

Nik Davidson

Why We Buy

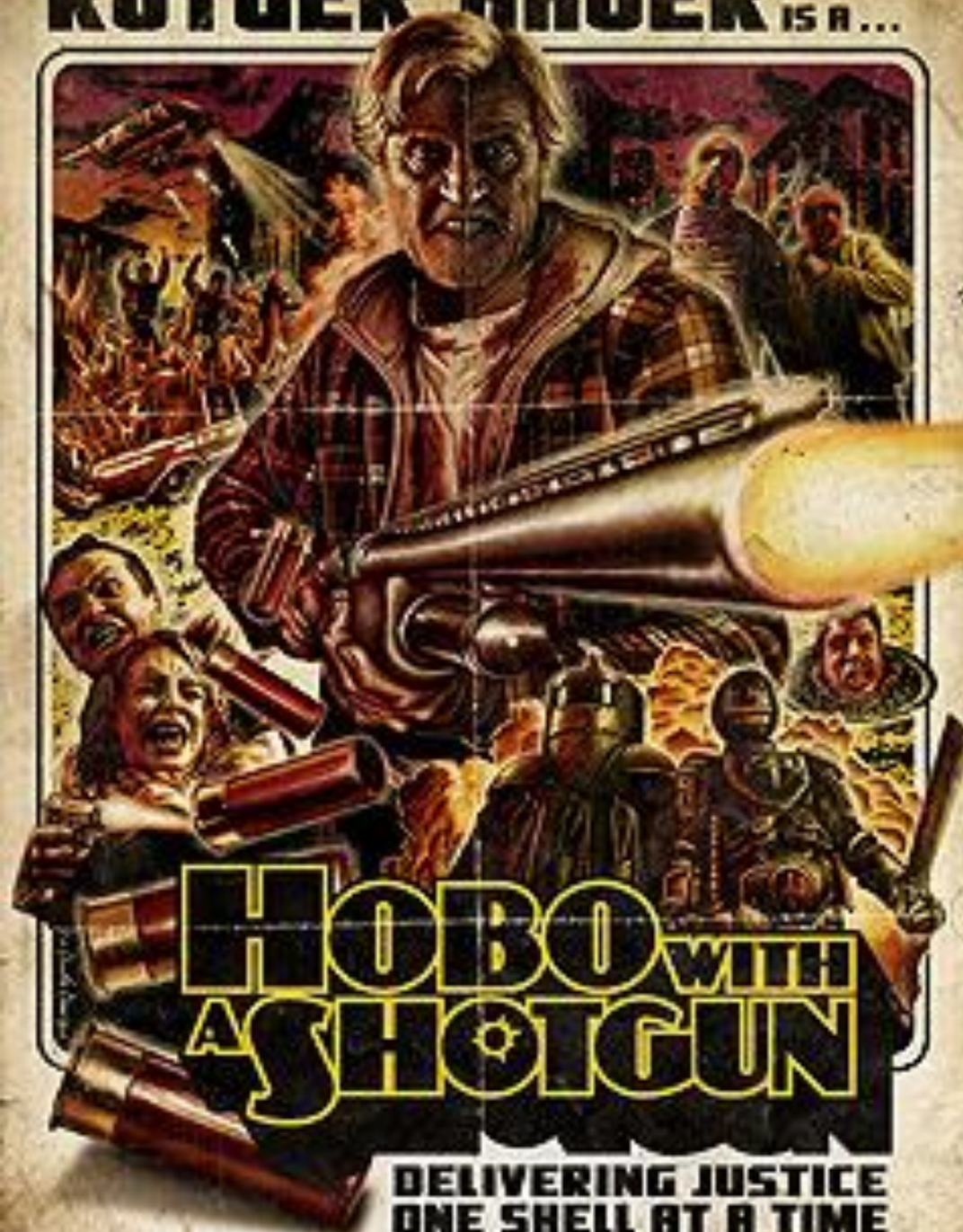
GDC Online

10/12/11

“If this guy actually knows the answer to that question, and tells me, I will become rich.”



RUTGER HAUER IS A...



**HOBOWITH
A SHOTGUN**

**DELIVERING JUSTICE
ONE SHELL AT A TIME**

Obligatory Bio Slides



amazon.com

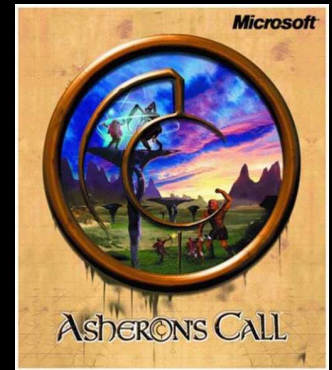
The Amazing Society



The Lord of the Rings Online™



Shadows of Angmar™

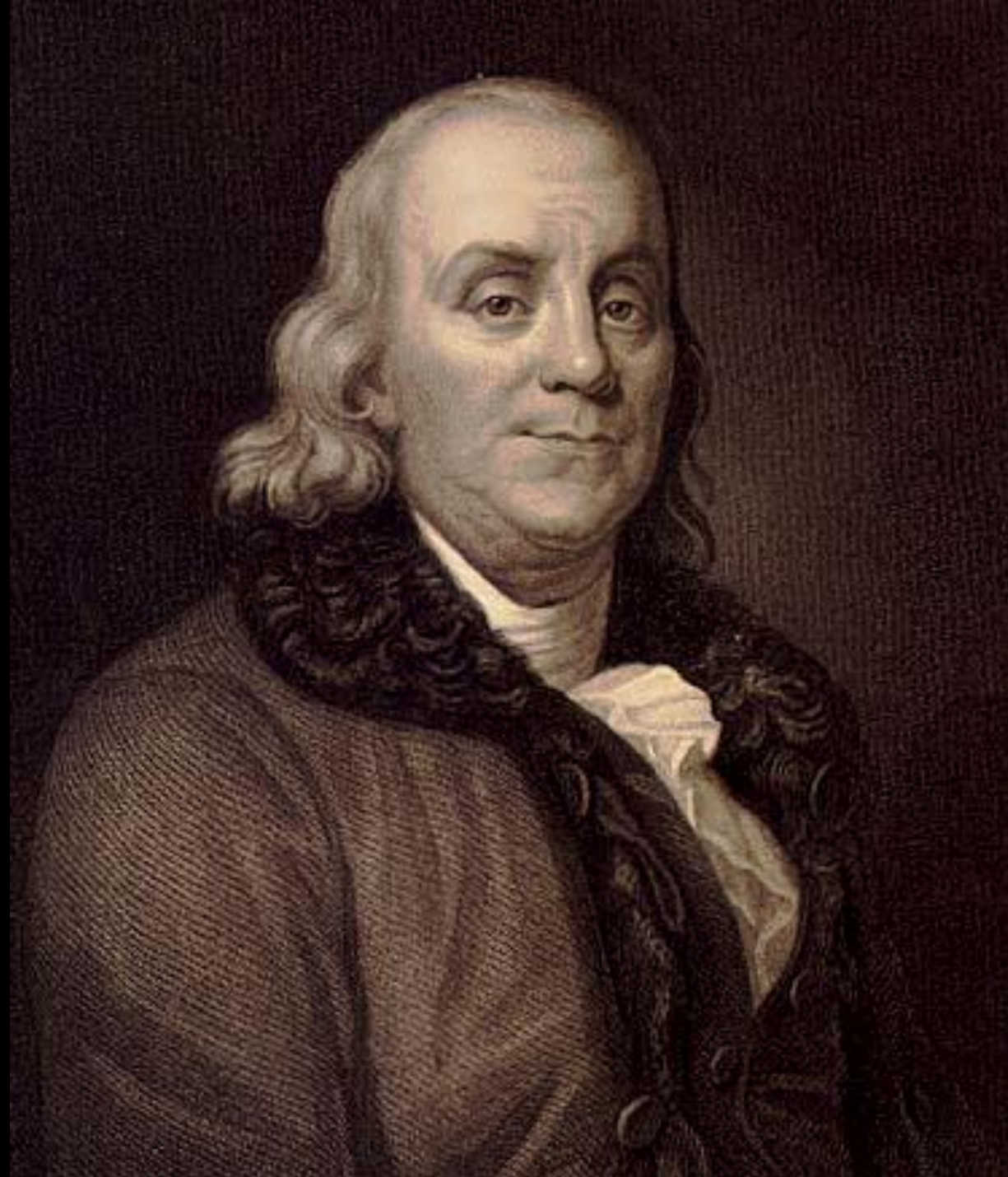


Warning: Squishy



Warning: Evil

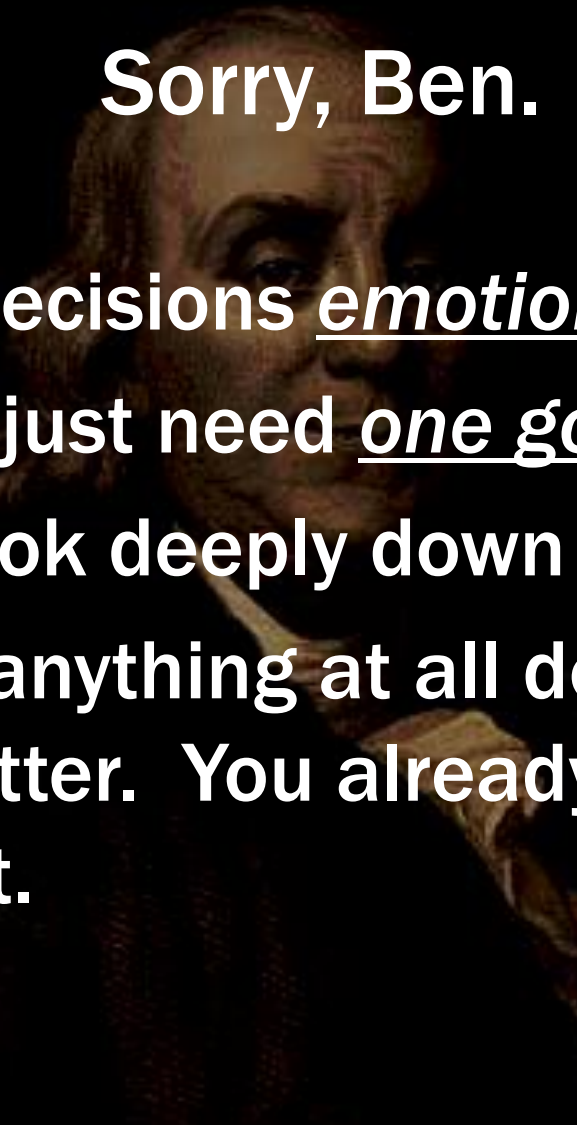




How To Make a Decision, Franklin-Style



1. Make a list of all the pros and cons
2. Attach a relative value to each pro and con
3. Total it up
4. Do whichever thing earns the most points



Sorry, Ben.

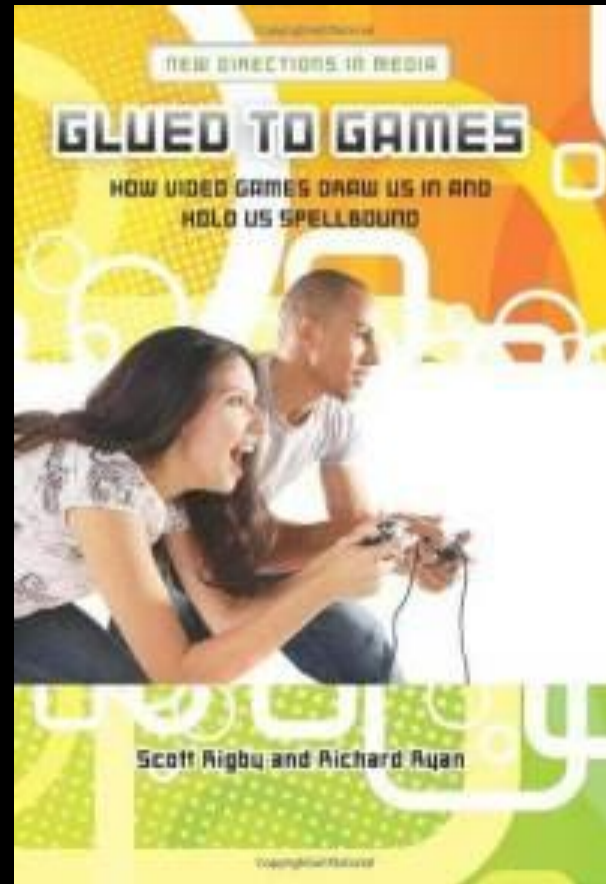
- We make decisions emotionally
- We usually just need one good reason
- We don't look deeply down the list.
- I can write anything at all down here. It doesn't matter. You already agree with me or you don't.

So why do we buy?

We buy when we match an opportunity with emotional motivation.

A Giant Plug For Scott's Book

- Is your boss evil?
- Make him or her read this book.





Microsoft



ASHERON'S CALL



The Lord of the Rings
Online™
Shadows of Angmar™

XP/hr

KPM

HtK

DPS

GP/h

TTNL



- **Anchoring, AKA Behavioral Economics For Clever Grieferers**
- **The Three Types of Transactions, And How Not To Screw Them Up**
- **Crossing Transaction Types**



Boss wants to do your Performance Review first.



Start packing up desk





Galvanotron 3000

~~\$299.99~~
\$39.99



XBOX 360.



XBOX 360.

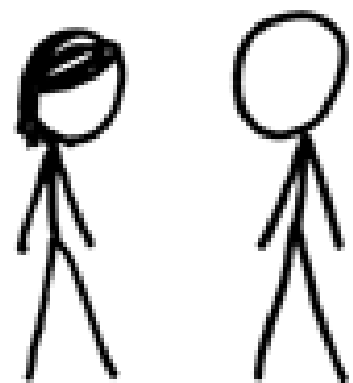
\$399



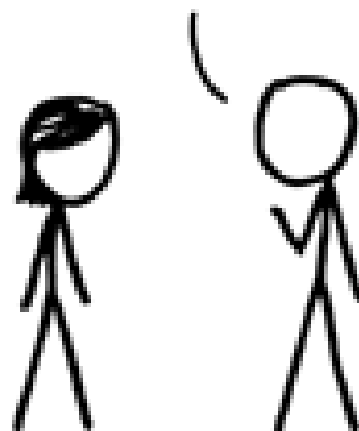
XBOX 360.

\$349

I USED TO THINK
CORRELATION IMPLIED
CAUSATION.



THEN I TOOK A
STATISTICS CLASS.
NOW I DON'T.



SOUNDS LIKE THE
CLASS HELPED.



The Gain/Loss

The Deal

The Gamble

The Gain / Loss

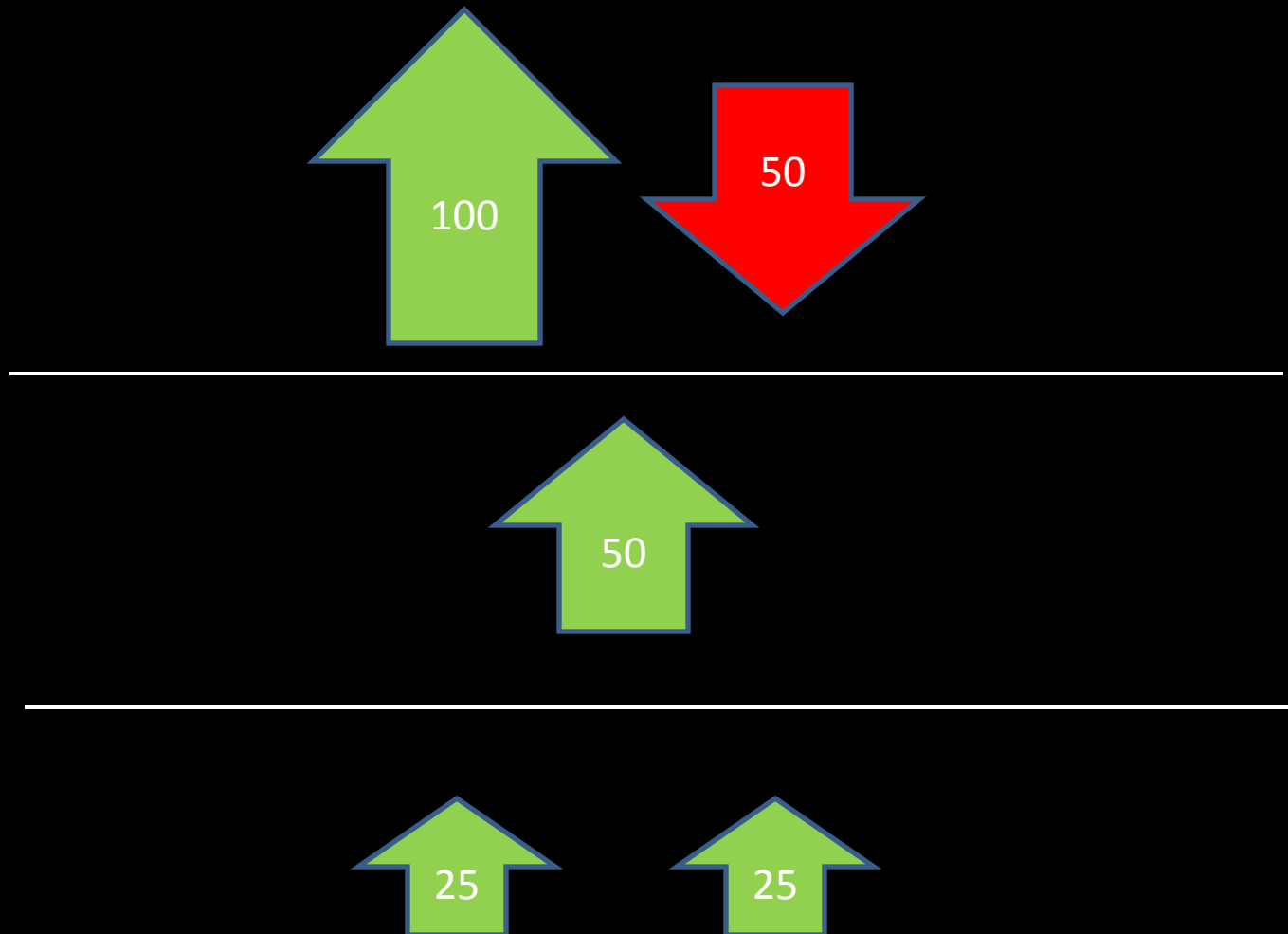
The Gain/Loss

- It's an event
- It can be earned, or seemingly random
- Does not feel like an exchange of currency

Typical Gain/Loss Events

- Achievements
- Loot
- Daily Rewards
- Loyalty Programs
- XP Losses
- Item loss
- Taxation events

Behavioral Econ 101: Loss Aversion





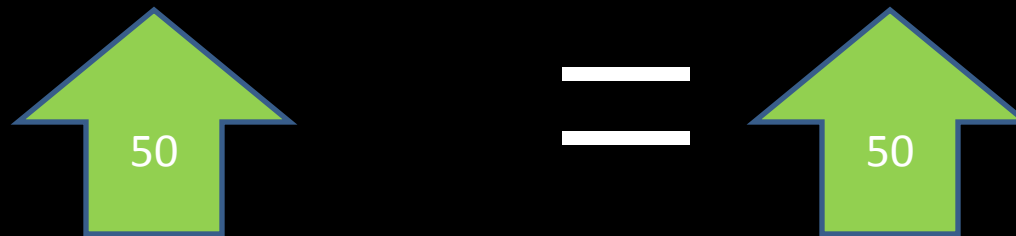
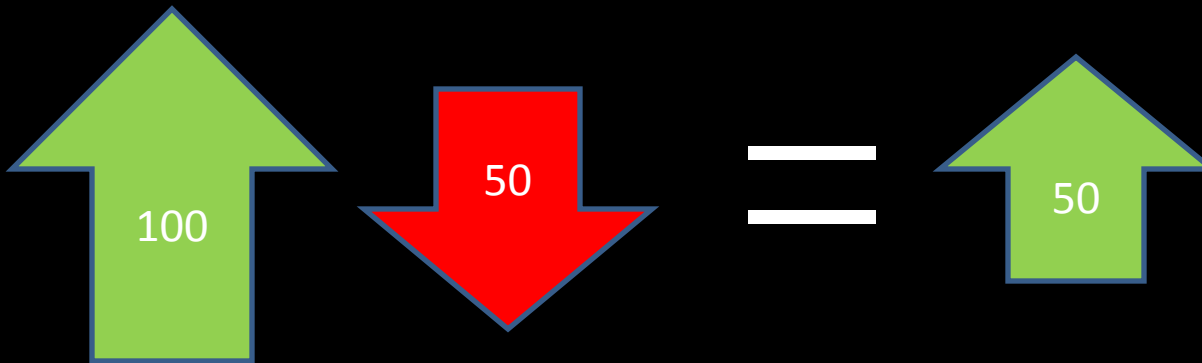
FINAL FANTASY XI

— ONLINE —

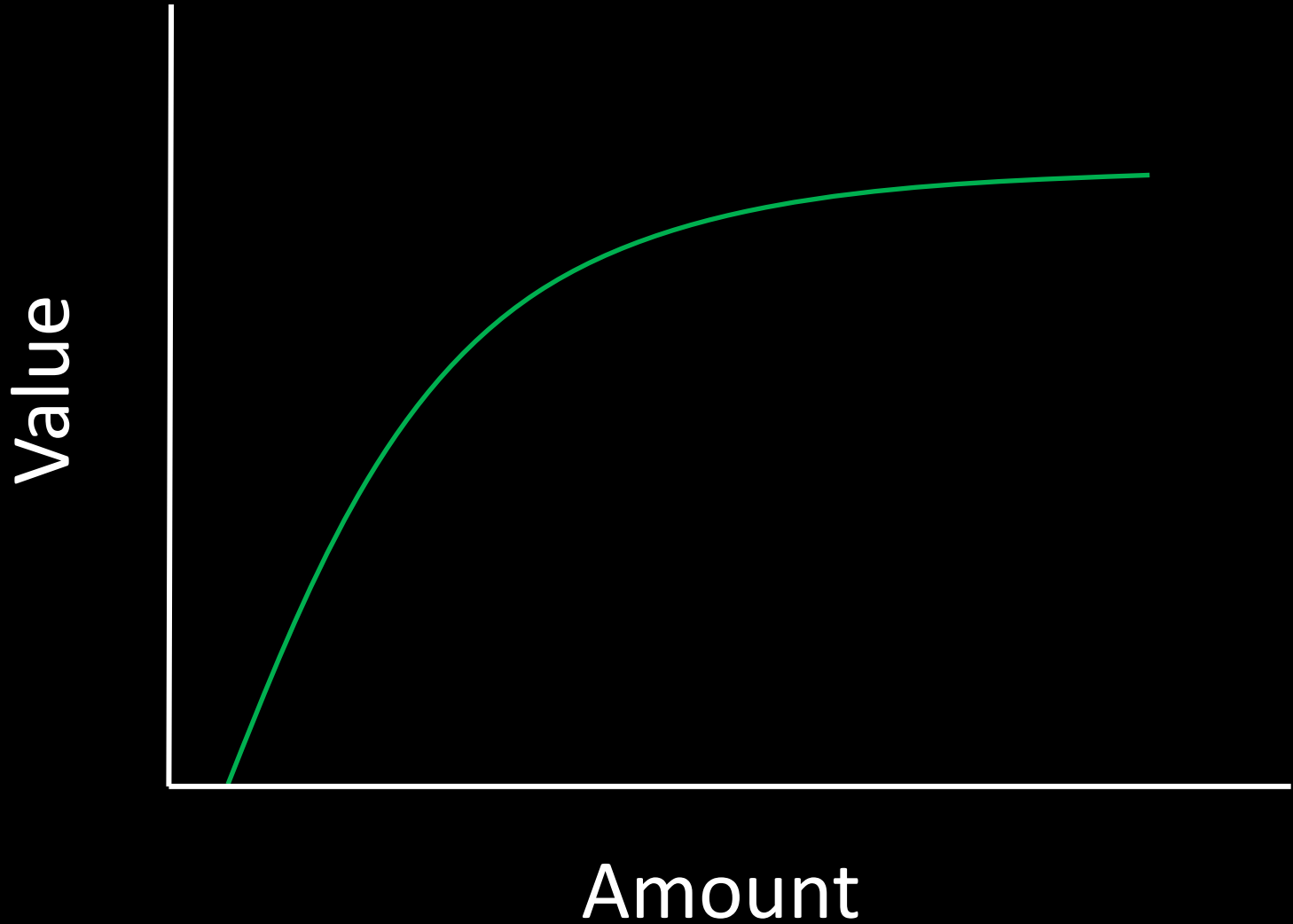




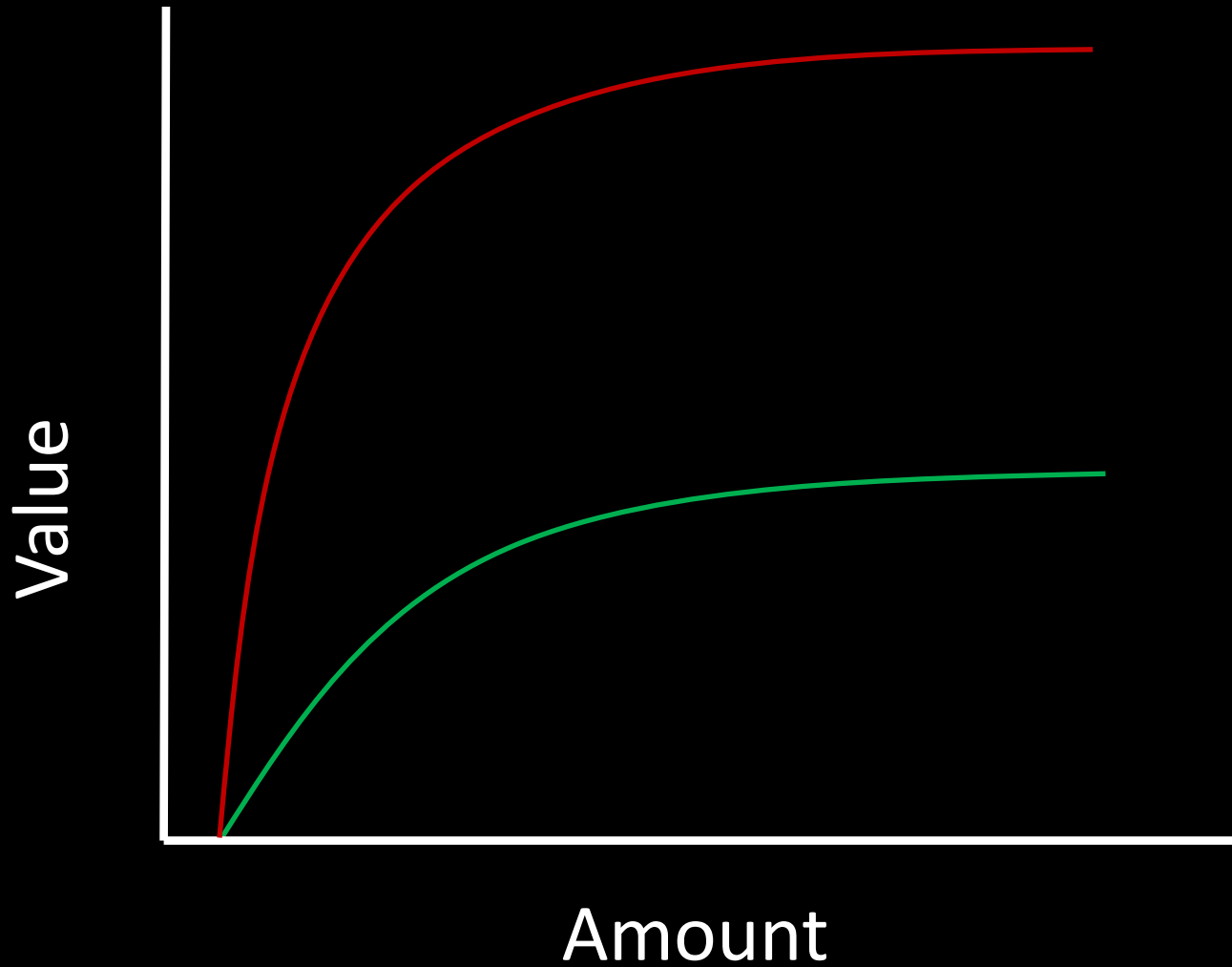
Economic Equivalence



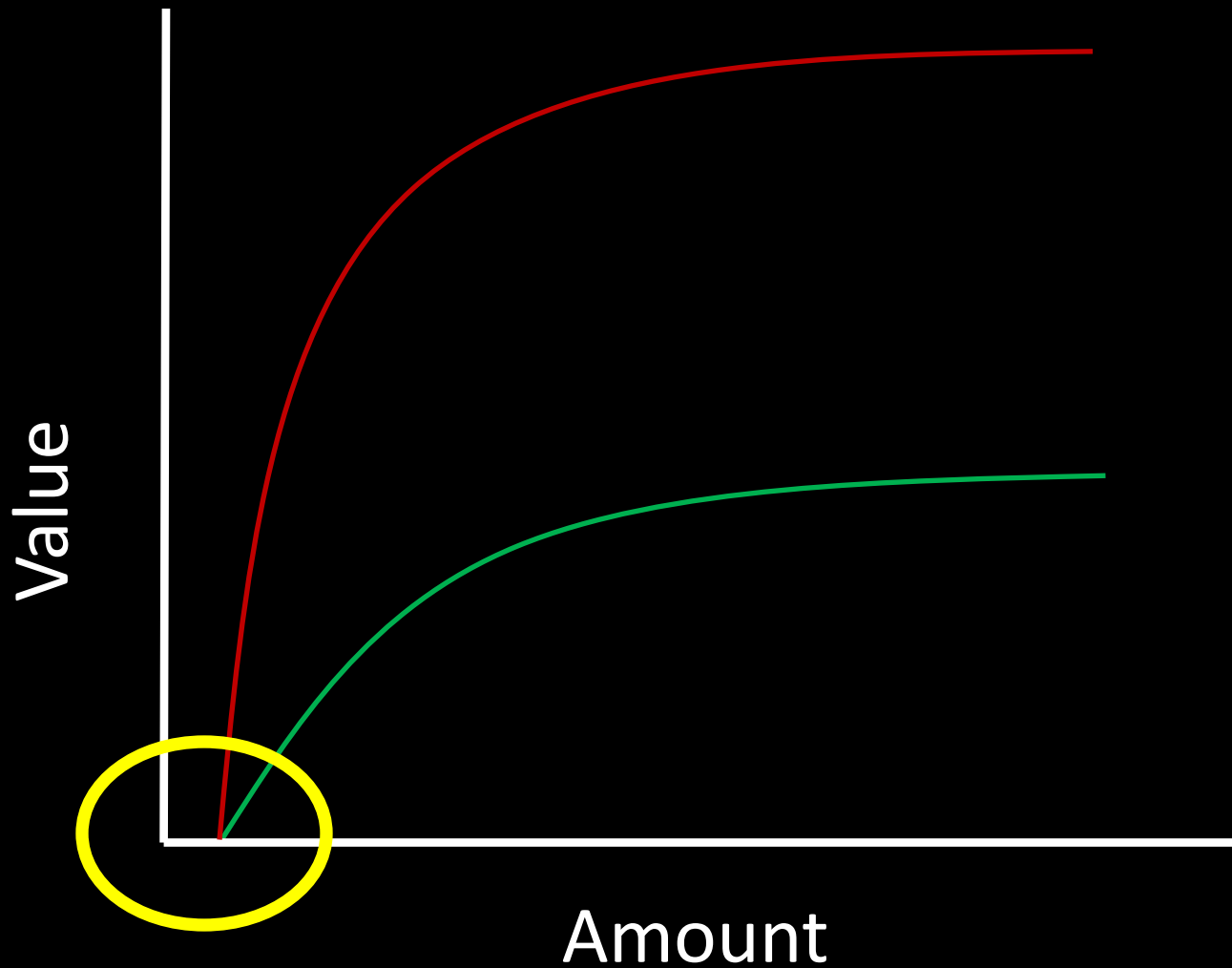
Diminishing Sensitivity



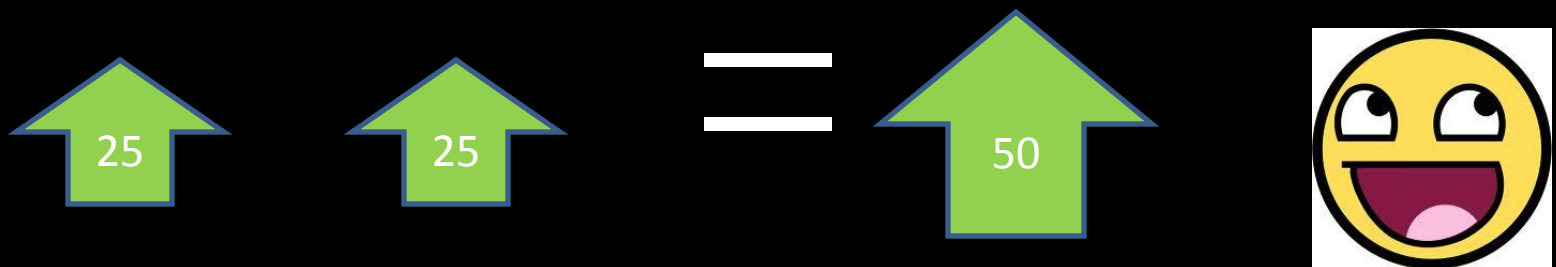
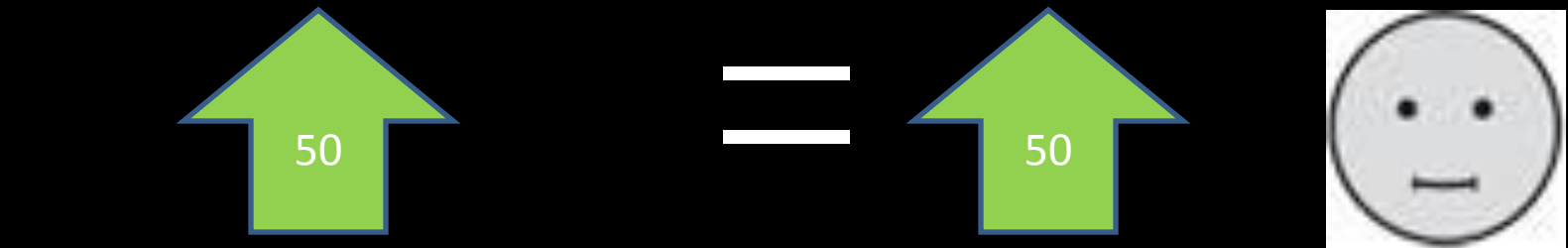
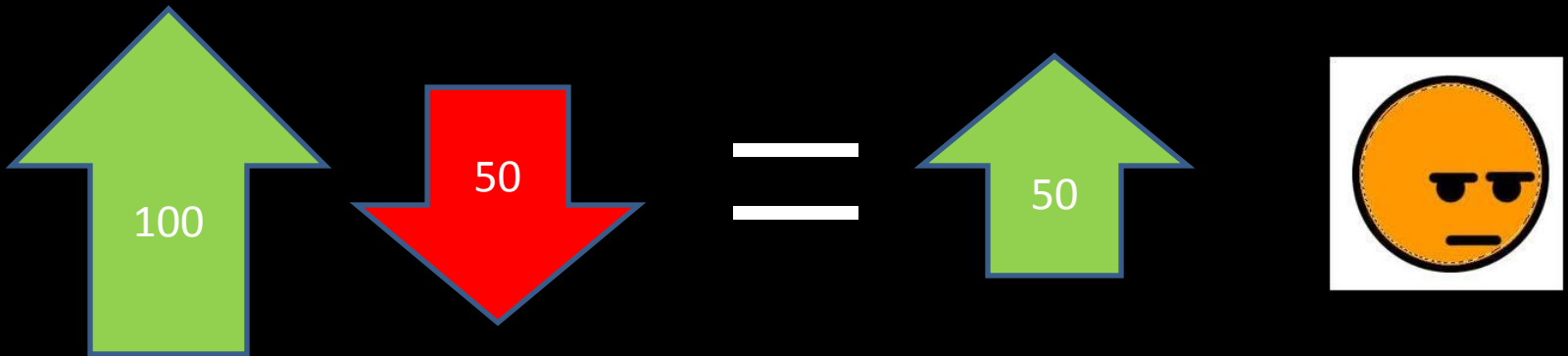
Losses Hurt!



Losses Hurt!



Economic Equivalence



- Use losses *intentionally*
- Segregate gains
- Be mindful of triviality
- ...and beware using loss aversion as a hammer.

The Deal

The Deal

- It's an exchange – I give you X for Y
 - But I may not entirely understand it.
- I choose to enter into the arrangement
- Barter or Currency Exchange

Typical “Deal” Events

- Wallet fills
- Subscription
- Box purchase
- Virtual goods purchase
- Token Exchanges

Perception is everything.

Perception is mutable.

Floating Anchors

- Economist.com subscription – US \$59
Print & web subscription – US \$125

Floating Anchors

- Economist.com subscription – US \$59
Print & web subscription – US \$125

vs.

- Economist.com subscription – US \$59
Print subscription – US \$125
Print & web subscription – US \$125

Floating Anchors

- Economist.com subscription – US \$59 (68)
Print & web subscription – US \$125 (32)

vs.

- Economist.com subscription – US \$59 (16)
Print subscription – US \$125 (0)
Print & web subscription – US \$125 (84)

Select an option below and click Next to continue adding Microsoft® Points.

- ☐ 400 Microsoft Points - \$4.99
 - ☒ 800 Microsoft Points - \$9.99
 - ☐ 1600 Microsoft Points - \$19.99
 - ☐ 4000 Microsoft Points - \$49.99
 - ☐ 6000 Microsoft Points - \$74.99
 - ☐ Redeem Code
-

Select an option below and click Next to continue adding Microsoft® Points.




- ☐ 400 Microsoft Points - \$4.99
 - ☒ 800 Microsoft Points - \$9.99
 - ☐ 1600 Microsoft Points - \$19.99
 - ☐ 4000 Microsoft Points - \$49.99
 - ☐ 6000 Microsoft Points - \$74.99
 - ☐ Redeem Code
-

80 Points = 1 Dollar

...but there's no “good deal”.

STEP II

Select Payment Amount

Payment Option :   

Amount	Gcoins	Bonus Gcoins	Total Gcoins
<input type="radio"/> \$5	500		500
<input type="radio"/> \$10	1,000		1,000
<input type="radio"/> \$20	2,000	60 (3% extra)	2,060
<input type="radio"/> \$30	3,000	150 (5% extra)	3,150
<input type="radio"/> \$50	5,000	500 (10% extra)	5,500
<input type="radio"/> \$100	10,000	2,000 (20% extra)	12,000

 Back

Next 

1 point = \$.01

The math is easy, but the *value* varies

- **Cash**
- **In-game gold**
- **Microtransaction Currencies**
- **In-game tradable items**

- Cash
 - In-game gold
 - Microtransaction Currencies
 - In-game tradable items
-
- ...but not time.

- **Manage comprehension**
- **Let the customer feel smart**
- **Manage optimism**

The Gamble

The Gamble

- I'm paying for a *random* result
- I don't necessarily know the odds
- I'm *hoping* for a result, but I'm not *expecting* it

Typical Gamble Events

- Lotteries and contests
- Random Rewards
- “Treasure Boxes”
- “Item Grinding”
- Daily Spins

Warning: Especially Evil (But Useful)



- Expectation that past events impact future events
 - “I rolled ten times, but never rolled a 6!”
- Blindness to past results can lead to compulsive behavior



NEW

Ursa's Arctic Vault

Roam the Frozen Tundra Upon the Urus Mount!

•Price : 999 Gcoins

Buy

Gift

Wish

The Urus is an elusive beast that is feared by all far and wide. Tales of his monstrosities and deadly fangs are told all over the world and only a few brave souls have attempted to tame it... *unsuccessfully*. However, Atlantians are not just anybody! **The Urus has finally revealed itself**, and only you are able to tame this legendary creature! Roam the Frozen Tundra Upon the Urus Mount! Your enemies will think twice before attacking you, or *spend their last remaining days in an asylum forever having nightmares of this ruthless and savage beast!*

Get a chance to obtain the Urus Mount*

Also get a rare chance to obtain the Sacred Urus Mount!

Get a chance to obtain an Armed Mount Box, which will give you an Armed Snow Tiger*, Armed Volcanic Raptor*, or Armed Byzantine Elephant*!

Randomly obtain one of 40 item sets.

- 1 Urus*
- 1 Sacred Urus
- 1 Armed Mount Box
- 1 Extra Inventory License (Perm.)
- 2 Merc. Room License (Perm.)
- 5 Aeolus' Horn
- 50 Hermes' Herb
- 100 Heavenly Crystal
- 10x Book: Weapon Rend [I]
- 5x Book: Weapon Rend [II]
- 3x Book: Weapon Rend [III]
- 10x Book: Shield Bash [I]
- 5x Book: Shield Bash [II]
- 3x Book: Shield Bash [III]
- 10x Book: Athena's Protection [I]
- 5x Book: Athena's Protection [II]



MALL MAIN

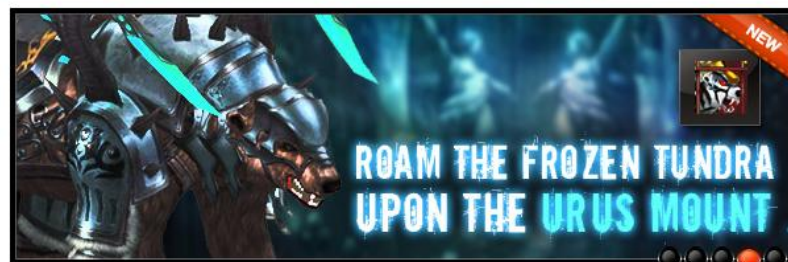
BOXES

LICENSES

SCROLLS

SUPPLIES

PACKAGES



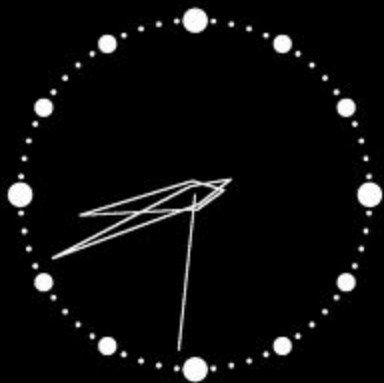


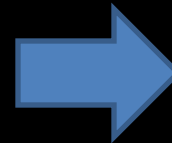
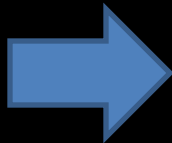
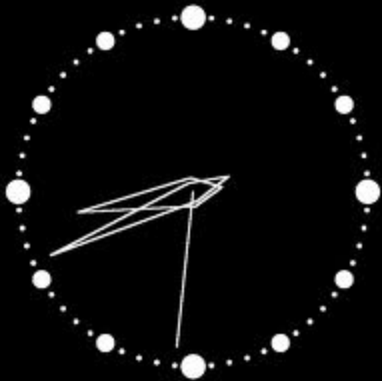
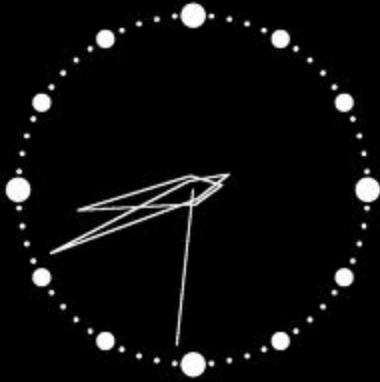
- Gambles are fun
- Be mindful of player behavior...and the law



Crossing the Streams

Gains that feel like (bad) Deals





**Gambles that feel like (bad)
Deals**





Replacing Deals with Gambles



- One rare card
- Maybe a premium card
- Total value of opened cards: \$0.25 to \$60+

ORDER

2010 CORE SET



TODAY!

Deals that feel like Gains



So why do we buy?

We buy when we match an opportunity with emotional motivation.

Why We Buy

Nik Davidson

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