

From Spark to Success



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How Customer Influence Revolutionized City of Heroes

Background

- ★ We didn't invent our business model
- ★ But we put a lot of thought into it
- ★ With a focus on our players
- ★ Following are insights into *our* process



About City of Heroes

Launched April 28, 2004

First superheroic MMO (subscription)

Known for customization

Two expansions, 21 Issues, paid content and services

Strong, passionate community



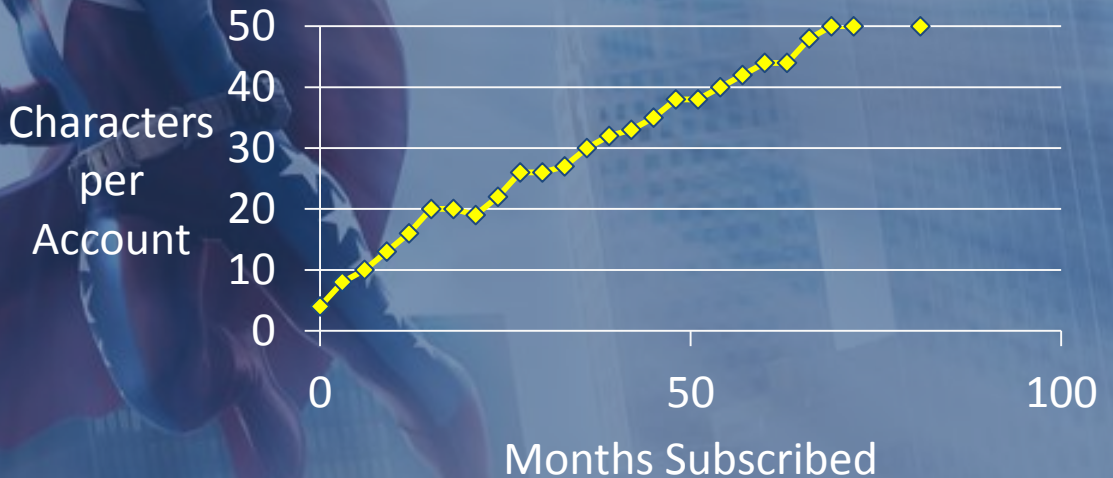
About Our Players

City of Heroes is their first MMO

Passionate (and positive!) community

Altaholics who love making new characters

Average Characters per Account



Our Decision Process

4+ years ago The competition cometh

3-4 years ago Growth in F2P games

2 years ago DDO case study

15 months ago We knew it was time to change



The Spark

We were in a *position of strength*. Despite competition and seven+ years we are still the *market leader* in comic book MMOs.

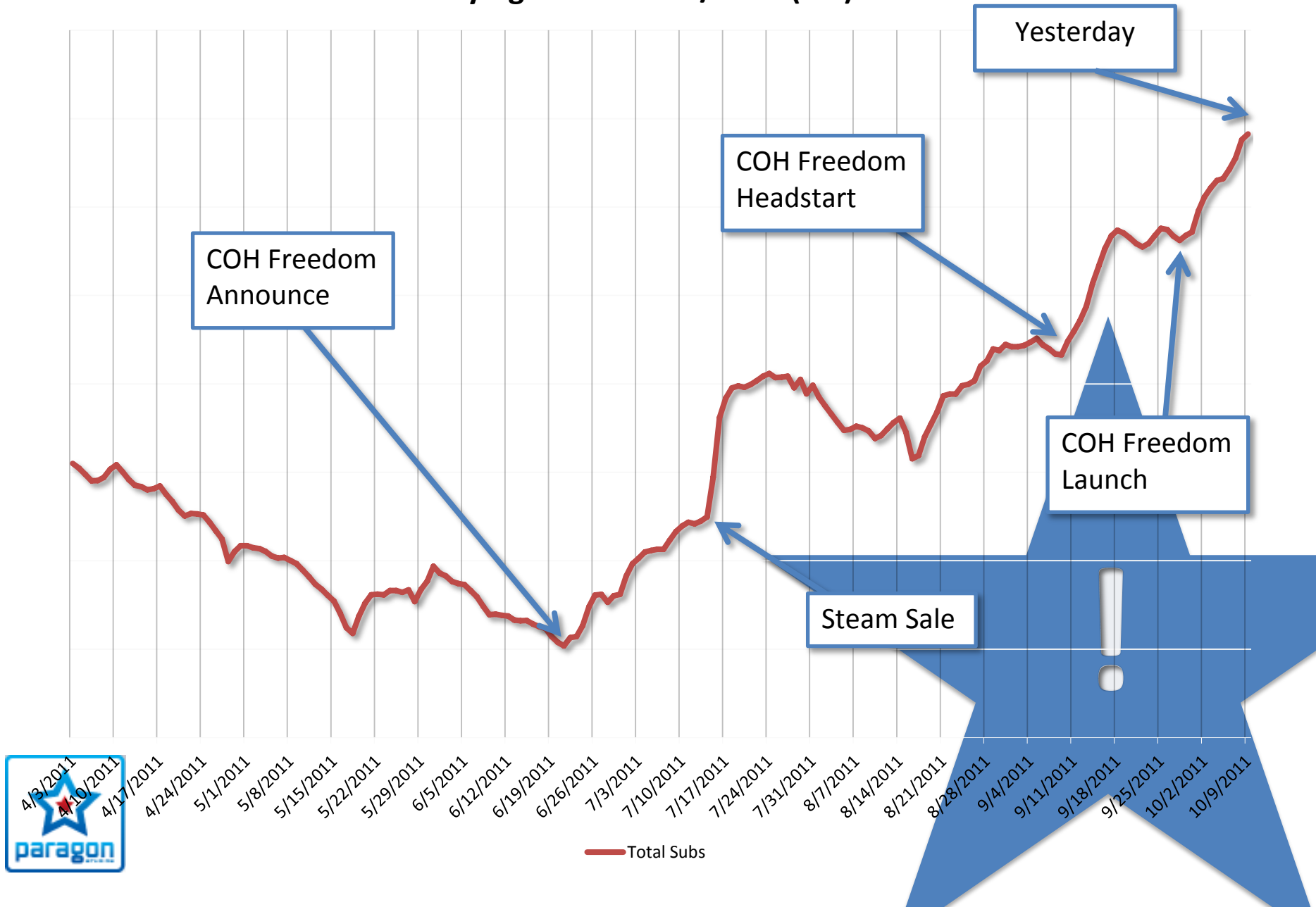
But it was time to do more...



Flash Forward!



Paying Subscribers / VIPs (NA)



Back to the Spark



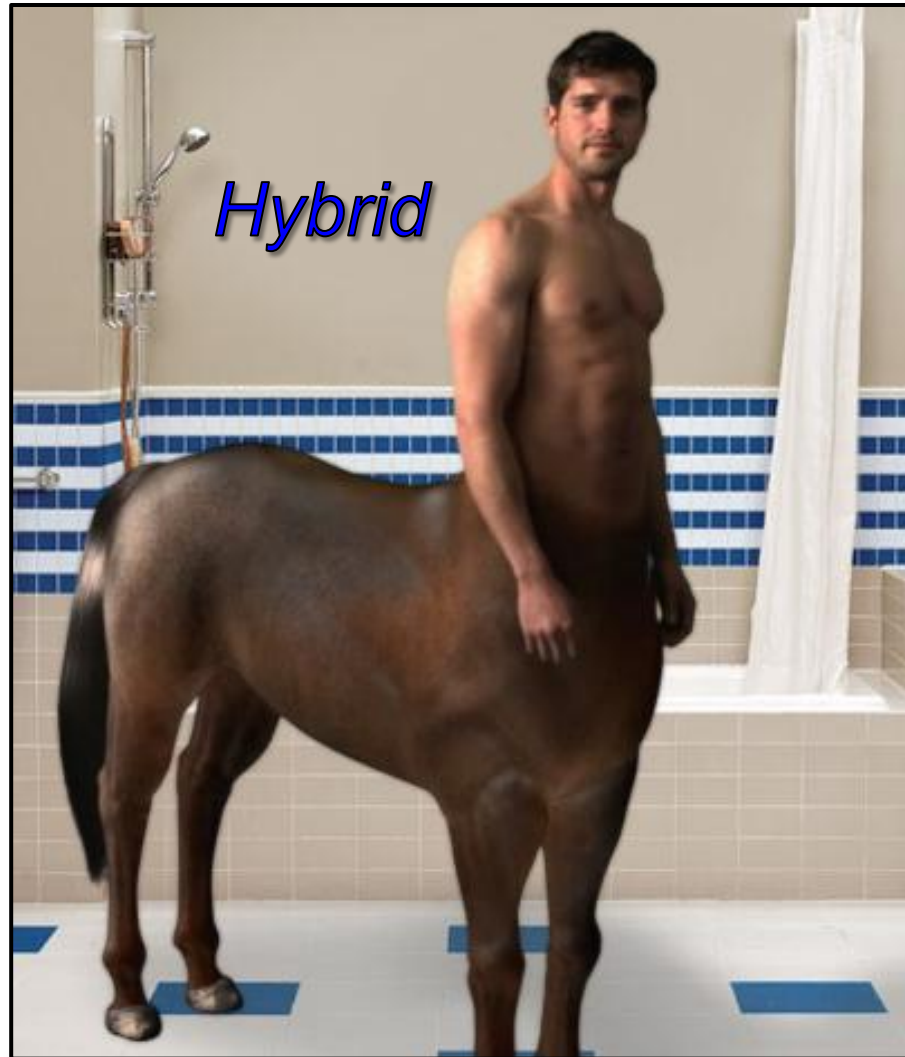
Hybrid Business Model

Subscription

Free-to-Play



Hybrid Business Model



Hybrid business model

Convert

to VIP, creating a solid
and strong foundation

Monetize

through chiseled good looks, unique
content, great communication

Acquire

with content that played to our
strengths (customization, story)



The Opportunity

Create a SIGNATURE CUSTOMER EXPERIENCE
and GROW OUR BUSINESS



The Opportunity

The screenshot displays the Paragon Market website interface. At the top, there are navigation buttons for Home, Cart, Support, and My Account. The main header features the "PARAGON MARKET" logo and a search bar. Below the header, a user's status is shown: "Wish List", "Your Points: 4160", and an "Add Points" button. A "Sort by" dropdown menu is set to "Best Selling".

The main content area is divided into three tabs: "Featured", "New", and "Best Sellers". The "Featured" tab is active, displaying a list of items for sale:

- Street Justice Power Set**
Melee Power Set
Points: 800
Buttons: + Wish List, Buy Now
- XP Booster Temporary Power (5 Charges)**
(5 Charges) XP Boost Temp Power
Sale ends in: 6:23:36 hrs
Points: 450 (crossed out), Points: 225
Buttons: + Wish List, Buy Now
- Signature Story Arc 1: Ep #1**
VIP Content: Signature Story Arc #1: Ep #1
Points: 400
Button: + Wish List
- BUNDLE : Circle of Thorns Costume Pieces**
COSTUME SET: 12 Circle of Thorns Costume pieces for M/F/H characters.
No Auras, Emotes or Powers are contained in this bundle.
Points: 400
Buttons: + Wish List, Buy Now

A left sidebar contains a list of categories: Paragon Picks, Account Services, Content, Character, Crafting / Gear, Costumes, Powers, and Buffs & Boosts.

The footer section includes three main promotional banners:

- CHARACTER SLOT**: Shows a row of character slots with a plus sign to add more.
- XP BOOST**: Features a silhouette of a character running.
- VIP PLAYER BENEFITS**: Lists benefits for VIP players:
 - ★ 400 Paragon Points per Month
 - ★ Monthly Signature Story Arcs
 - ★ Exclusive Issue Content
 - ★ Monthly Server Transfer

A "LEARN MORE..." link is provided for the VIP benefits.



How we did it

★ Adapt Production

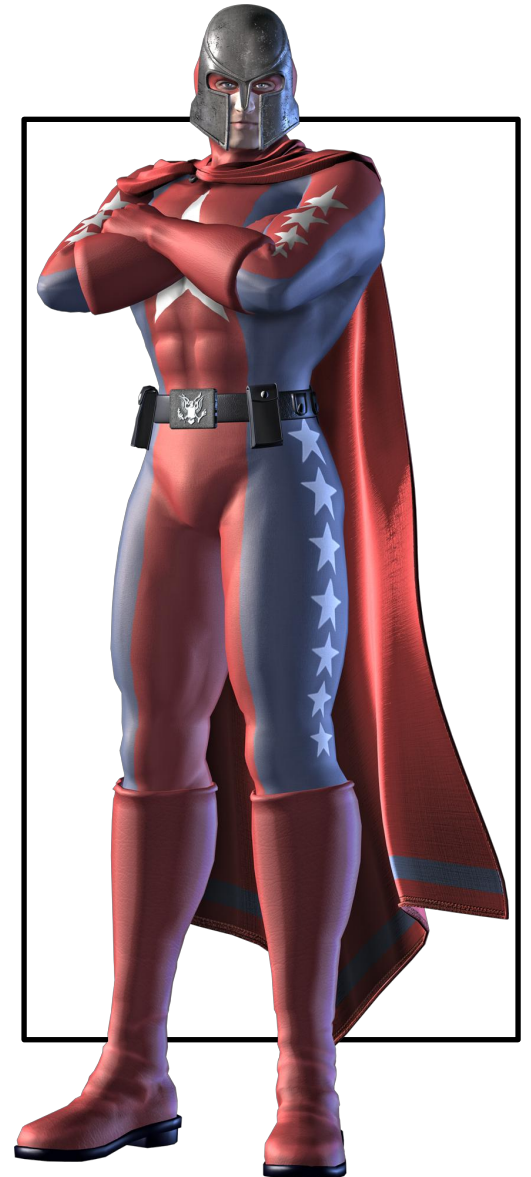
More content, better experience

★ Eliminate Barriers

Make it easy

★ Customer Focus

Address customer needs



Our Customers

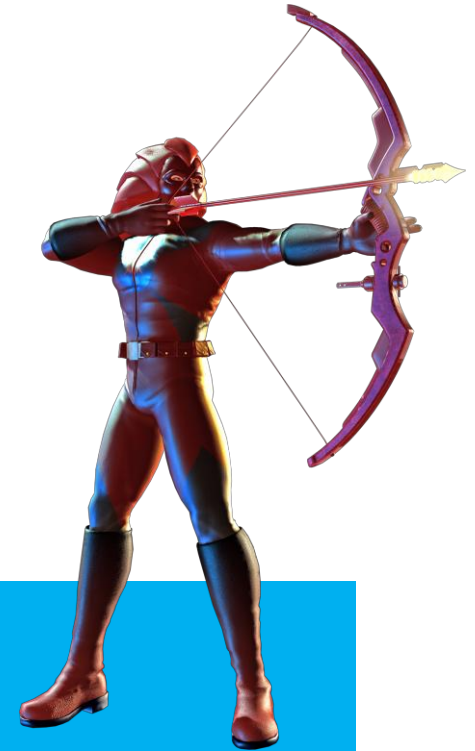
We examined three expected User Profiles for *City of Heroes Freedom*, each with a unique set of needs and expectations:



Robert
Existing Subscriber



Carrie
Returning Player



Steve
New Player



Our Customers



Knowledgeable and vocal

More than 40 characters, five level 50s

Purchases expansions and paid services

Existing Subscriber



Our Customers



**More than 15 characters, three level 50s
Left b/c 'there wasn't enough end game
content'**

**Has very positive memories of CoH, her
first MMO**

Returning Player



Our Customers



Not subscribing to any MMO

Occasionally pays for micro-transactions

Enjoys Marvel and DC movies, but certainly doesn't know comics come out every Wed.

New Player



Customer Focus: How will they react?



Community Focus Group

- Invited passionate active veteran CoH players to Paragon
- Get Direct Feedback about our plans
- Create informed Community Evangelists



Community Focus Groups

Test out the Freedom announce. For science!

- What is City of Heroes Freedom?
- VIP Benefits Overview
- Free Player Benefits Overview
- Free Returning Player Benefits Overview
- Brief Introductions to:
 - In-Game Store
 - Loyalty Tree
 - Issue 21 Content



Initial Response

Then we asked them....

With the limited information that you currently have about City of Heroes Freedom, please share your initial impression.



Initial Response

Then we asked them....

With the limited information that you currently have about City of Heroes Freedom, please share your initial impression.

**"How much value am I
really going to get?"**



Initial Response

Then we asked them....

With the limited information that you currently have about City of Heroes Freedom, please share your initial impression.

"Is this a sign of failure?"



And Then...



We spent the next few hours discussing the following in detail:

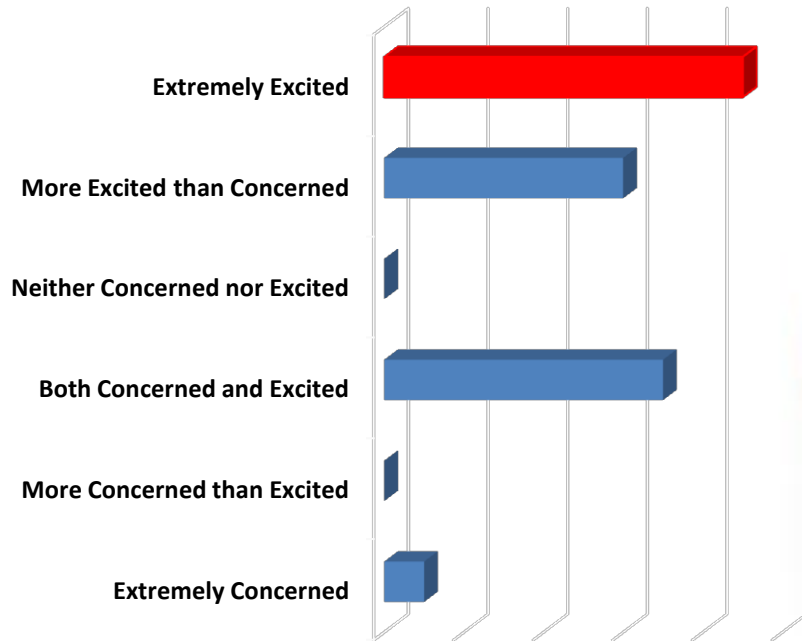
- **Loyalty Tree (new rewards program)**
- **In-Game Store and Business Model**
- **New User Experience**
- **Issue 21 Content**



Educated Response

So we asked them again...

Please share your closing impressions based on the information that you now have about City of Heroes Freedom.



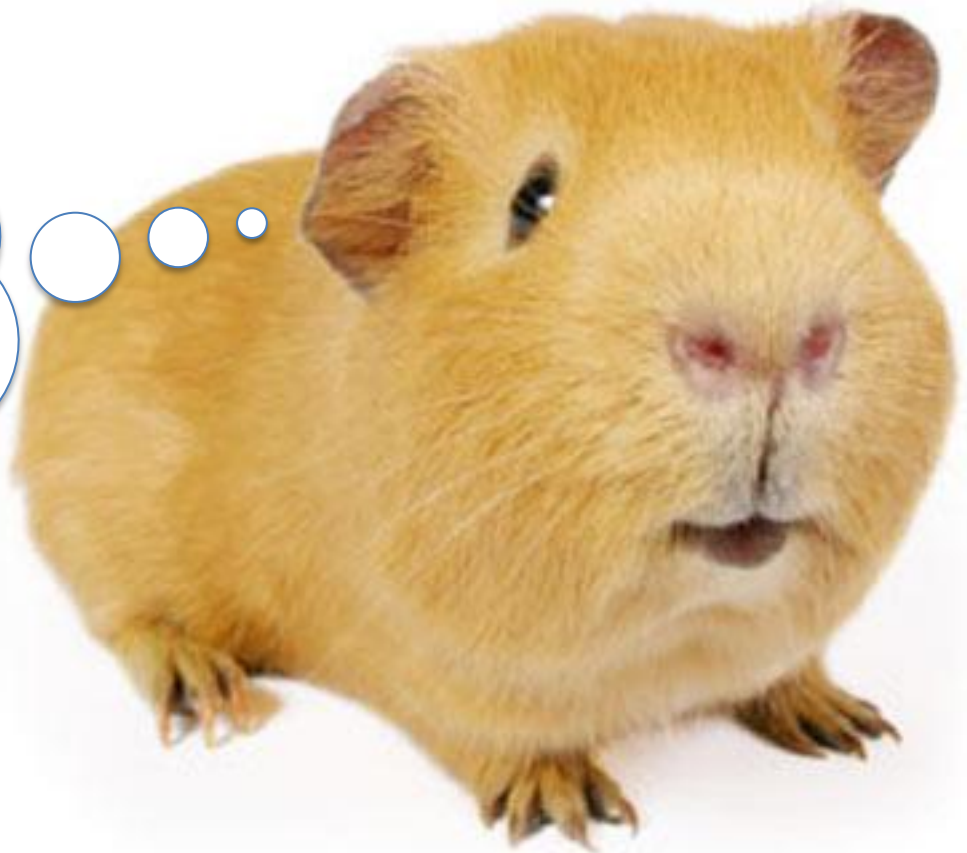
65% of us were now excited or extremely excited!

Educated Response

So we asked them again...

Please share your closing impressions based on the information that you now have about City of Heroes Freedom.

**“CoH will now have
the ability to grow
and thrive!”**



Closing Survey

74%

said VIP Subscribers will get more value from *City of Heroes Freedom*

- 26% said Equal Value
- 0% said Less Value

92%

said that *City of Heroes Freedom* will bring back their friends that used to play *City of Heroes*



Net Learnings

- ★ **Players really saw value in what we were offering**
- ★ ***How* the information is presented makes the difference between a successful announcement and a Community disaster**
- ★ **We needed to communicate this thoughtfully and transparently**
- ★ **And make a few changes to the game...**



Things they loved

- ★ Loyalty Tree Concept
- ★ Issue 21 Launch Content
- ★ More Content Overall

Things they were concerned about

- ★ Loyalty Tree Name
- ★ Selling Signature Stories
- ★ Selling “Achievements”

Ultimately, we changed all of these things they were concerned about!



What we did Next

- ★ **Planned Frequent and Meaningful Communication with the Players**
- ★ **Increased Community Activities**
- ★ **Increased Developer Interaction**



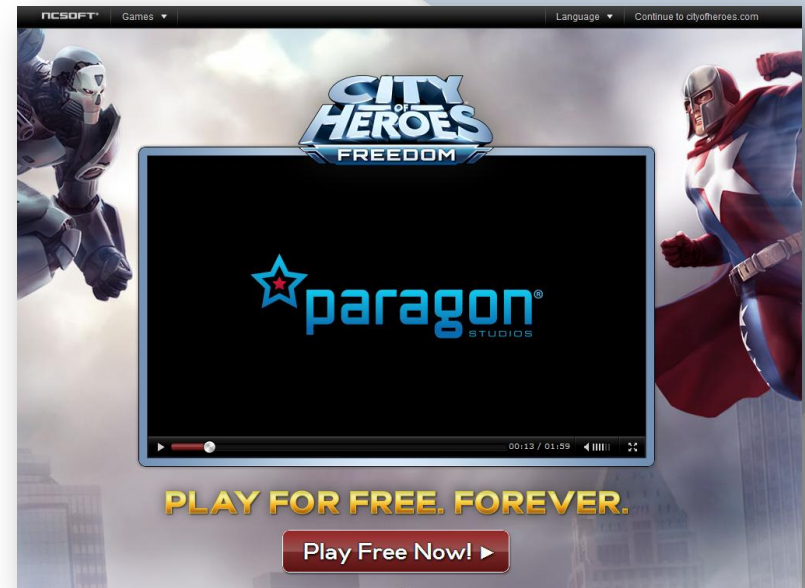
And Away We Go!

On June 21st, 2011 Paragon Studios and NCsoft announced *City of Heroes Freedom*

“CoH's model is near-perfect...”
– Josh Augustine, PC Gamer

Our Evangelists began showing their support almost immediately

- Answering questions for other players
- Speaking confidently of our move





FACEBOOK

Teri - "The more I read, the more impressed I am by the balanced implementation of the upcoming F2P."



TWITTER

ijmitch – "Exciting! I love CoH and this will allow me to play again!"



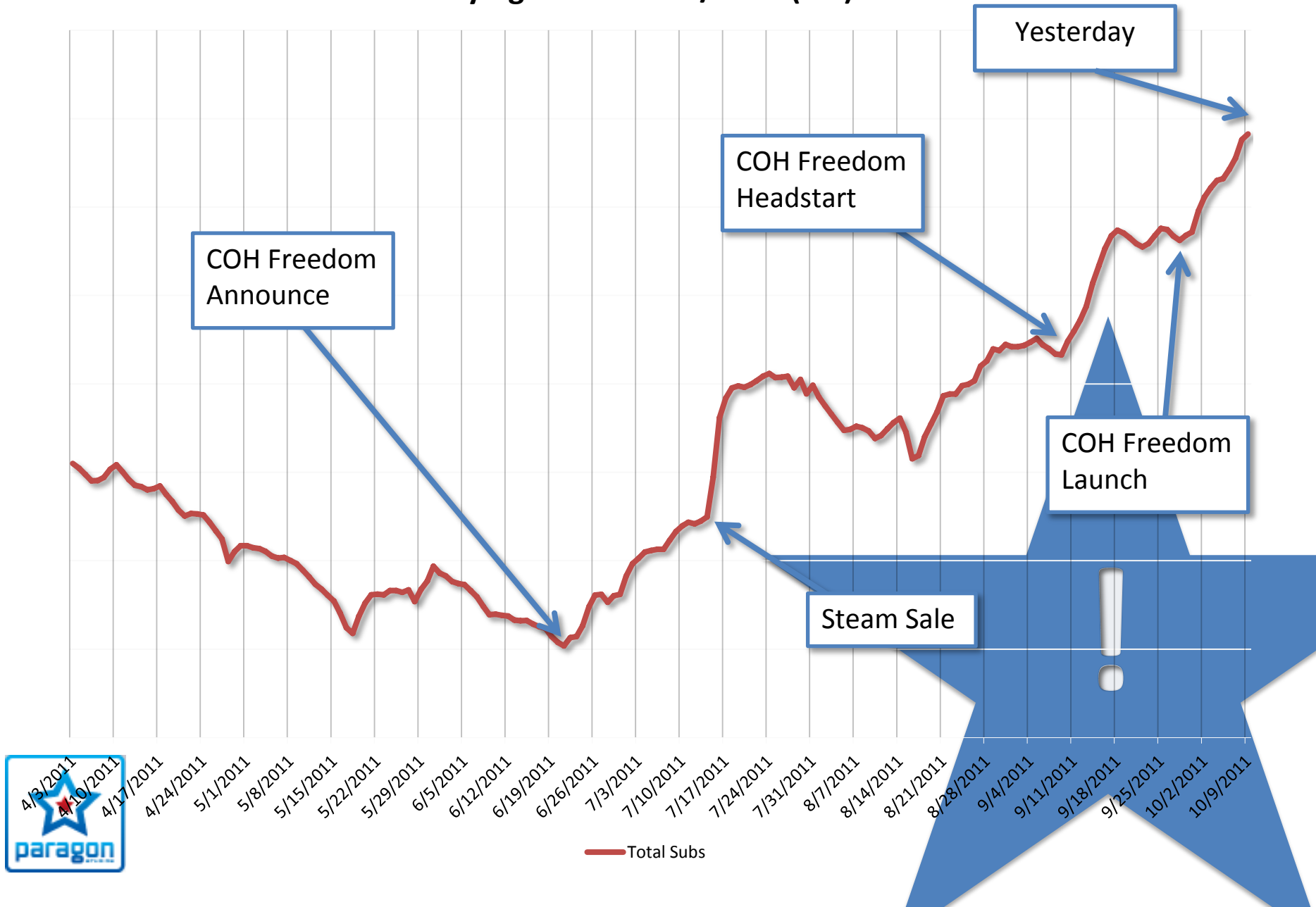
CoH Forums

HexGirl - "I am rather pleased with the way this is being implemented. Having different subscription levels is a fantastic way to handle this."

And We Believe All of This Led to...



Paying Subscribers / VIPs (NA)



Other Metrics (without Advertising)

- ★ **Total Daily Active Users increased 150%.**
- ★ **Subscriber Daily Active Users increased 35%**
- ★ **Peak CCU increased 125%**
- ★ **Free Registrations 10x – 20x that of free trials**
- ★ **19% of VIP Subscribers purchased Paragon Points**



*Compared to June average.

Top Selling Items (\$ Sales)



**#1 – Beam Rifle
(Power)**



**#2 – Street Justice
(Power)**



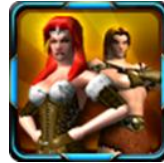
**#3 – Rocket Board
(Power)**



**#4 – Costume Slots
(Account Upgrade)**



**#5 – Enhancement
Inventory Increase
(Account Upgrade)**



**#6 – Barbarian Costume
Set (Costume)**



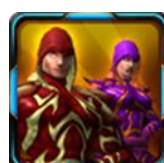
**#7 – Server Transfer
(Service)**



**#8 – Enhancement
Boosters (Consumable)**



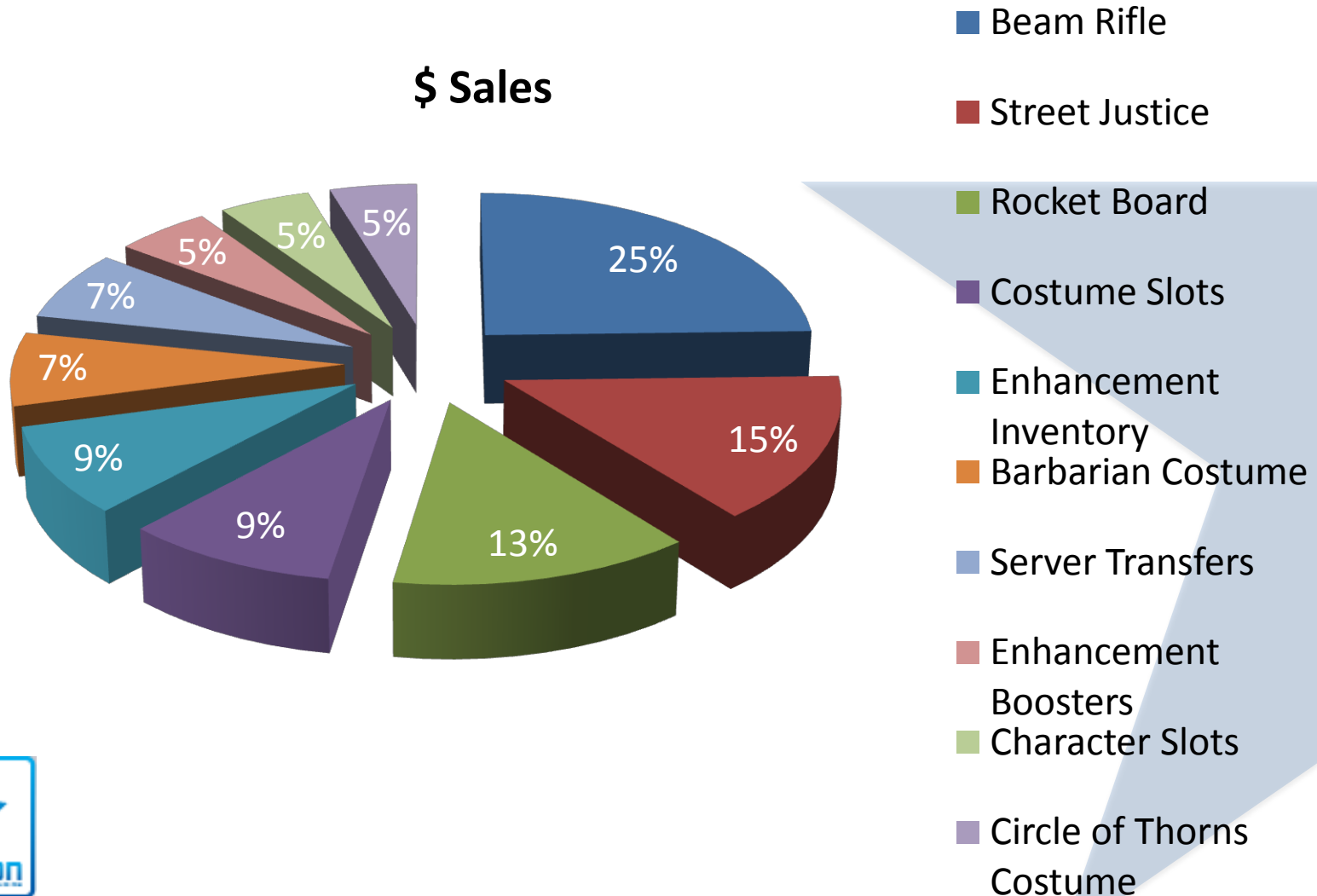
**#9 – Character Slot
(Account Upgrade)**



**#10 – Circle of Thorns
Costume Set
(Costumes)**

Top Selling Items

Comprise 60% of MTX Revenues



And the Players? It's Been a Good Start.

"THANK YOU.

Thank you for bringing us an amazing game who's community I haven't been a part of for long but am already in love with...

Thank you for getting up at 1:30 am just to get the ETA 12 hour maintenance today out of the way with...

Thank you for striving to improve our game experience by upgrading those servers so they don't go bang when F2P starts...

Thank you for the amazing levels of community interaction...

Thank you, Paragon Studios and NCsoft for being totally damn awesome."



The Future

- ★ **Planning and Hard Work**
- ★ **Listening to our Customers**
- ★ **Hopefully Everyone Wins!**



Questions

