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Using Creative Design to Monetize Virtual Worlds

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GameDevelopers
Conference

07

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Packaged Goods

Inefficiencies

- ❖ Retail markup
- ❖ Shelf space limitations
- ❖ Physical Cost of Goods
- ❖ Inventory and transportation management
- ❖ Cartel-like distribution bottlenecks
- ❖ High price point puts off consumers
- ❖ Propriety formats
- ❖ Sales tax
- ❖ Loss of connection between content creator and content consumer
- ❖ Lack of a free play experience

VS.

Advantages

- ❖ Expensive to market
- ❖ Expensive to distribute
- ❖ Shelf space only to the top 10 or top 5 titles
- ❖ In short, if you are the monster publisher with the monster licenses, you like the packaged goods model
- ❖ Only long-term piracy as seen in the music and PC game categories will kill your business – as true in most countries

Subscription Model

- 🐾 Allows for Electronic Distribution
- 🐾 Retail package for axillary sales
- 🐾 Neatly solves piracy (note: pirate servers)
- 🐾 Allows limited demo experience
- 🐾 Enjoy pre-payment of services from your customers
- 🐾 Organization thinks like a service company not like a goods company

Perfect right?

War on Money

Korea: 2003 - 2004

- ❖ Dozens and dozens of 3D MMORPGs from Western Fantasy to Eastern Fantasy to Cartoon styled, female and/or children's focused
- ❖ Classic Over Supply
- ❖ Prices → zero → Free!
- ❖ Open Beta periods were extended from 2 months to 4 months, to 6 months to a year!

The Item Model

The Beginning...

- 🐾 Play my 3D MMO for Free!
- 🐾 Forever Free!
- 🐾 Well not really...
 - 🐾 (instant reincarnation only \$2)
 - 🐾 (swords that actually do damage only \$5)
 - 🐾 (spiffy armor \$6)

Advantages

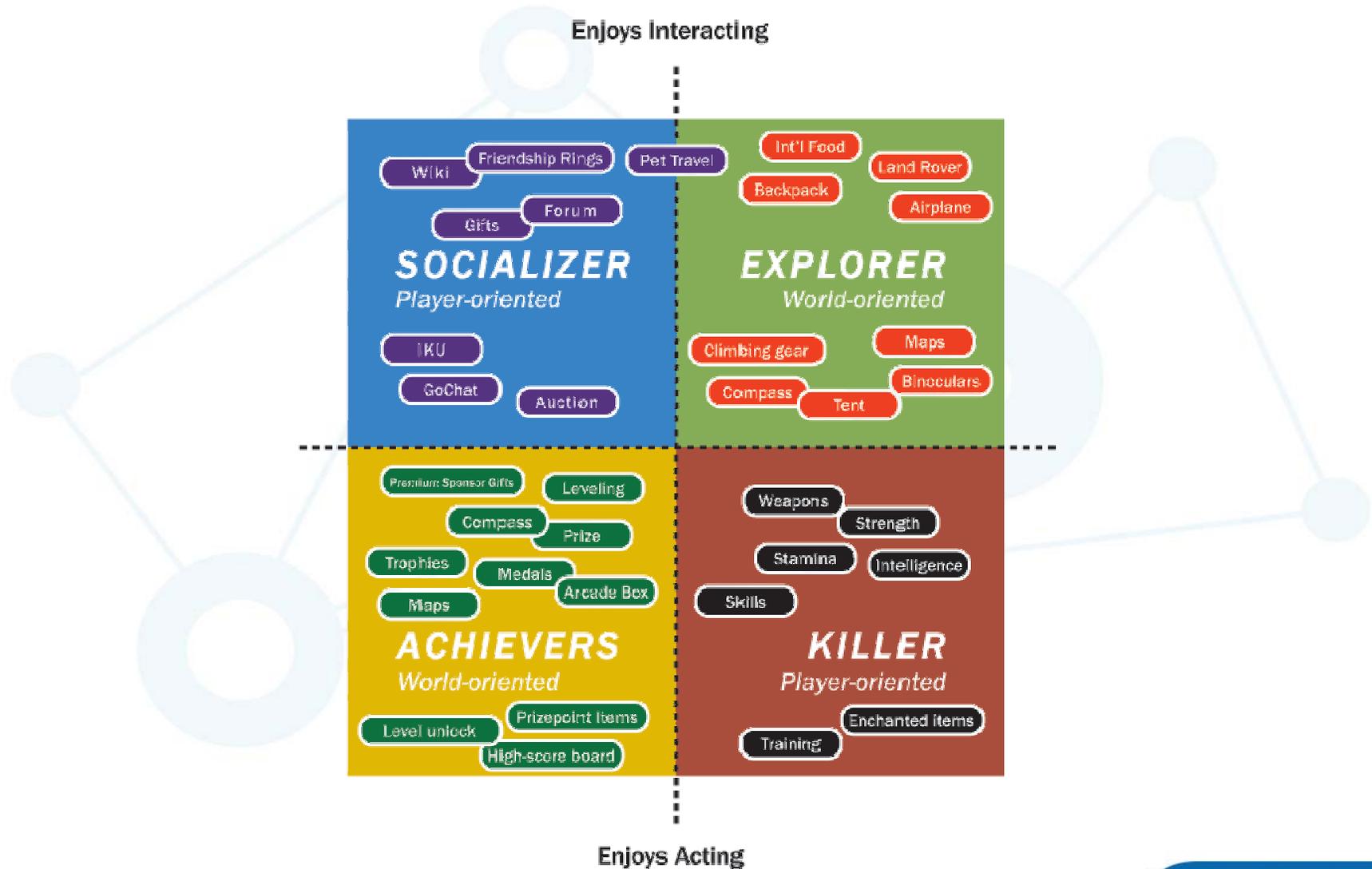
- 🐾 Invisible transition from beta to commercial
- 🐾 Eliminates the Beta Tribe phenomena of users fleeing en mass from one open beta to the next as companies pitifully attempt to monetize their investment
- 🐾 Allows users to gracefully transition from freeloader to nibbler to active consumer to great fat happy customer!

Shopping!

<p>Cats</p> <ul style="list-style-type: none"> Accessories 'n' Things A2 Costumes A2 Cute & Fluffy A2 Hanekoubou Waraku B5 Halloween A2 Korean Traditional Clothes B1 Mason's Armory A2 Max's Headwear A2 Scissors Styling A2 Sherry's Apparel Riot A2 Stitches Couture A2 Whiskers A2 <p>SIENS</p> <ul style="list-style-type: none"> Cute & Lovely Signs B2 Decorative Signs B1 Fantasy Signs B2 Funny Signs C1 Modern Signs C5 	<p>DOGS</p> <ul style="list-style-type: none"> Accessories 'n' Things C2 Costumes C2 Cute & Fluffy C2 Hanekoubou Waraku B5 Halloween C2 Korean Traditional Clothes B1 Mason's Armory C2 Max's Headwear C2 Scissors Styling C2 Sherry's Apparel Riot C2 Stitches Couture C2 Whiskers C2 <p>SIENS</p> <ul style="list-style-type: none"> Nature Signs B5 Science Signs B5 Simple Signs C5 Spooky Signs C2 Sports Signs C2 	<p>FOOD</p> <ul style="list-style-type: none"> Convenience Store C5 Ebiw Skokudo B5 Freak Fruits C1 Freak Squashed Juices C5 Frosty Flipper's Frozen Treats C5 GoJeva B2 Korean Traditional Drinks B1 Pastopia C5 Seven Seas Restaurant B2 Sai's Pizzeria C5 Sweets by Nadia B1 Tastes of Seoul B1 Thailand Traditional Restaurant C1 Uogashi Susukijiro B5 <p>OTHER</p> <ul style="list-style-type: none"> Beach Shop C1 Bubbles Bark House B2 GoSports C2 HiScores Prize Shop B2 Kyle's Toys C5 Maya's Flower Shop C1 Paper Craft B5 Pet Shop B2 Starcade B2 Ultimate Makeover B2 Vita-C Pharmacy B2 Xanadu Magic Ltd. B2

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The Bartle Diagram



That's not Fair!

- ❧ Item model allows users to have differentiated play advantages based on their individual spending patterns
- ❧ Last time we saw this big time in the USA was Magic the Gathering! (groan or cheers?)
- ❧ Sony is inching their way in
- ❧ MUD-Dev quote from a whiner

Communism vs. Capitalism

- ❧ Traditionally in sports it is okay to buy better equipment
- ❧ Traditionally in games you should compete on skill, luck, or time – not money for some reason
- ❧ MMOs are not really games – they are worlds
- ❧ The 20th century consumed say 60 million people to establish that Communism does not work in the real world – nor does it work in online worlds

Premium Subscriptions

“What!? I thought you said subscriptions suck?”

- ⚡ Allows for a differentiated level of services to further help your users feel a sense of status and recognition
- ⚡ Robust and flexible services will slice up the offerings to best suit the tastes of various markets

GoPets Premium Subscriptions

- 🐾 Bonus Gold Shells at Purchase
- 🐾 Bonus Gold Shells during the term for additional gold shells
- 🐾 Limited Edition super item never for sale in our stores, never to be duplicated (usually sells for \$25+)
- 🐾 User Customizable Texture Tool
- 🐾 Ring-tone like sound triggers for your pets
- 🐾 Premium Subscription supports further Item Sales

Why did I talk about this?

- ❧ Big NA console publishers – not listening to the beat of future drums –will get smashed by open format online games
- ❧ The fairness (righteous) independent game developers that are in it for the love of creation will vilify the crass monetization of significant gameplay actions
- ❧ Only people that appreciate will be shrewd new competition for GoPets in the advanced casual game space ;-)

Thank you!

GoPets Ltd.

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Questions?

Contact: **erik@gopets.net**