
*They disengage more quickly
*They do not re-engage readily

In short: LTV is greatly threatened monetization opportunities are suppressed

Nothing feels more <u>controlling</u> than a fishy story

We don't feel **competent** because we don't believe we understand the rules and how to be successful

We don't feel **relatedness** because we feel someone is trying to pull a fast one

We don't feel **autonomous** because we don't feel volitional – that we are making the choices

We've been studying need satisfaction and value in mobile for a long time...

- We have completed more than 30 studies of F2P and mobile games in the last year alone, including industry leading titles
- We follow player behaviors and attitudes in-depth over many weeks, stalking players to see how their experiences influence engagement and monetization

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Need Satisfaction is the <u>dominant experience of monetization leaders</u>, and it is what players consistently value most highly

1. Players value increased **competence satisfactions** through
   - **Greater Efficacy (individual and team)**
   - **Increased Growth**
2. Players value increased **relatedness satisfactions** through
   - **Contributing to group goals and success (cooperation)**
   - **Team status (healthy pride)**
   - **Engaging in friendly competition ("stone sharpening stone")**
3. Players value increased **autonomy satisfactions** through
   - **Opening up new opportunities**
     - **Activities/Goals**
     - **Growth**

Relatedness

Autonomy   Competence
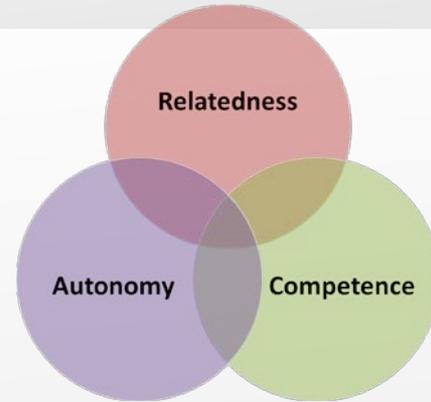
If you build a foundation of need satisfying gameplay…

...you can more effectively sell opportunities to more <u>immediately</u> and <u>densely</u> satisfy those needs

Players will "buy time" most often to increase competence, autonomy, and relatedness need satisfactions. Specifically:

1.   They will buy in order to have needs satisfied more **immediately**

2.   They will buy in order to increase the **density** of need satisfaction
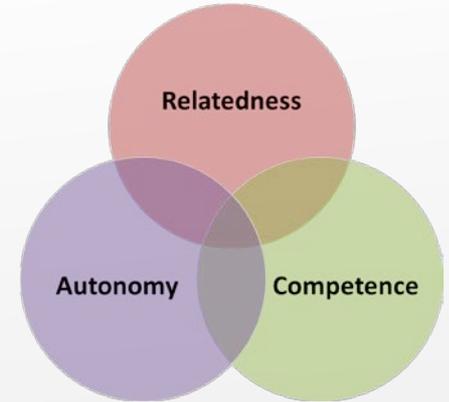
Immediacy:
Our desire to HAVE IT RIGHT NOW!

Immediacy in Games:
How quickly can I have need satisfying experiences?

- Example: energy/life mechanics that manage how much we can play in one session (and allow us to pay to accelerate)

No more lives

You can ask your friends for extra lives or buy a full set instantly to continue playing.

Time to next life: 20:58

Ask friends

$0.99

Alliance Quest	09:53	Speed Up
Training	24:27	Speed Up
Daily Quest	07:03	Speed Up
Marching	01:34	Speed Up
217x Boiling Tar	01:26:15	Speed Up
Building	28:27	Speed Up
Skirmish Archers	22:31:57	Speed Up

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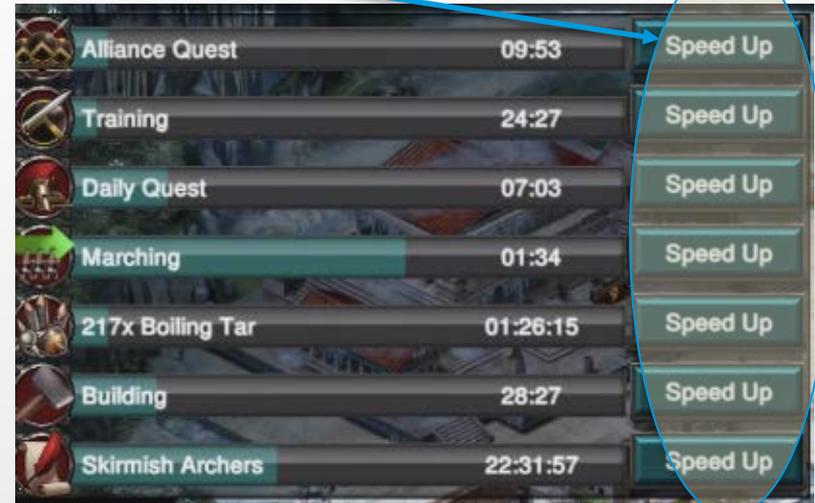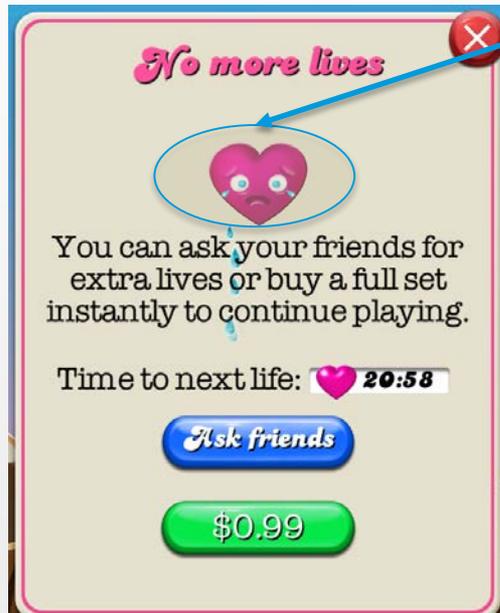
Density:
The frequency and proportion of time we are satisfied

- Mechanics that provide a **greater frequency of need satisfaction** create greater intrinsic value from a game

Example: The ability to pay to have persistent vendors that sell options to grow characters.
This increases the density of need satisfactions

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Case Study:
Clash of Clans

Clash of Clans: Deep Competence Satisfactions

Efficacy

Growth

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Clash of Clans: Deep Autonomy Satisfactions

Meaningful Choice
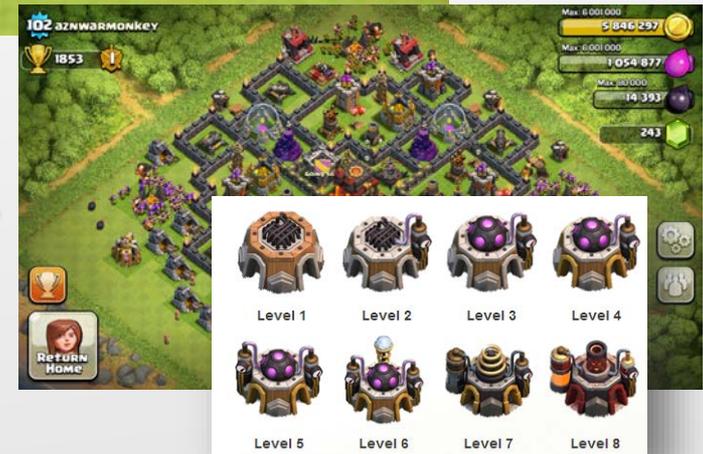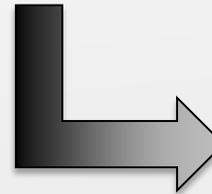
Clash of Clans: Deep Relatedness Satisfactions

Altruism and Support

## "I Matter" to Group Goals

Social Status and Pride in my "Family"

With strong need satisfaction: Clash can Monetize Immediacy and Density

Immediacy

Density

Relatedness

Autonomy   Competence
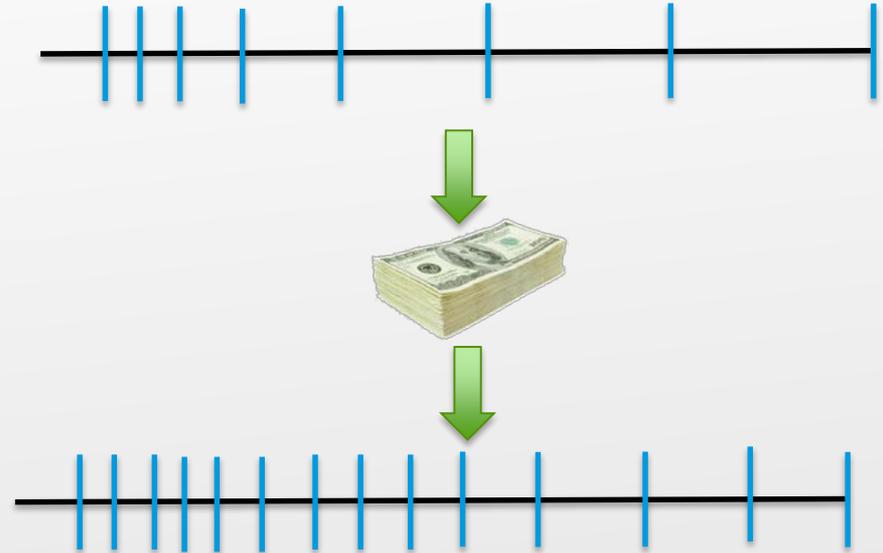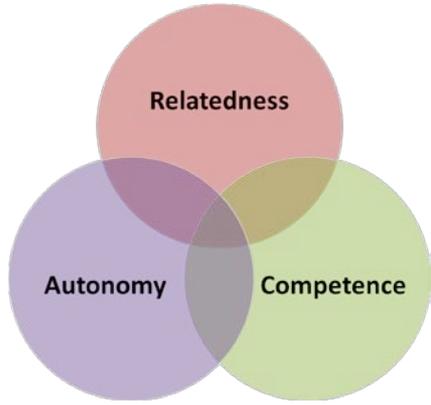
Respect

Goal is to create
foundational experiences of need satisfaction
and then
## Promote opportunities to buy more
satisfaction

Establish an Honest
"Monetization Contract"

Step 1: Communicate IAP and Normalize a "Spending Schema" as early as possible
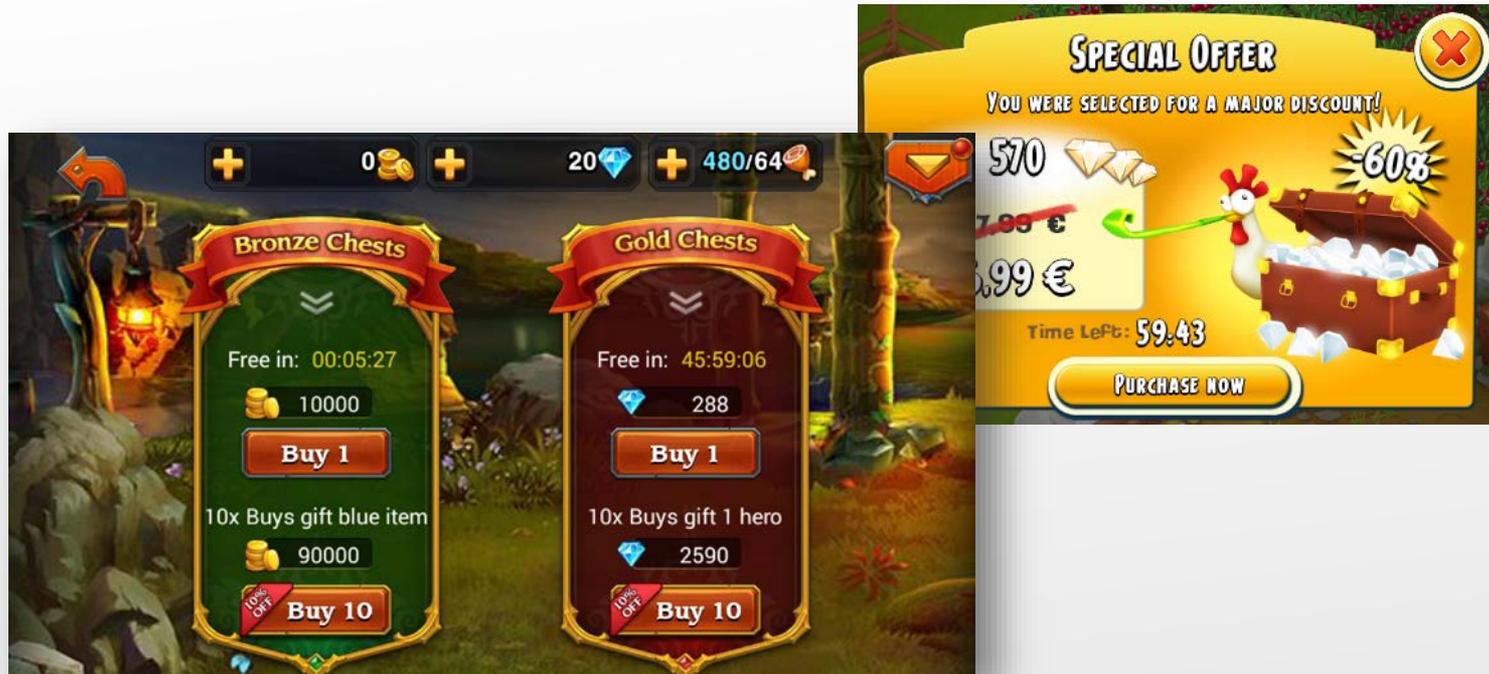
Step 2: Clearly Link Opportunities to Spend to Satisfaction (Current and Future)

Hay Day's tabs allow for straightforward navigation and a high level of goal projection by seamlessly presenting current and future farm upgrades to players.

Five Clearly Organized Tabs

- **Farm Production**
- **Animals**
- **Product Manufacturing**
- **Foliage**
- **Décor & Visual Appeal**

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This builds a respectful and consistent schema...

This builds a respectful and consistent schema
...that has money baked in

Broken Schema

Additional Recommendations for Removing "The Pinch"
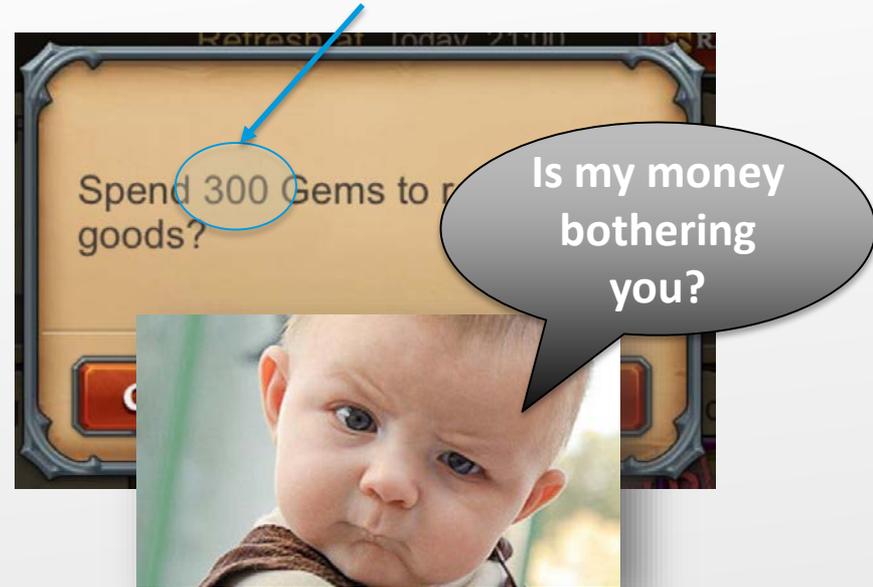
These experiences are jarring and players are much more likely to feel controlled or pinched…

Suggestions:

- **Make pricing consistent** – Players want a schema for your game they can trust, and don't like developers controlling them like a parent

- **People expect to get more when they pay more**, not the other way around. Most industry leaders do this

- Help players understand – **Don't just explain rules, explain rationales**. Just explaining a rationale makes people feel less controlled and keeps them more satisfied and engaged.

Recommendation: Avoid "Loss Aversion"

- We tend to feel more negative impact from losing what we vs. positive impact from receiving similar gains (Tversky and Kahneman)
- When something is ours – it feels particularly painful to have it taken away

When this happens with respect to need satisfaction in a game, it can feel highly pressuring and dissatisfying

Example:
Losing Efficacy (and Competence Satisfaction)

- **Efficacy pressures**: Drastically changing the player's experience of success during gameplay in order to motivate spend will be highly demotivating

Time Playing

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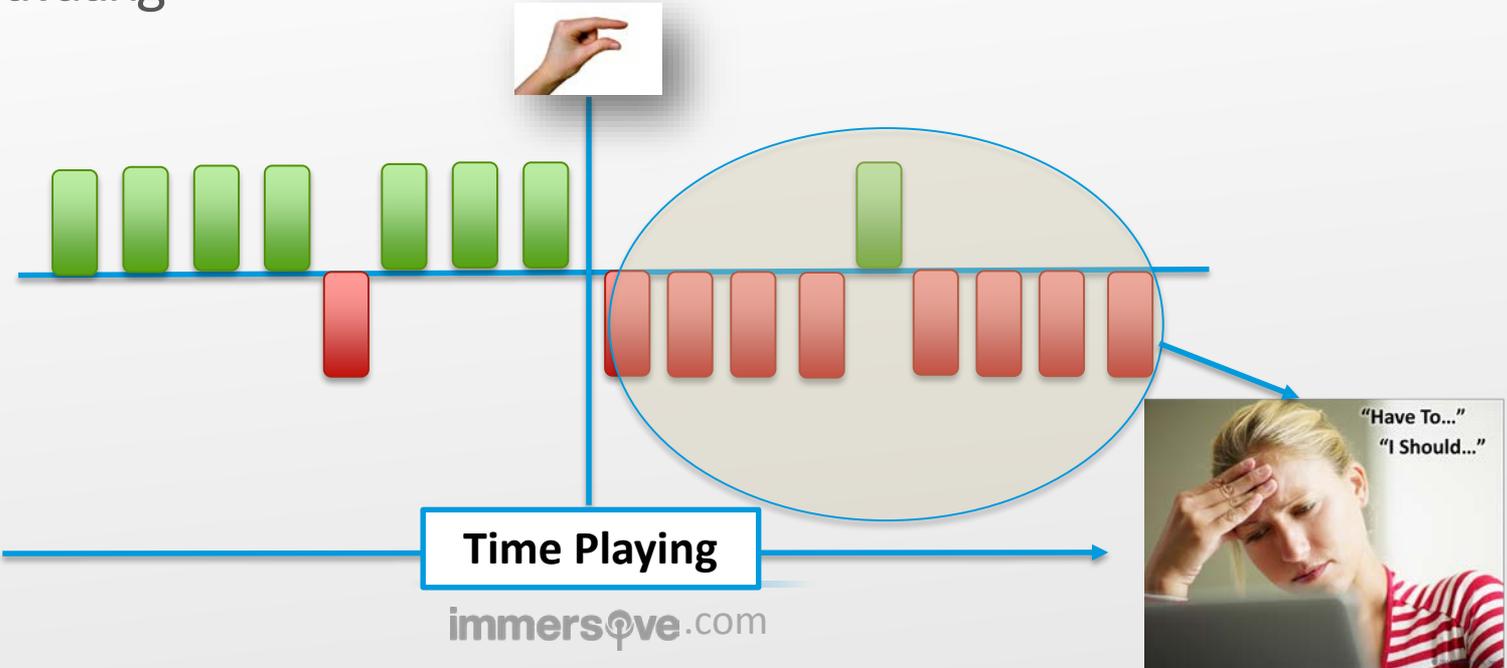
Recommendation: Ensure efficacy does not break, while emphasizing value of spend

- **Efficacy support**: Ensure players maintain a satisfaction of critical competence needs, while still encouraging payment to increase their success and satisfaction
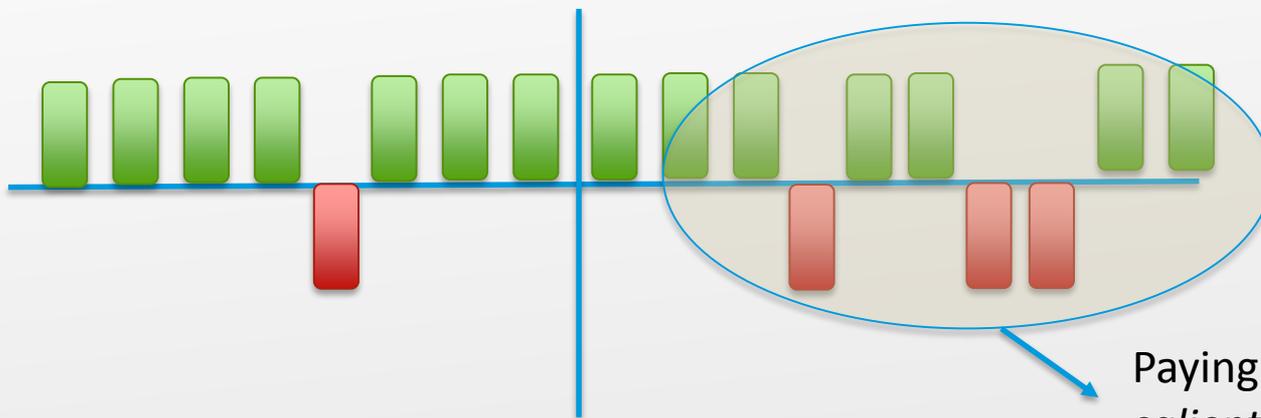
Paying is made *salient*, but game value isn't broken in the process

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Example: Soda Crush

"Sometimes I know I'm at a point where <u>it just makes sense to spend some money to push through to success</u>, but its much better than playing [other game] where I feel pressure at virtually every level. At least in Crush I know <u>I will have multiple boards to enjoy between hitting those walls</u>"

Throttling Growth and Opportunity

- **<u>Growth pressures</u>**: Do the game mechanics drastically "throttle" growth to force IAP's and monetization (without showing player the benefits to need satisfaction)?

Growth

Time Playing

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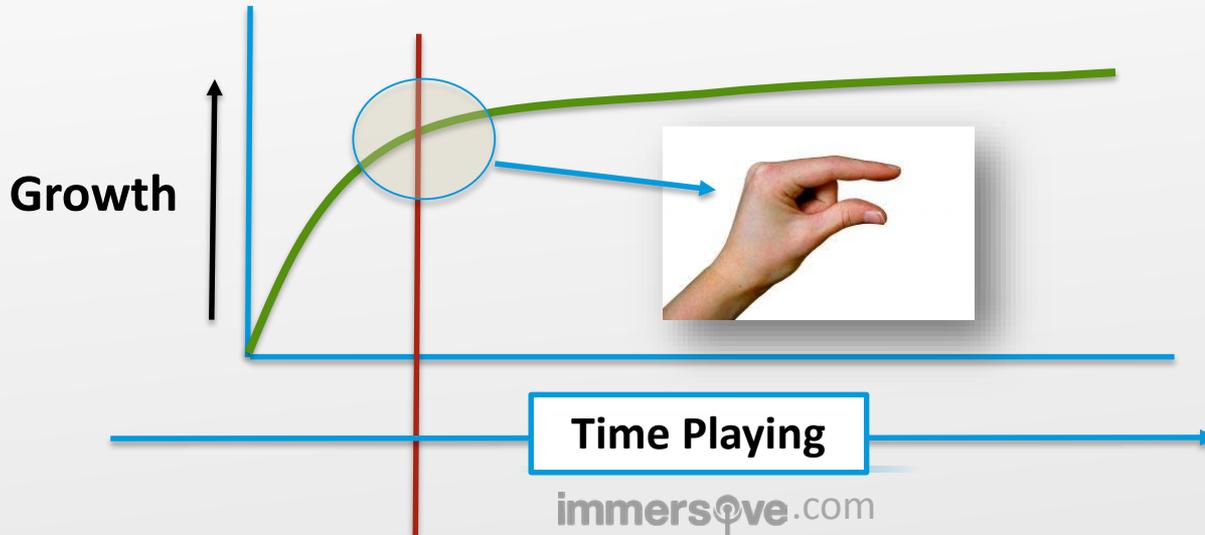
Telegraphing Growth Plateaus

- **<u>Growth opportunities</u>**: Put in pay points that communicate opportunities for meaningful growth paths


Growth

Time Playing

Showing that paying unlocks new growth and opportunity curves communicates more <u>intrinsic</u> value for need satisfaction

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Example: Heroes Charge

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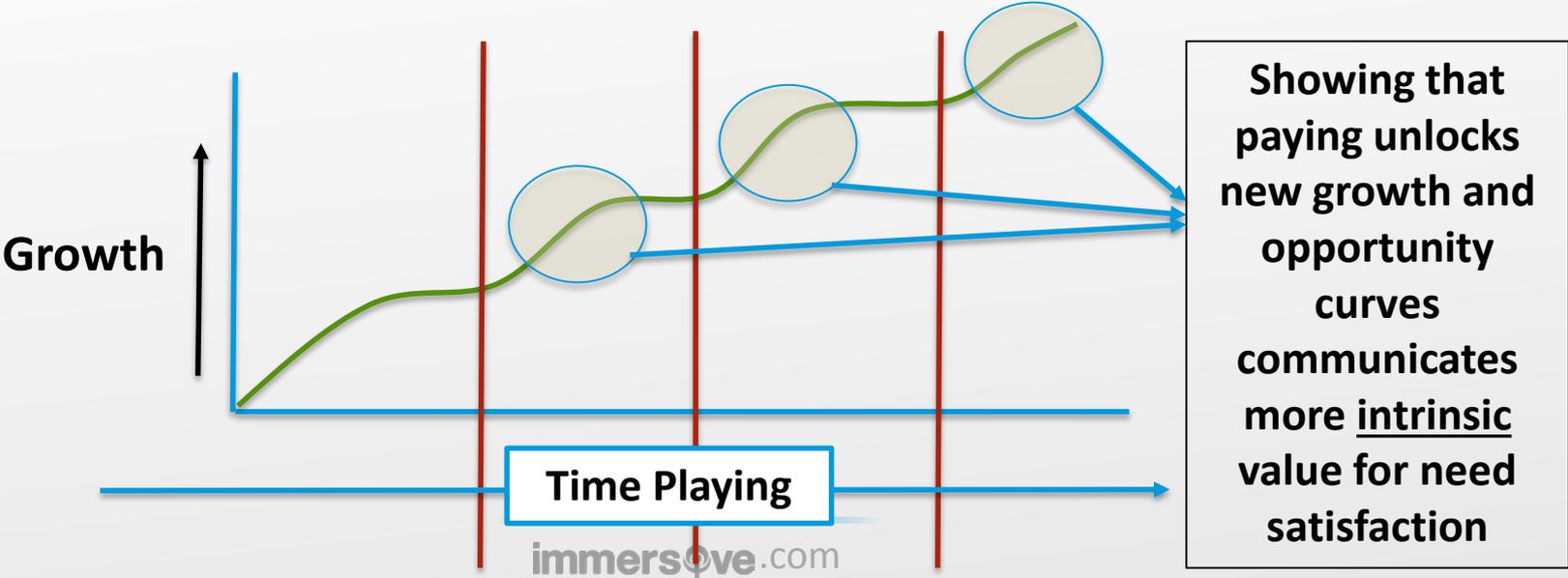
Example: Heroes Charge
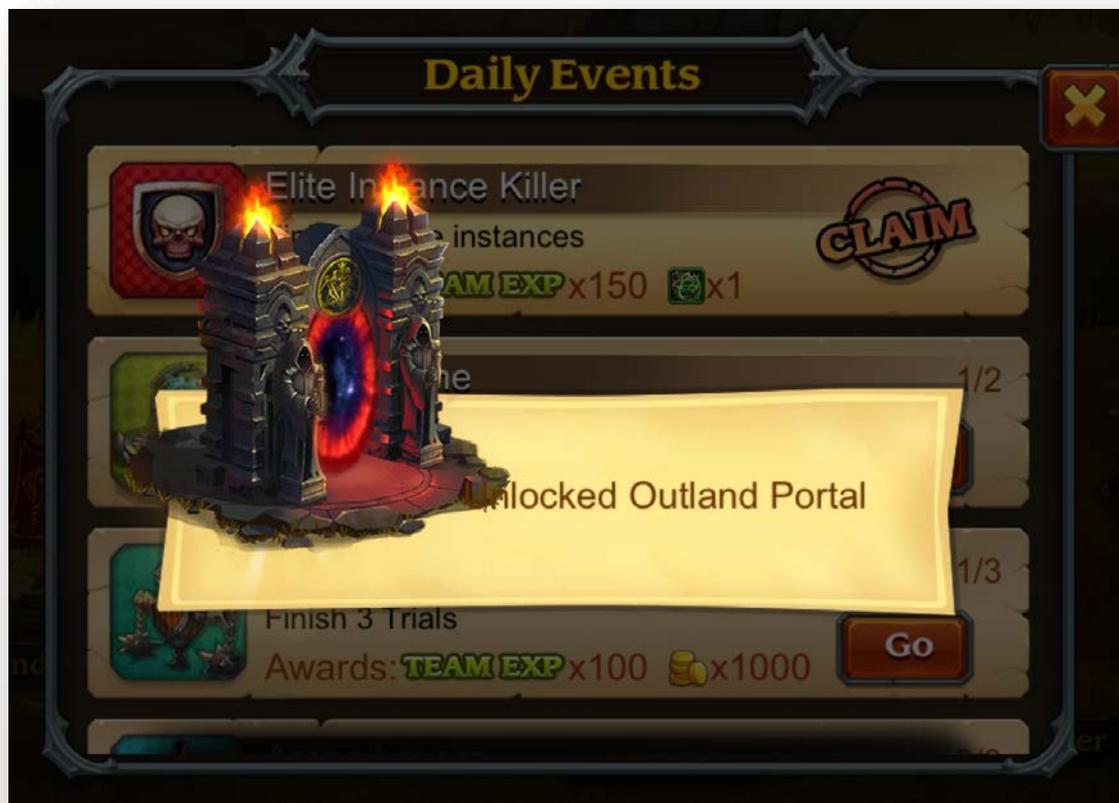
Wrapping up

There is no one right answer on how to achieve goals

Builders

Puzzle

But if we keep up the current strategies and controls...

"Don't let them think..."

"Monetize fear of loss..."

"Hide the connection to actual spending..."

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…we are kidding ourselves that customers aren't on to us

98% of Your Audience

FREE

And another thought on the 1 or 2% that currently support us

# This language makes it clear we are currently building our business on them
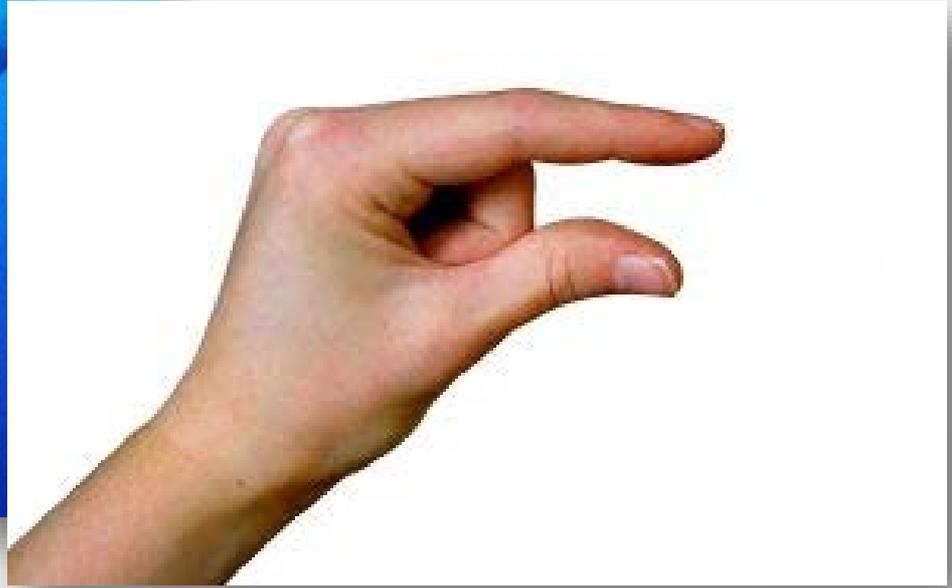
Meanwhile, we are leaving 98% of our players on the sidelines
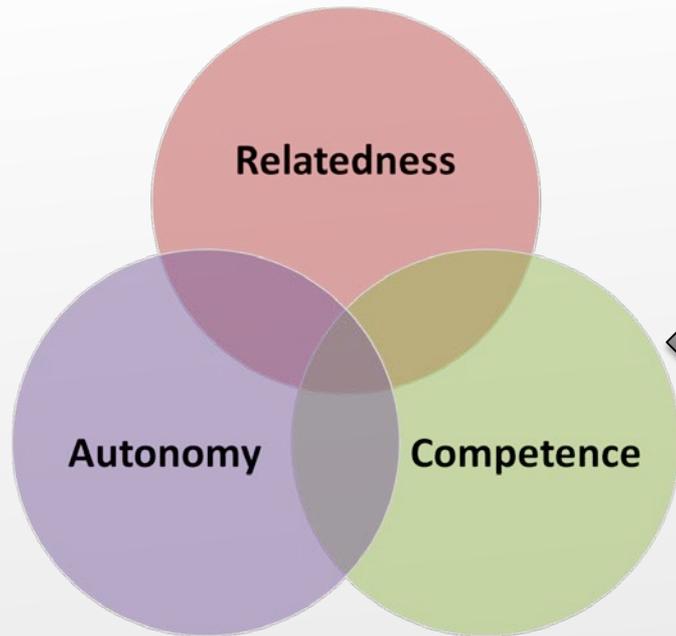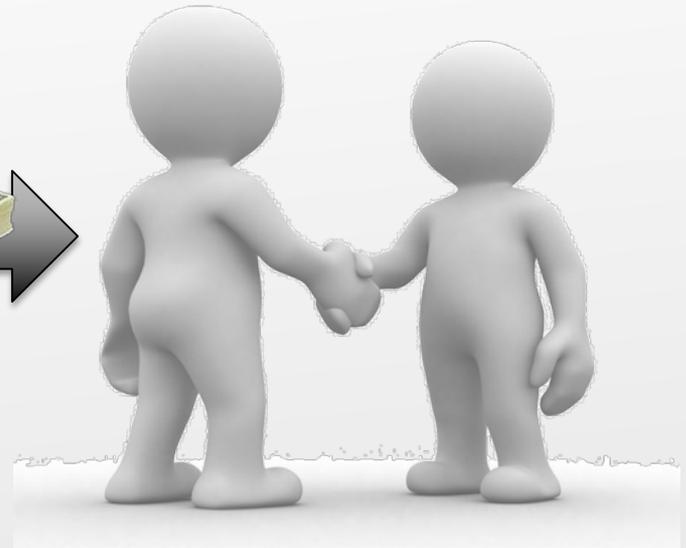
Thanks!

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