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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

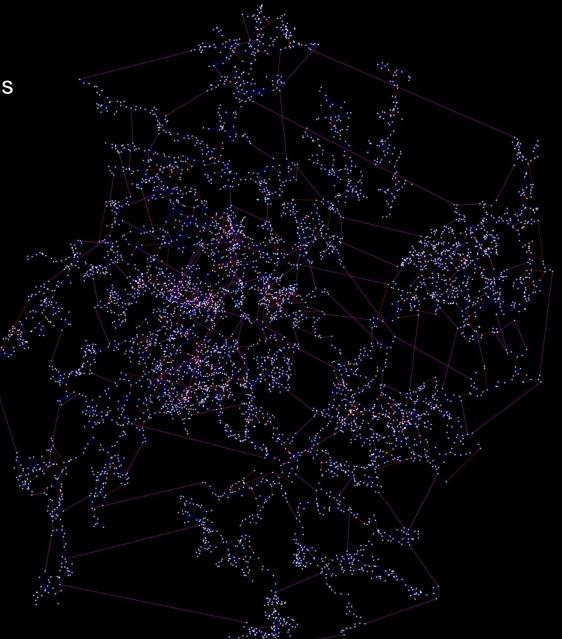
EVE Online

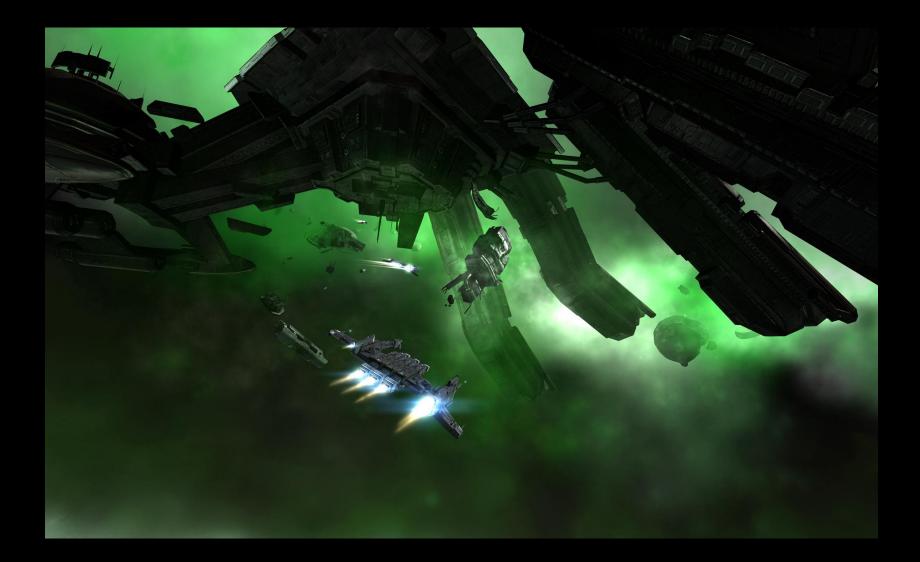
- Play on One Server 245.000
 - EVE Online is a leader in online gaming technology, hosting hundreds of thousands of players in the same persistent universe.
- Liberating advancement
 - Never "grind" for a skill again. Because the EVE universe is persistent, skills increase even while offline.

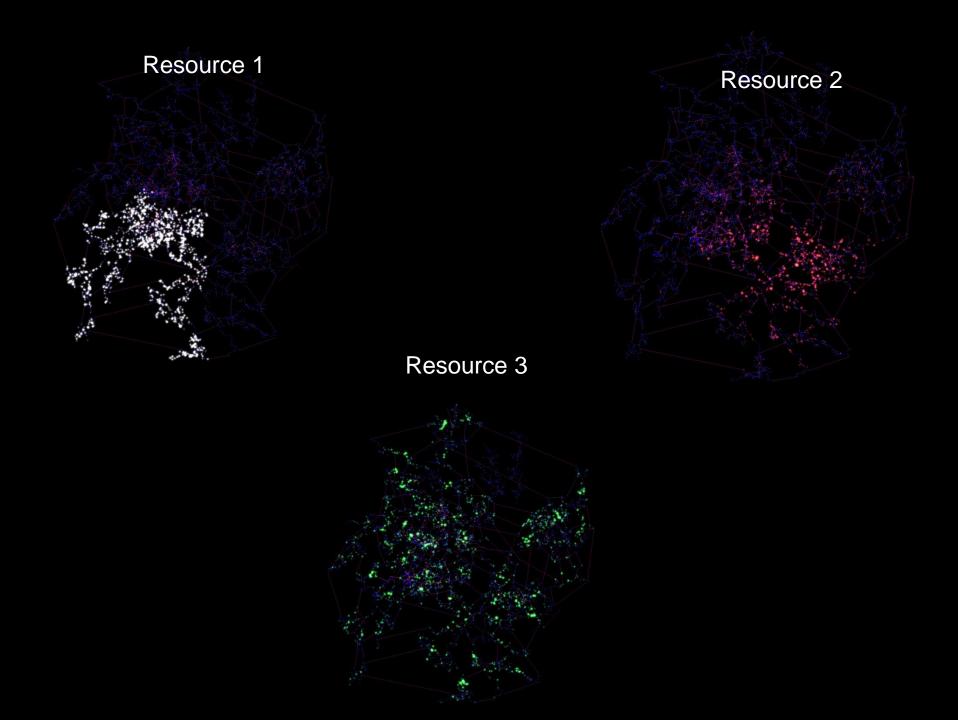
• PvP based on strategy, not levels

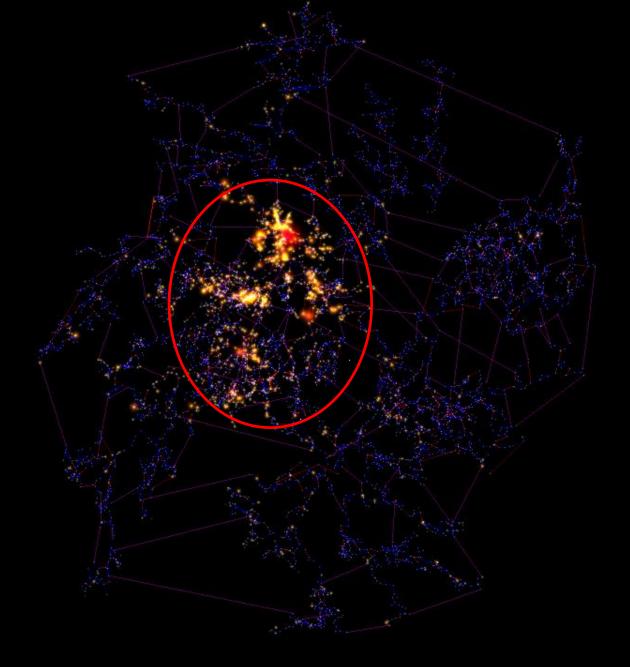
- Tactics have value in EVE Online. Experience and treachery will often beat top-of-the-line modifications and fancy ships.
- Free EVE Online expansions
 - Never be charged for an EVE expansion as the EVE universe grows, so do the benefits of the subscription.

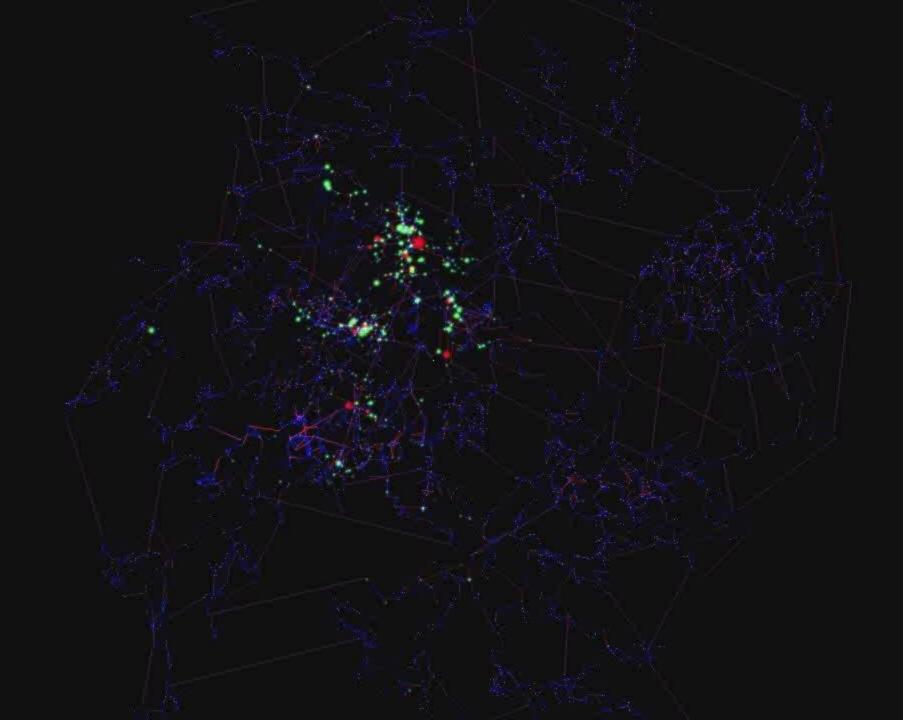
One Universe 66 regions 500 Solar systems

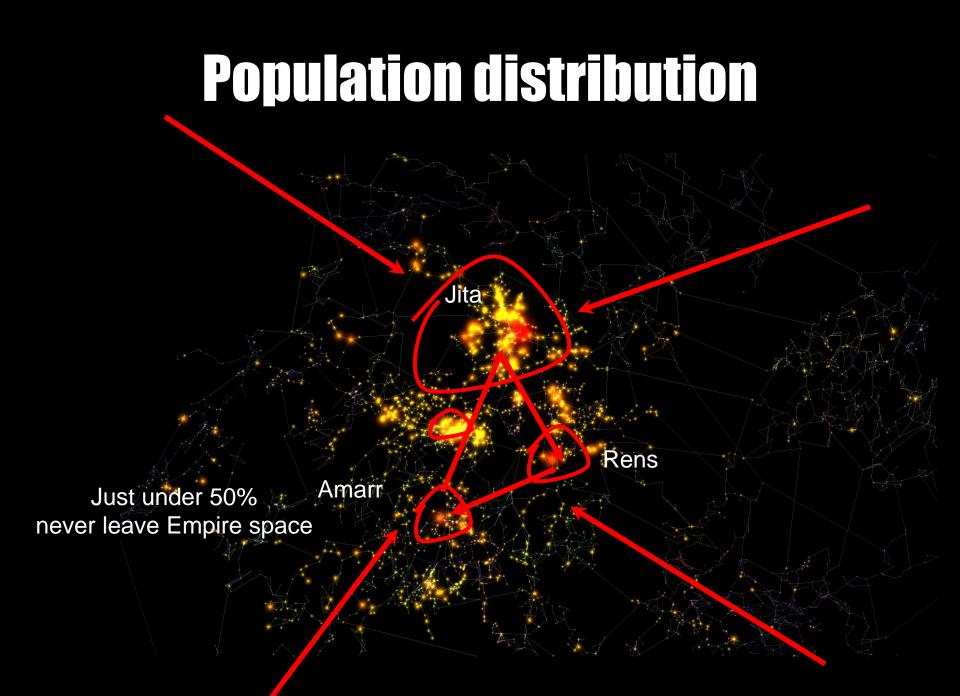












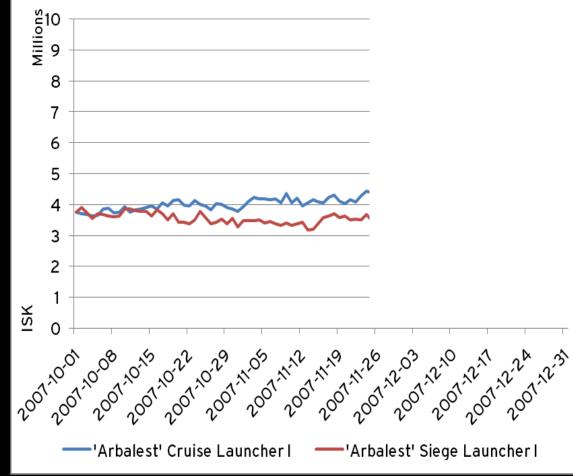
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Supply changes



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

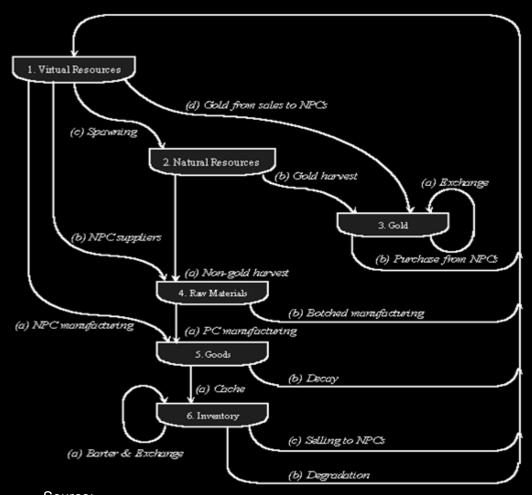
Started with a closed system

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

Resulted in severe deflation and resource shortage

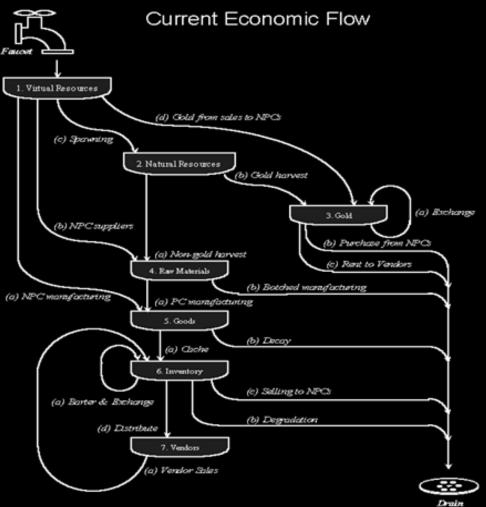
Case Study: Ultima Online

Original Economic Flow



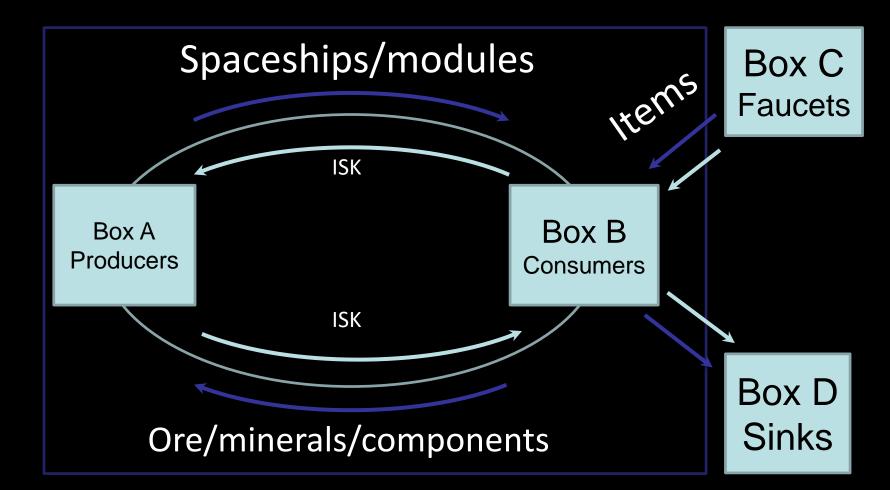
Source: Zachary Booth Simpson http://www.mine-control.com/zack/uoecon/uoecon.html

Case Study: Ultima Online



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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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