# Austin GDC September 15<sup>th</sup> – 17<sup>th</sup>, 2008 EMPYREAN AGE

Economic Design and Management of Virtual Worlds with a Large Shard Population

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#### Overview

- Assumptions and general framework for the economic design of Massively Multiplayer Online Games
- Game design and management of MMOG economies
  - EVE Online
- Game design and economics
  - Examples from Eve Online and other games

### MMOG

- Massively Multiplayer Online Role Playing games
- Massively Multiplayer
  - Means hundreds, thousands or even hundreds of thousands of players participating in the same *persistent* world.

#### Online

Single universe vs. multiple copies of the same universe

#### It is not a computer game....

 ... as we generally understand computer games

- It is a place where people come together....
- It is a place where people enjoy the same experience...
- It is a place where people have fun together.....

## Virtual Worlds

#### Virtual realities

- Trying to mimic the real?
- Not so!

#### • Alternate worlds/Alternate experience

- Communicate with other humans under different sets of rules and regulations
- But the same economic principals apply
- Theme parks, Social worlds, Sandboxes, coffee shops....

#### Scarcity

Fundamental assumption

 Would the gameplay by any fun if there is no scarcity? Why not?

• The pleasure is in the journey - not the destination

## Behavior

- Individual decisions
- Evaluating options given constraints
- Results in valuation of options, i.e. prices
  - Relative prices and relative scarcity
- The objectives are as many as the players
  - Impossible for the designer to "value" items
  - Allow the players to exchange player driven market

#### Exchange

- Division of labor
  - Allows for specialization
  - Calls for exchange of items, i.e. market

- Competitive advantage
  - Absolute advantage kills interaction

#### Market

- Conditions for a perfect market
  - Large number of participants
  - Homogenous products in quality
  - Free entry/exit into/from markets
  - Perfect information

What are the conditions for a fun market?

#### **Other topics**

Monetary theory

 Trade theory – exchange between Real World and the virtual world

 Consumer theory – return from gameplay

# **Monetary Theory**

- Price stability
  - Growth in money must match growth in wealth
  - Game balance issues

- Too much monetary growth
   Inflation
- Too little monetary growth
   Deflation

## Controlling the money supply

- Sinks or drains
  - NPC Consumables
  - Item Maintenance
  - Transportation
  - Special Rentals
  - Taxes

# Principles

- Scarcity
  - Local scarcity / "Economic Landscape"
  - Overall scarcity

#### Exchange

- Not self-sufficient
- Design with interactions in mind
- The Invisible Hand
  - Applies to players, not static NPCs

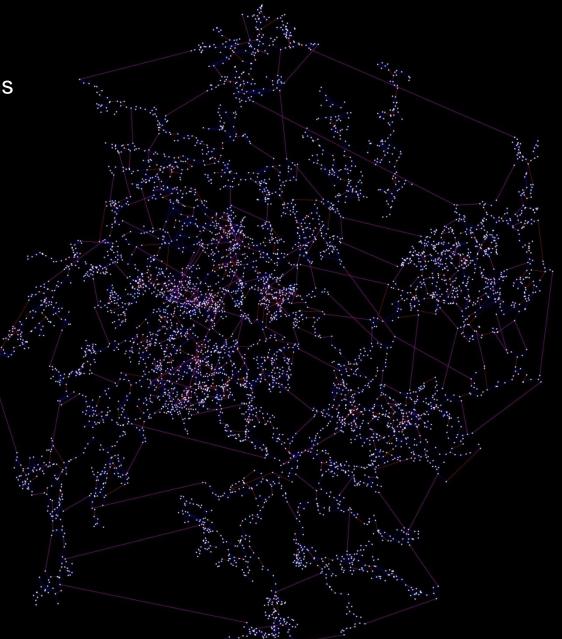
### **EVE Online**

- Play on One Server 245.000
  - EVE Online is a leader in online gaming technology, hosting hundreds of thousands of players in the same persistent universe.
- Liberating advancement
  - Never "grind" for a skill again. Because the EVE universe is persistent, skills increase even while offline.

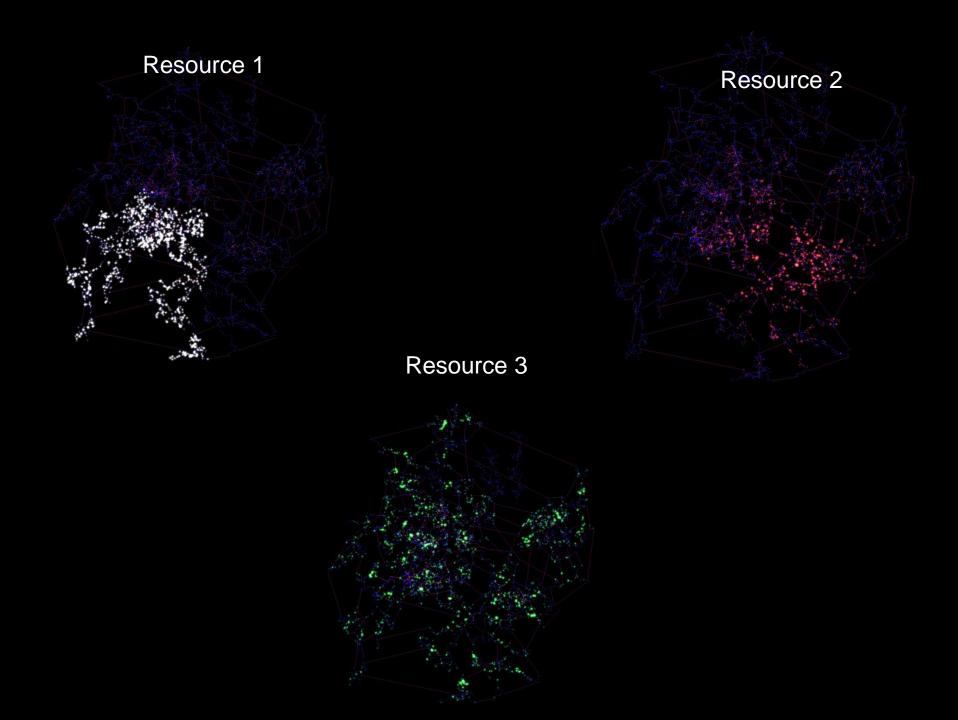
#### • PvP based on strategy, not levels

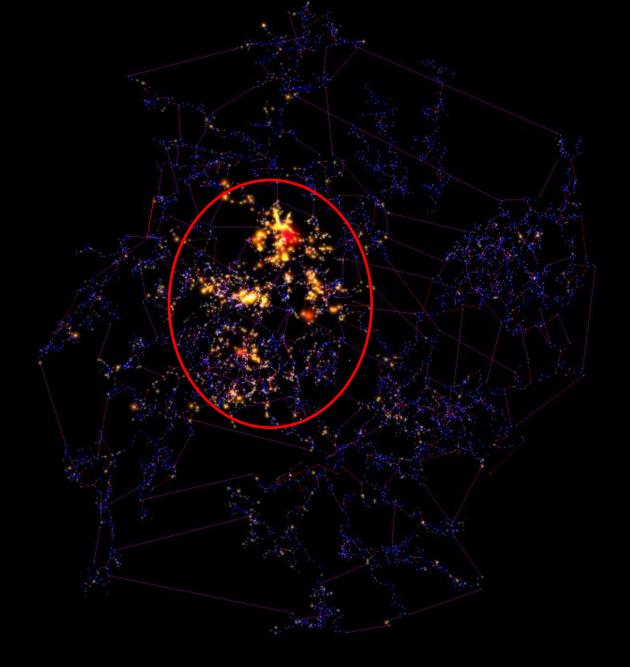
- Tactics have value in EVE Online. Experience and treachery will often beat top-of-the-line modifications and fancy ships.
- Free EVE Online expansions
  - Never be charged for an EVE expansion as the EVE universe grows, so do the benefits of the subscription.

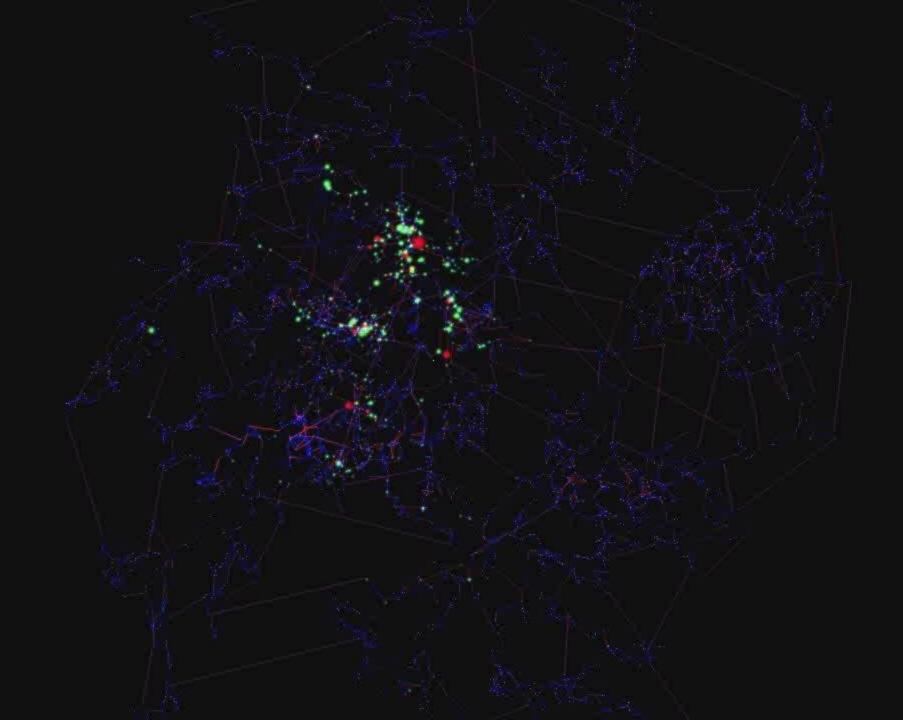
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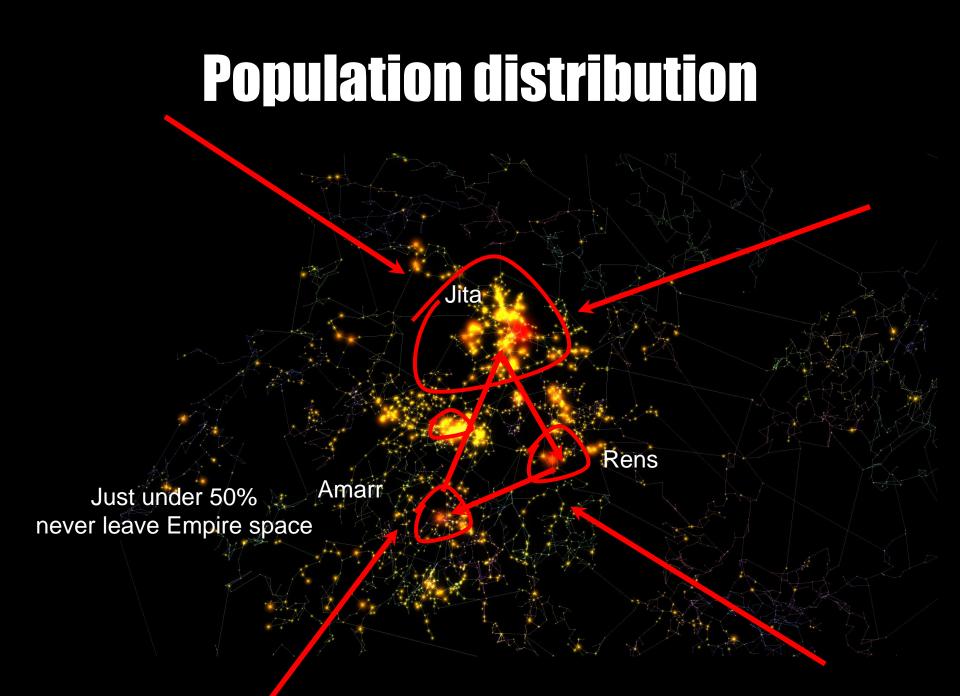












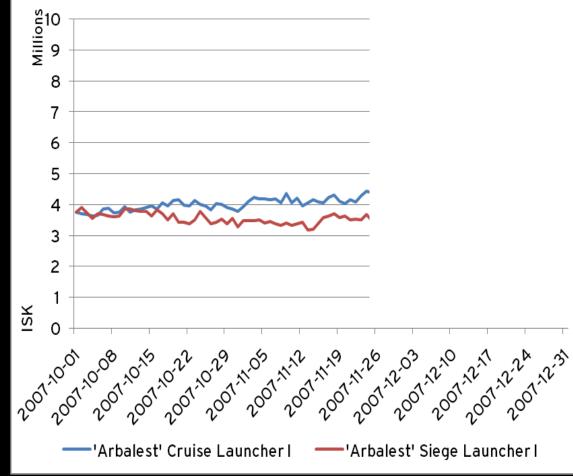
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#### Supply changes



#### Changes in demand

#### Siege and Cruise Launchers



Two types of weapons that where sold at a similar price.

Attributes of one of them was changed – shorter range but more explosive power for torpedoes (Siege Launcher)

Immediately changed the pricing structure

#### **Price Expectations**



#### Scalability

 The world must scale with population

- Examples from the early days of MMOs
  - -UO
  - Asheron's Call

## **Deflation in Ultima Online**

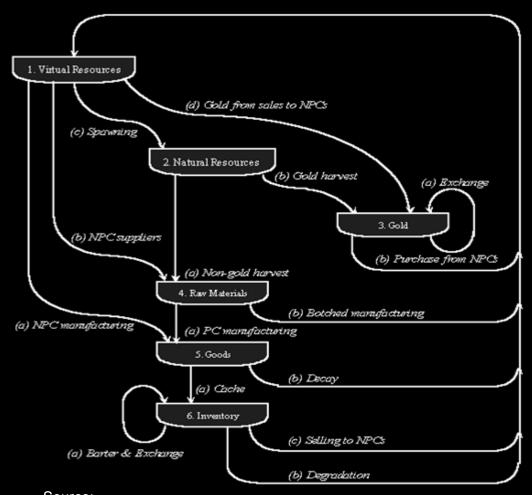
Started with a closed system

- Players outgrew available resources ingame
  - Access to gold was limited

Resulted in severe deflation and resource shortage

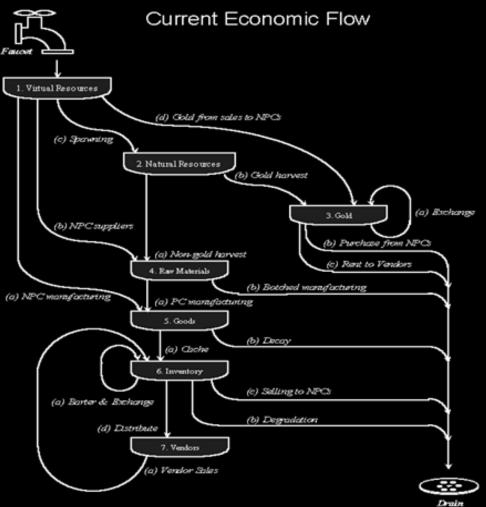
#### Case Study: Ultima Online

Original Economic Flow



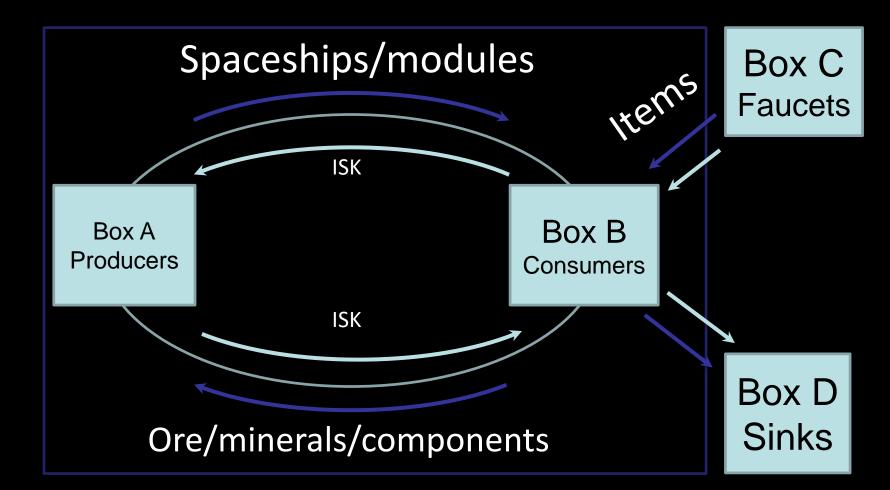
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#### Case Study: Ultima Online



Source: Zachary Booth Simpson http://www.mine-control.com/zack/uoecon/uoecon.html

#### Macroeconomic system



## Inflation in Asheron's call

Easy gold making

• Relatively few popular items

- Hyperinflation
  - Players reverted to barter

#### Scalability

- Requires investment in tools
  - Economically reactive systems
  - Resource seeding
  - Design for data mining upfront
  - Quickly identify problems

And Self Restraint!

#### Conclusions

- For Massively Multiplayer Online games designer must:
- Use economic principles in the initial design
- Account for scalability
- Design effective monitoring and management tools for daily operation



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