



19 JULY 2011

evolve
in Brighton

One Price Does NOT Fit All

(or how games are different from vegetables)

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@noel_llopis
<http://gamesfromwithin.com>



Who am I?



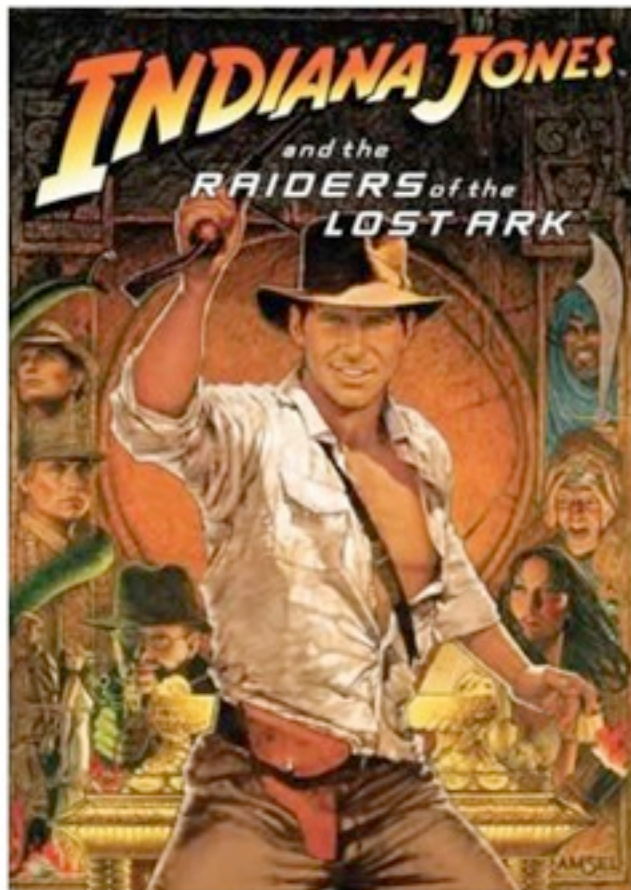
Who am I?

Worked in the games industry
for many years.



Who am I?

Worked in the games industry
for many years.



Went “indie” 4.5 years ago





the flowers of
flowergarden



the flowers of flowergarden



Flower Shop

Fertilizer

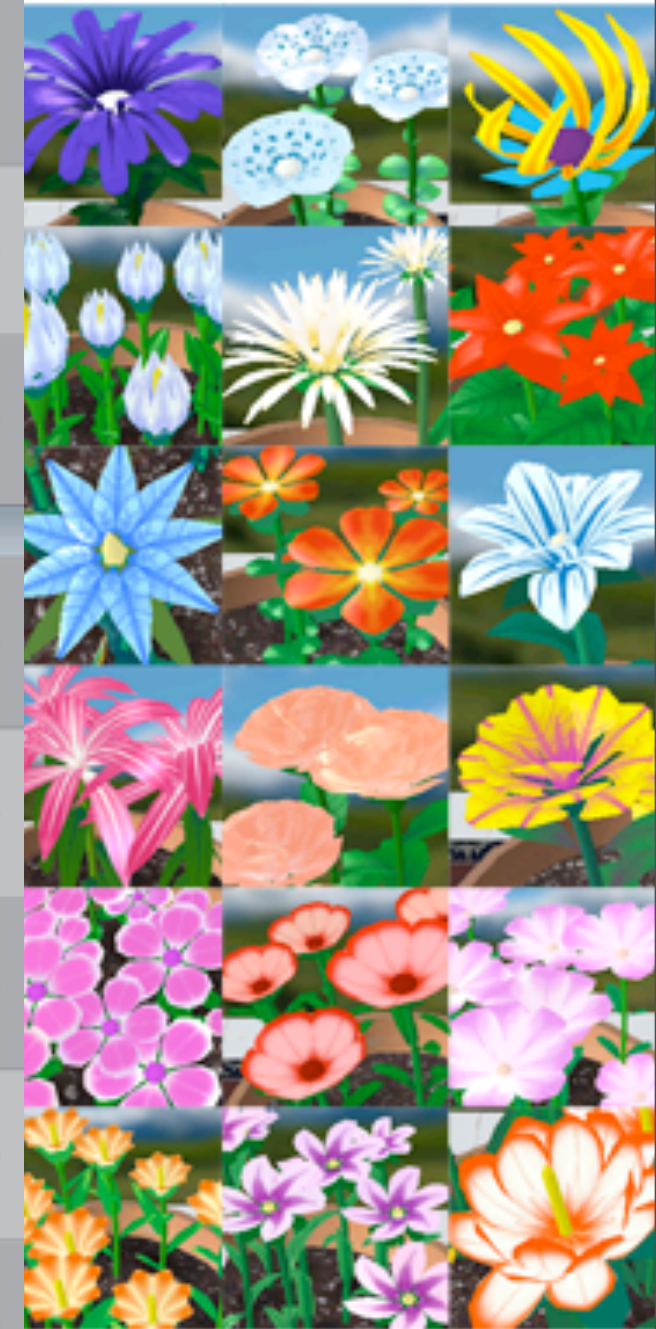
	Fertilizer (20 doses)	\$0.99 >
	Fertilizer (70 doses)	\$0.99 >
	Fertilizer (150 doses)	\$0.99 >

Seeds

	Seeds of Gratitude	\$0.99 >
	Seeds of Love	\$0.99 >
	Seeds of Winter	\$0.99 >
	Bonus Seeds	\$0.99 >
	Common Seeds	\$0.99 >

Gardens

	Greenhouse	\$0.99 >
	Outdoor garden	\$0.99 >





**More than 70 levels
across 3 different locations**

TL; DR



TL; DR



Your game with
fixed price



TL; DR



Your game with
fixed price



Your game with
flexible price

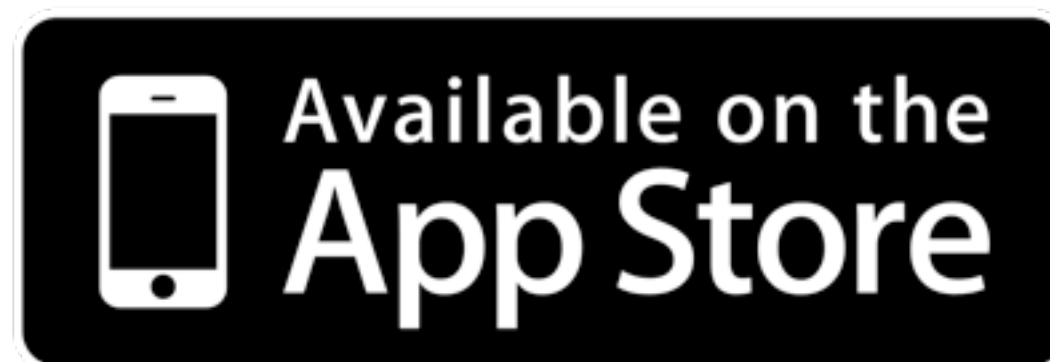
Fixed-Price Model

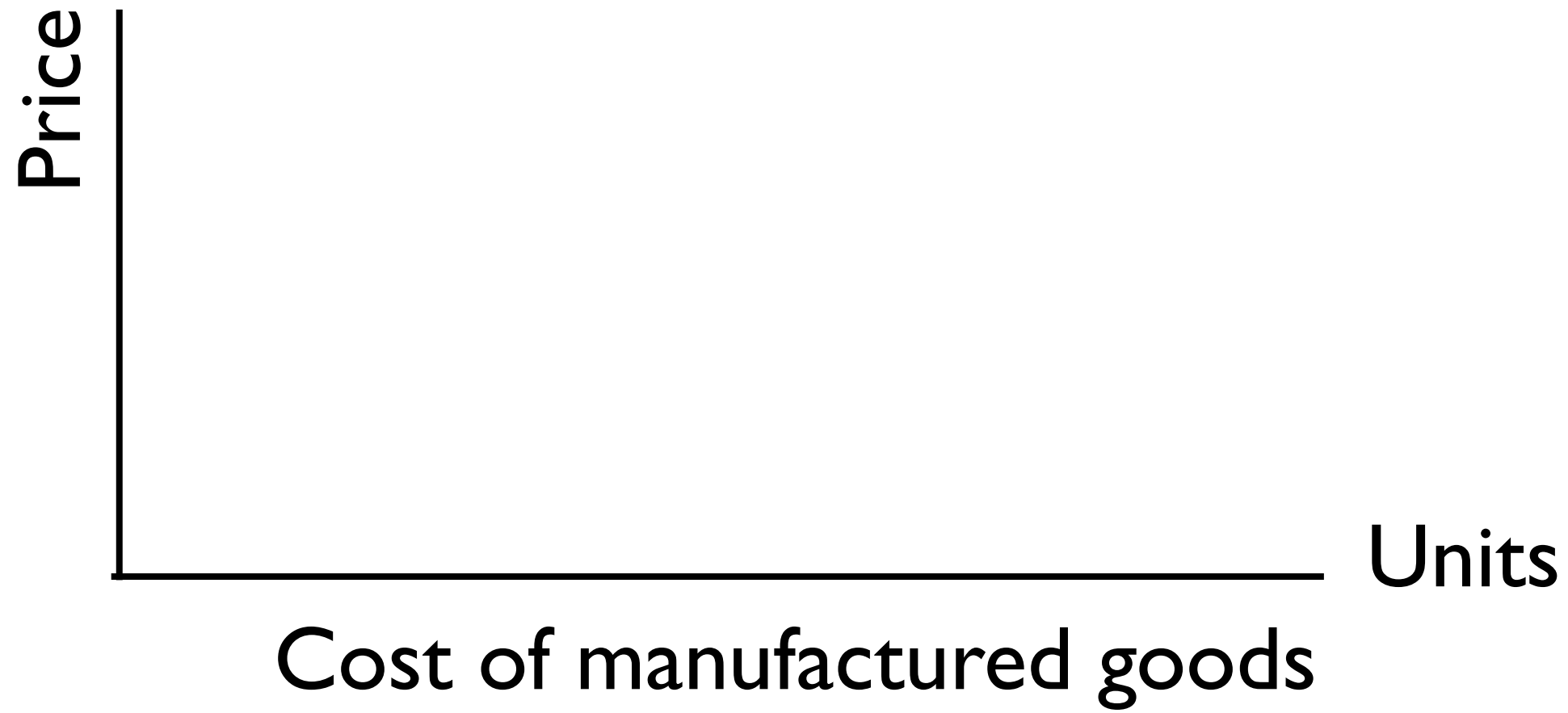


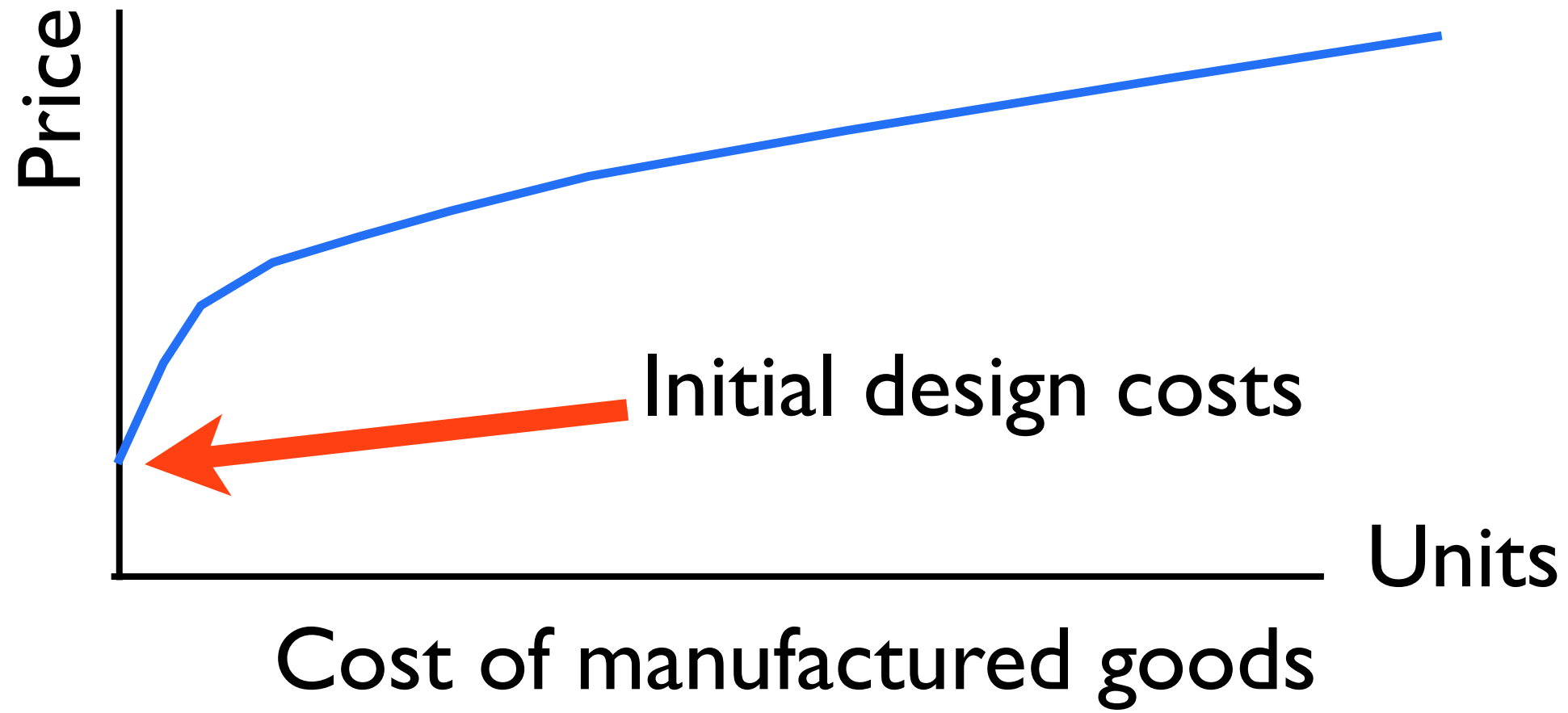


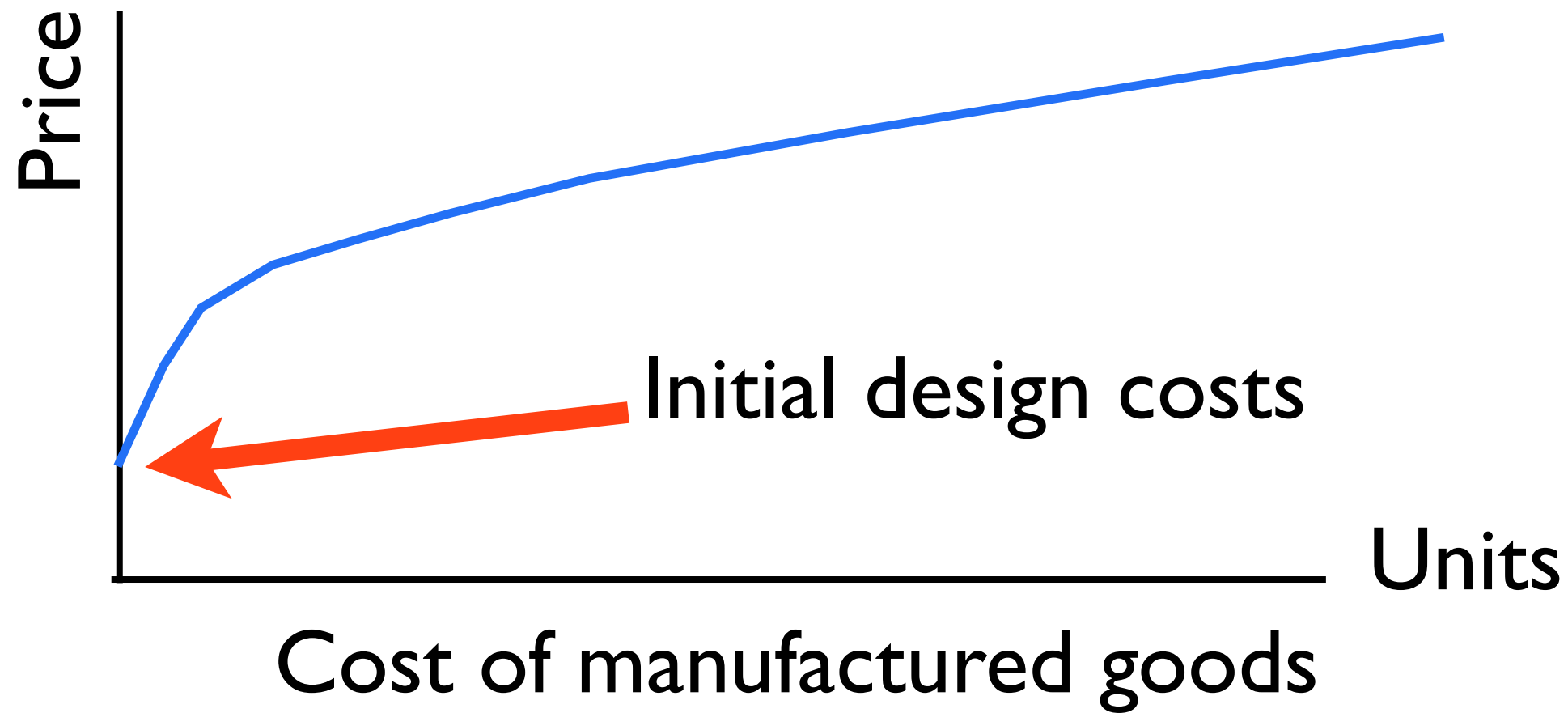


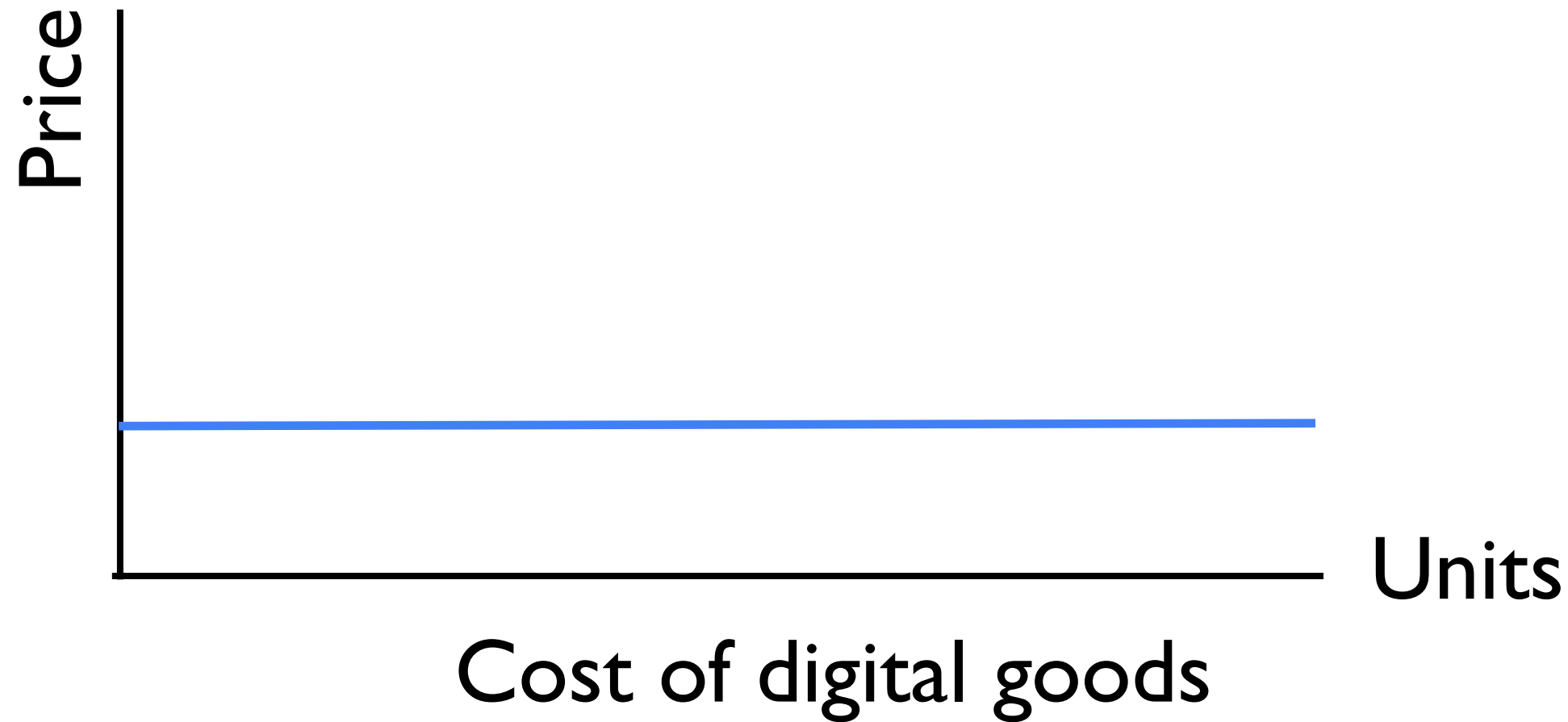
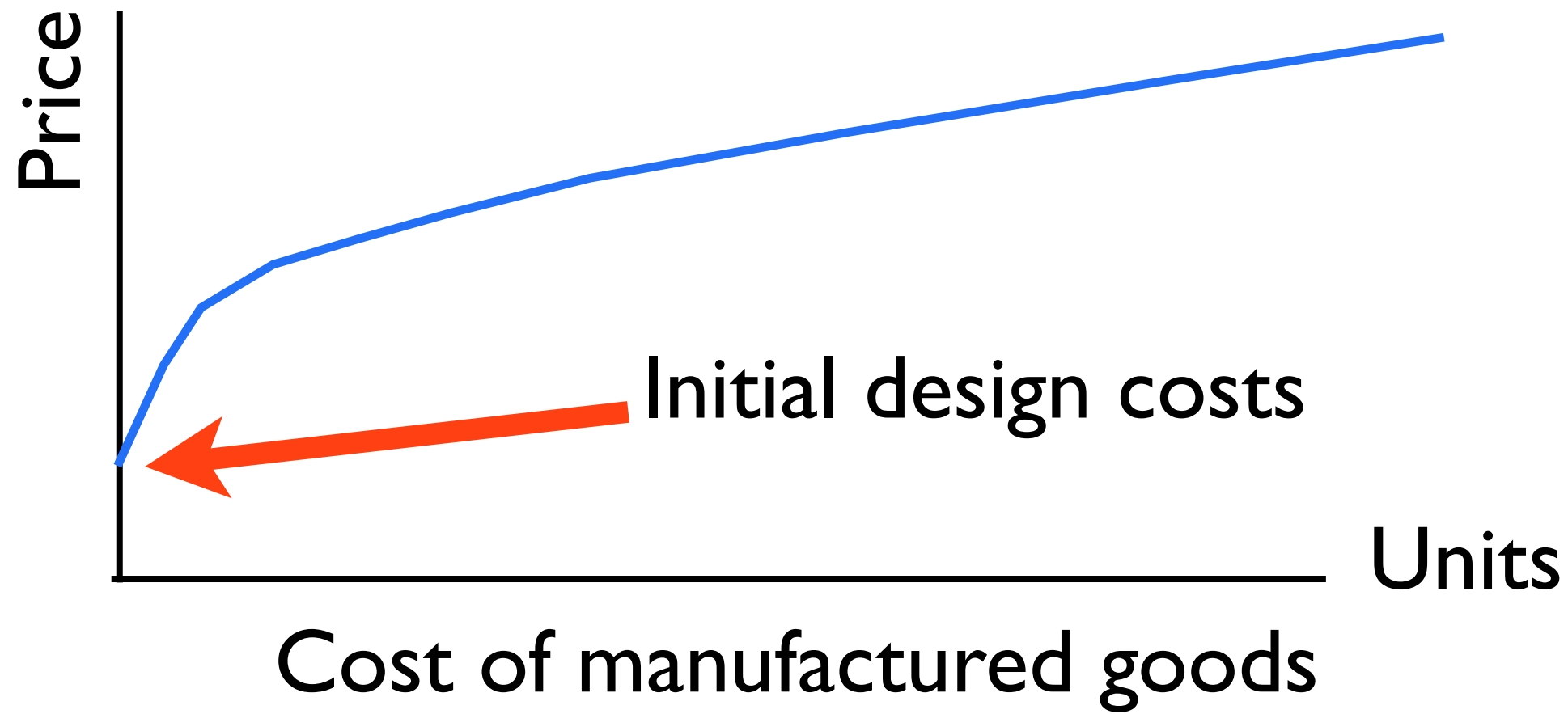
PLAYSTATION®Network











Value



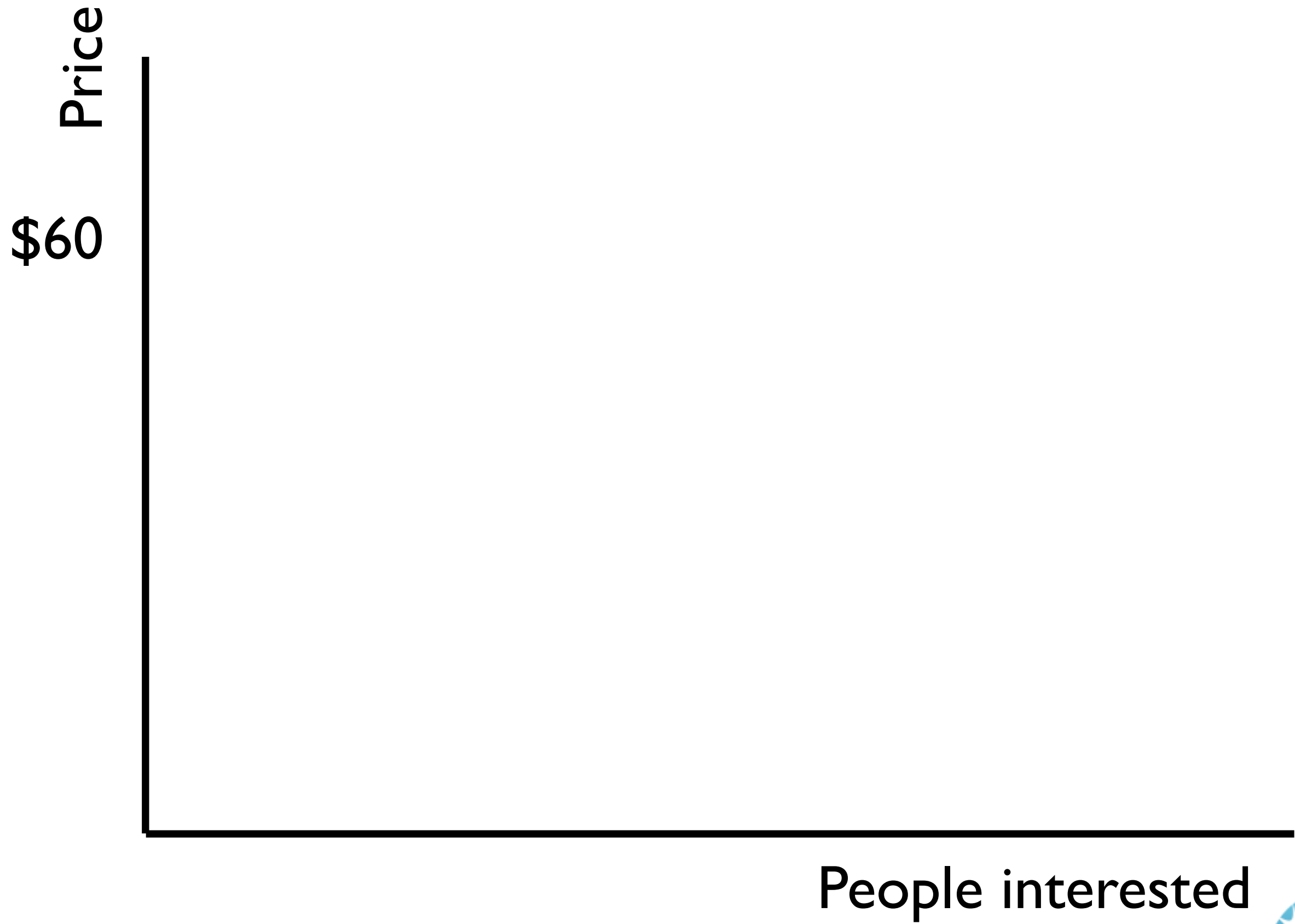


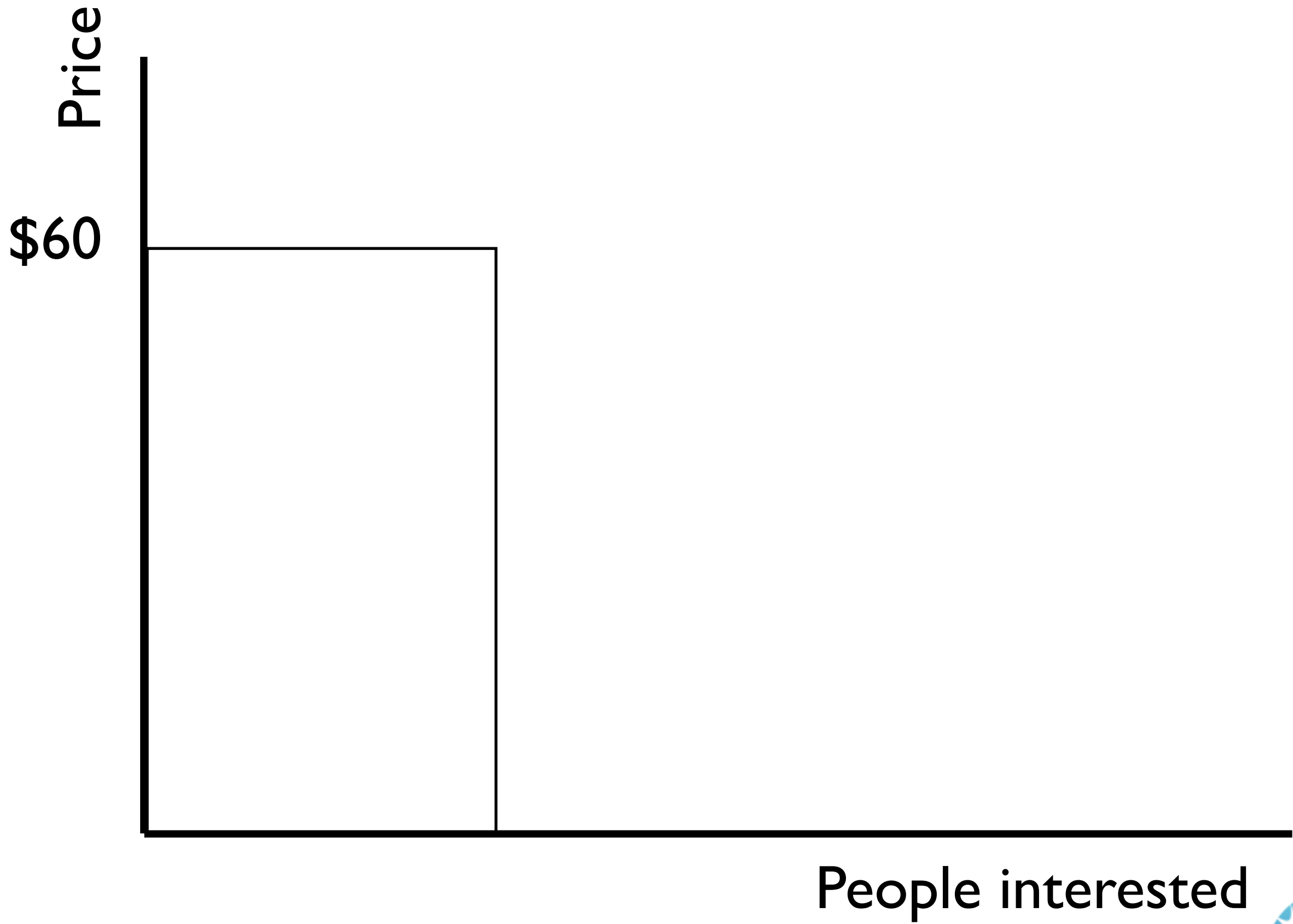


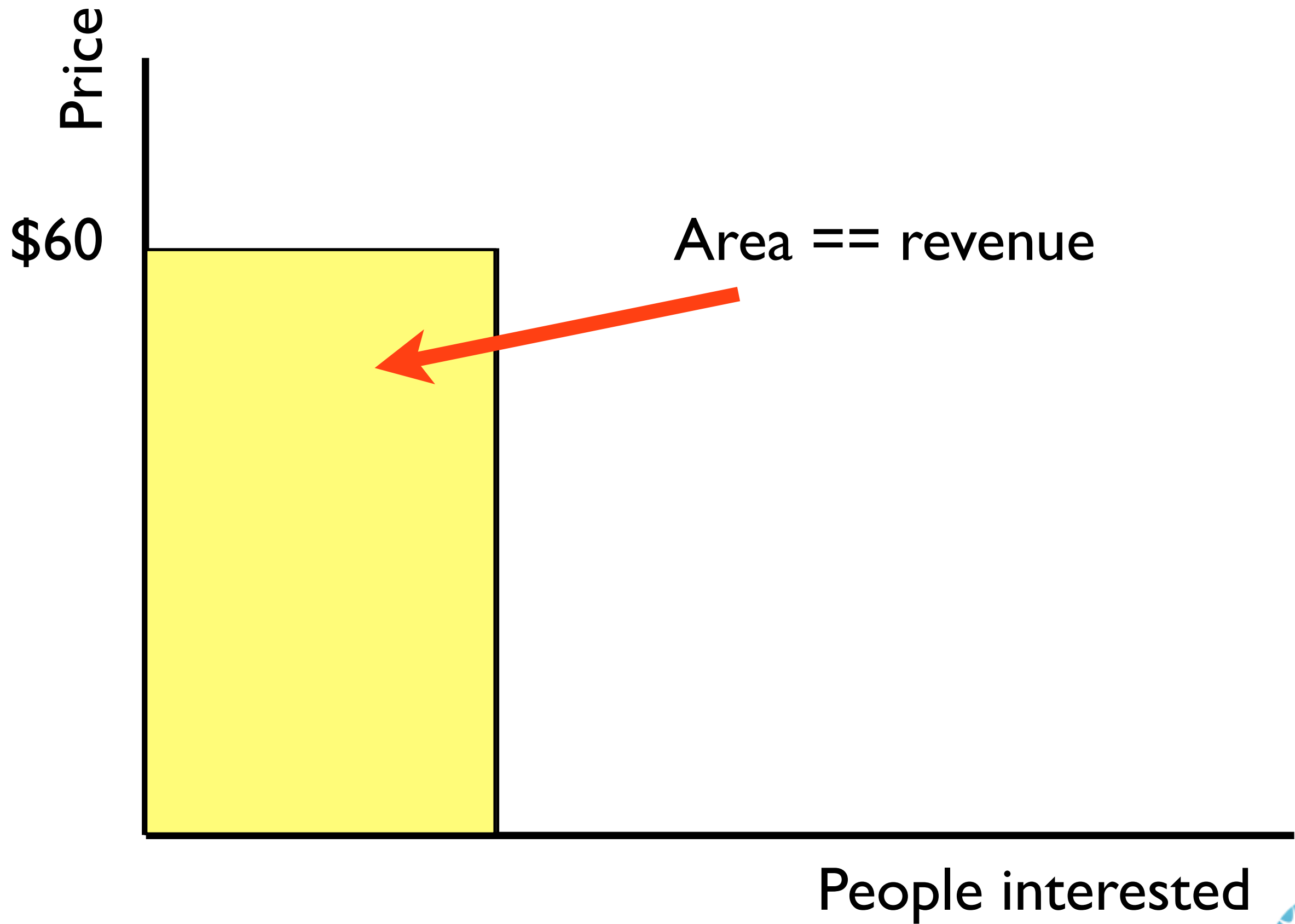


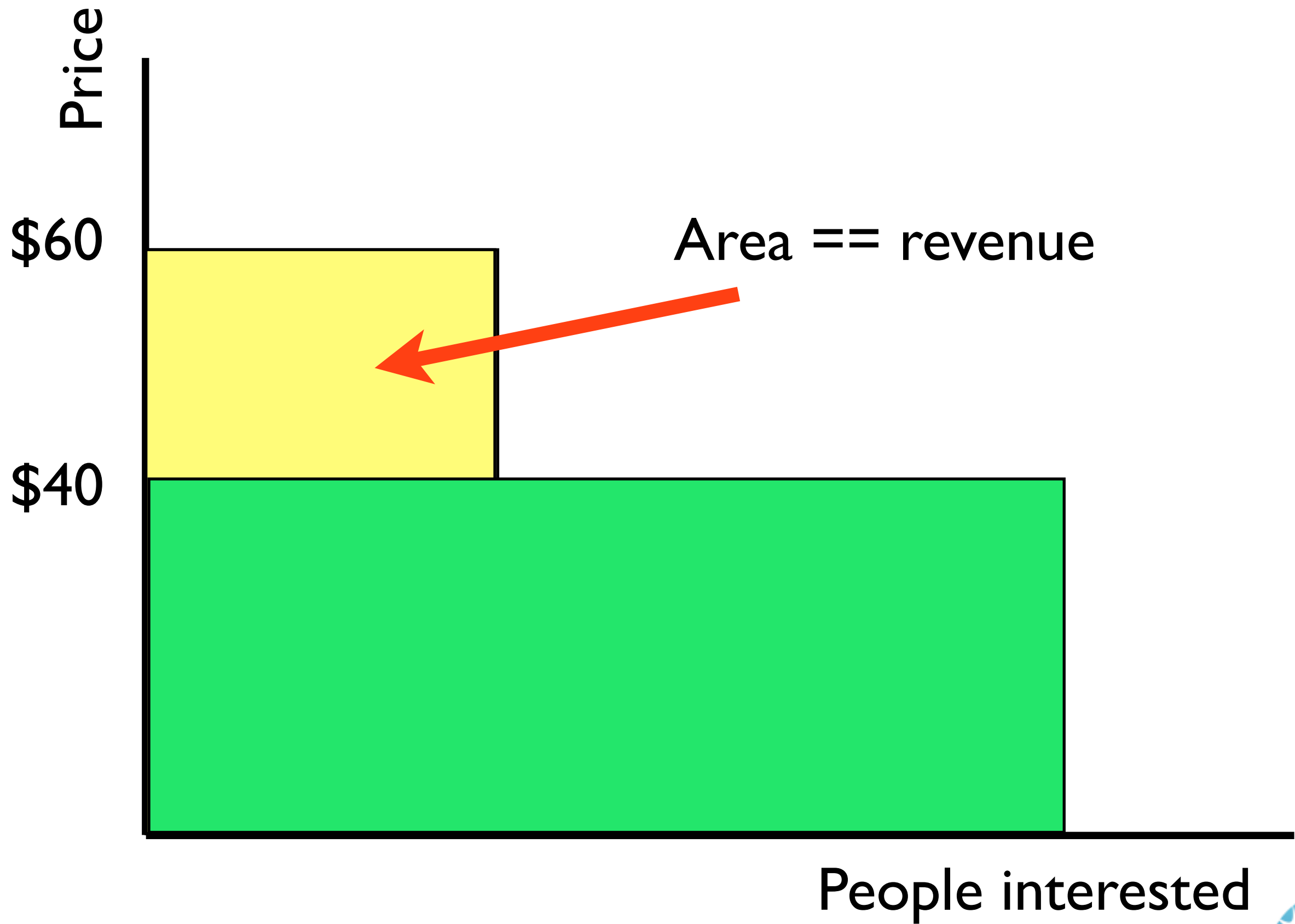
\$\$?

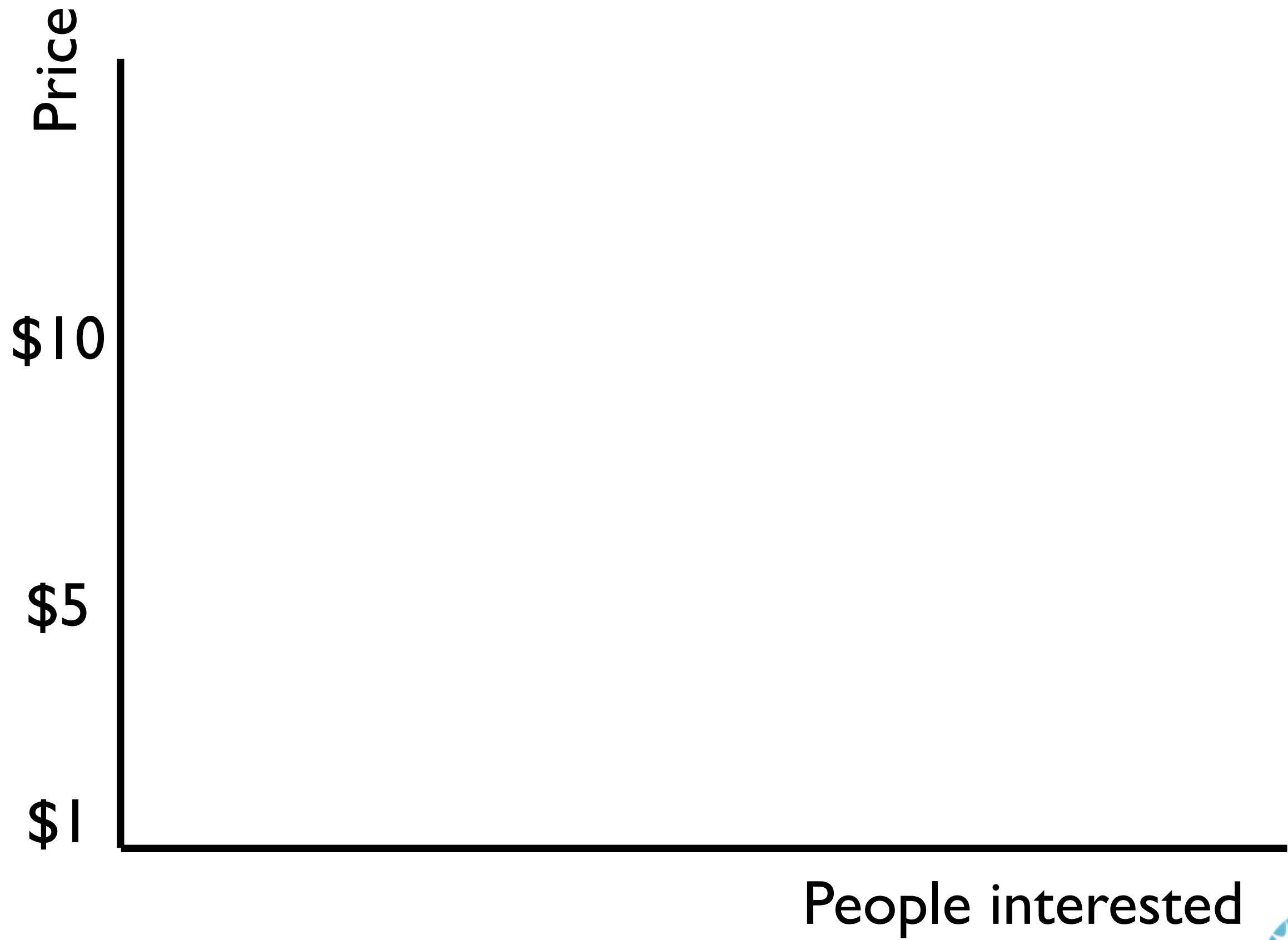


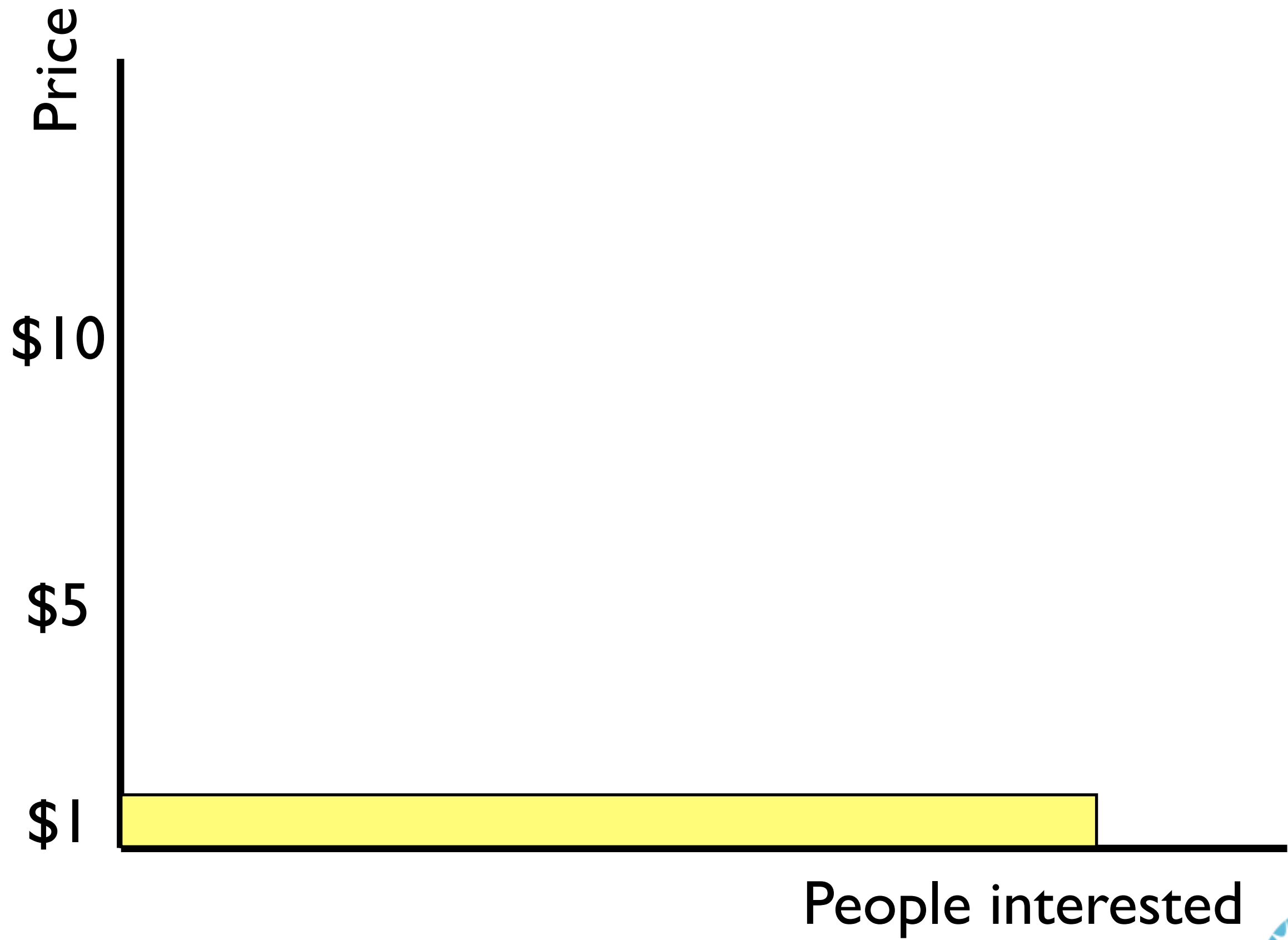


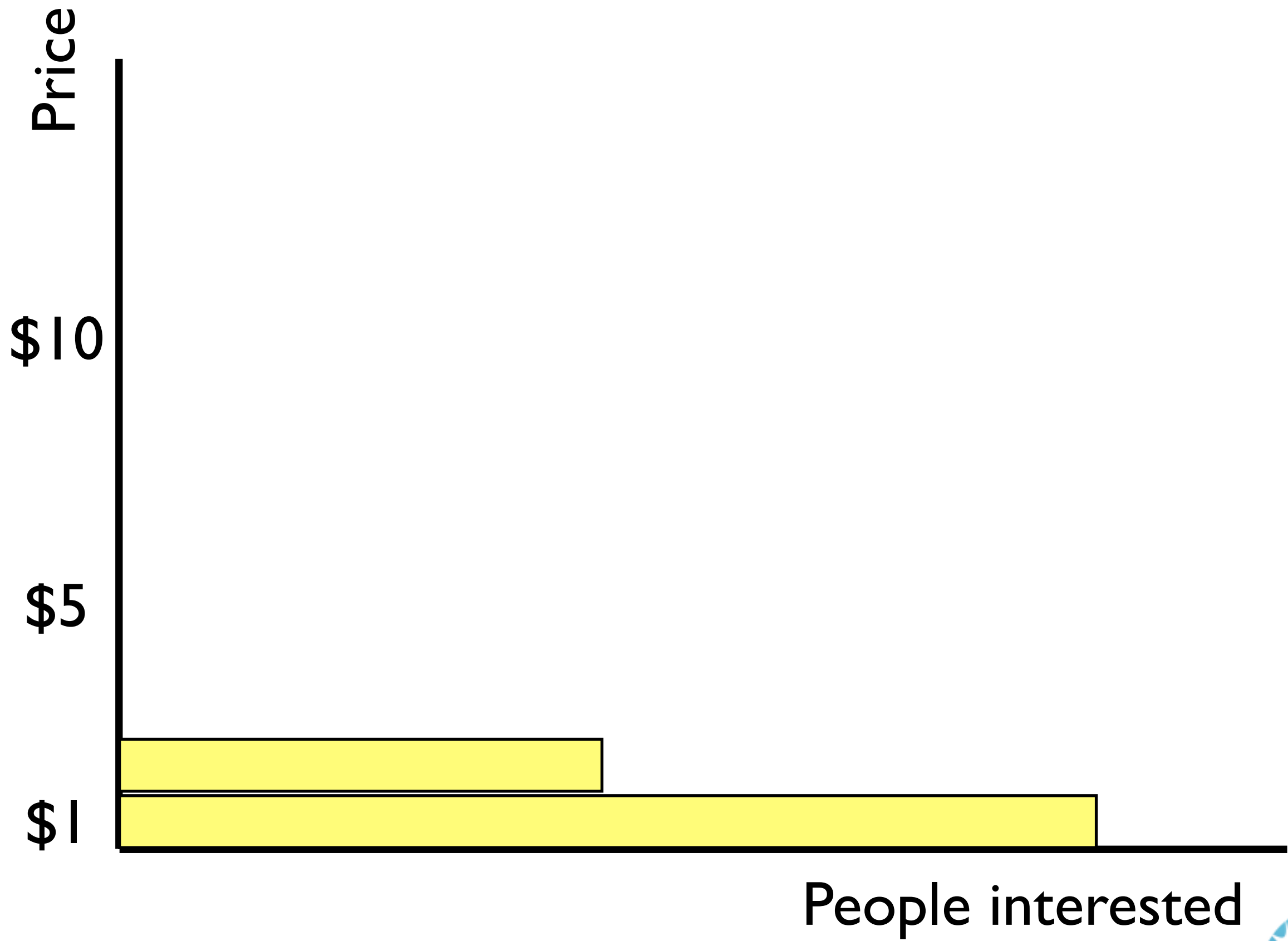


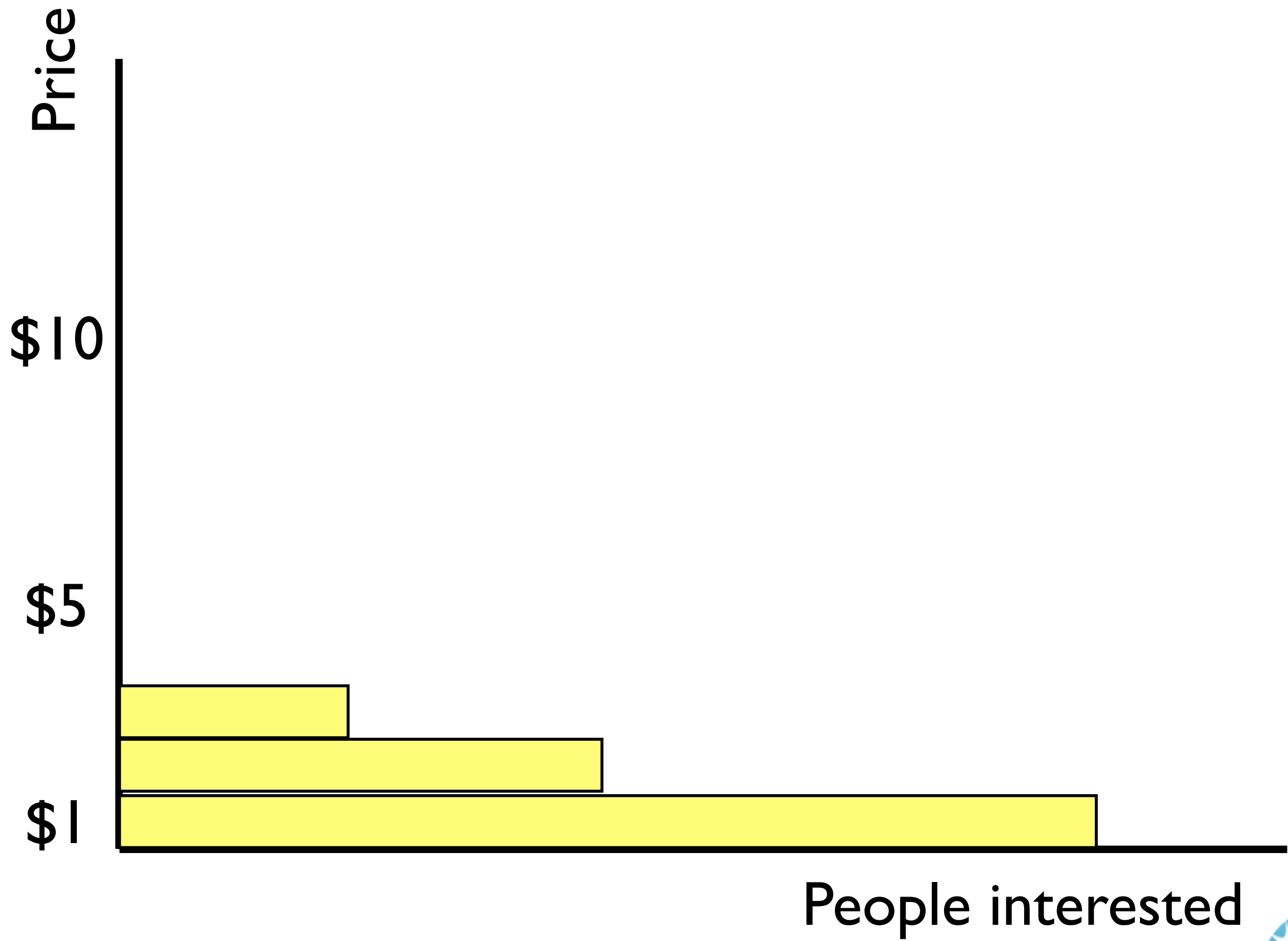


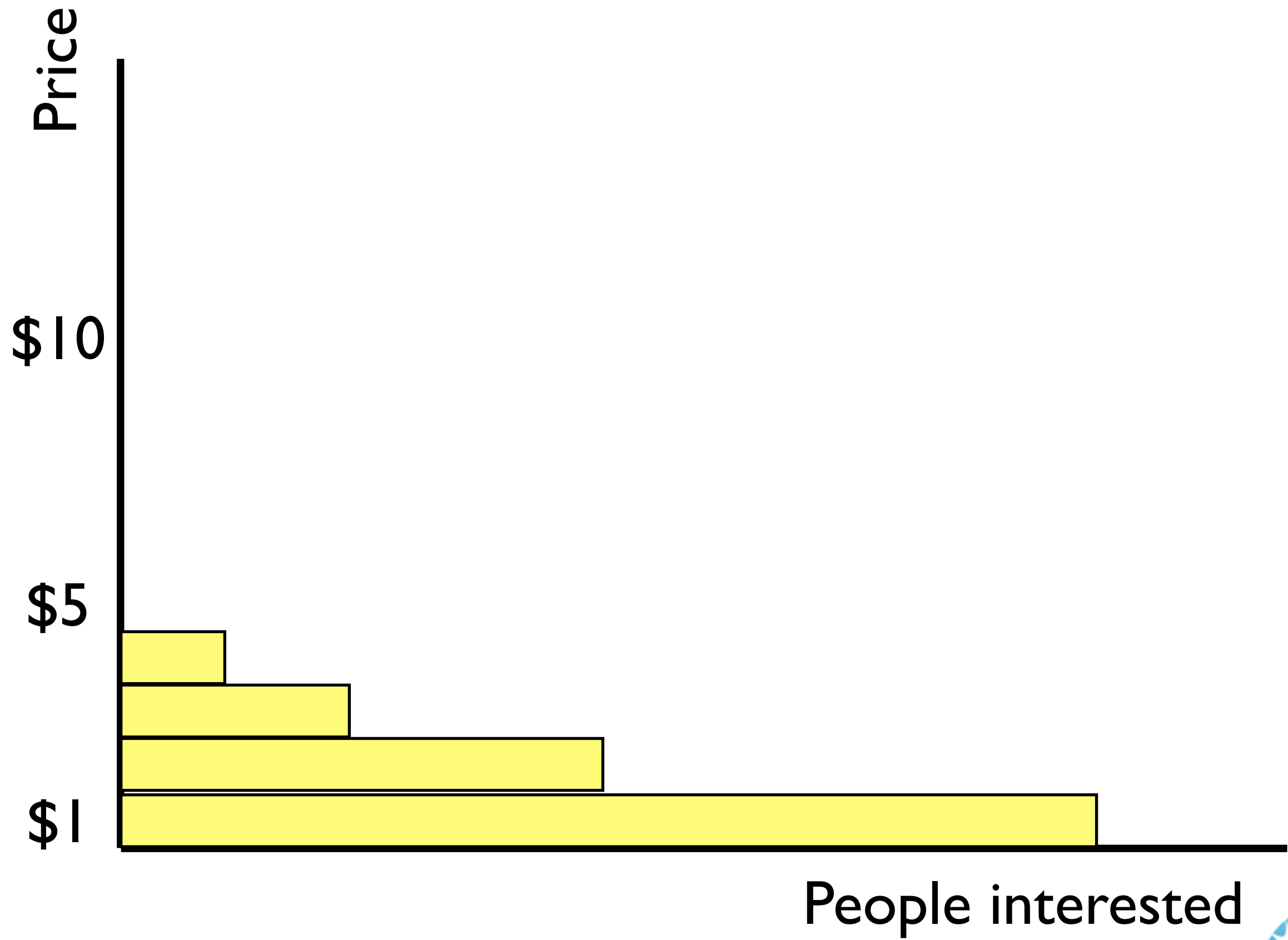


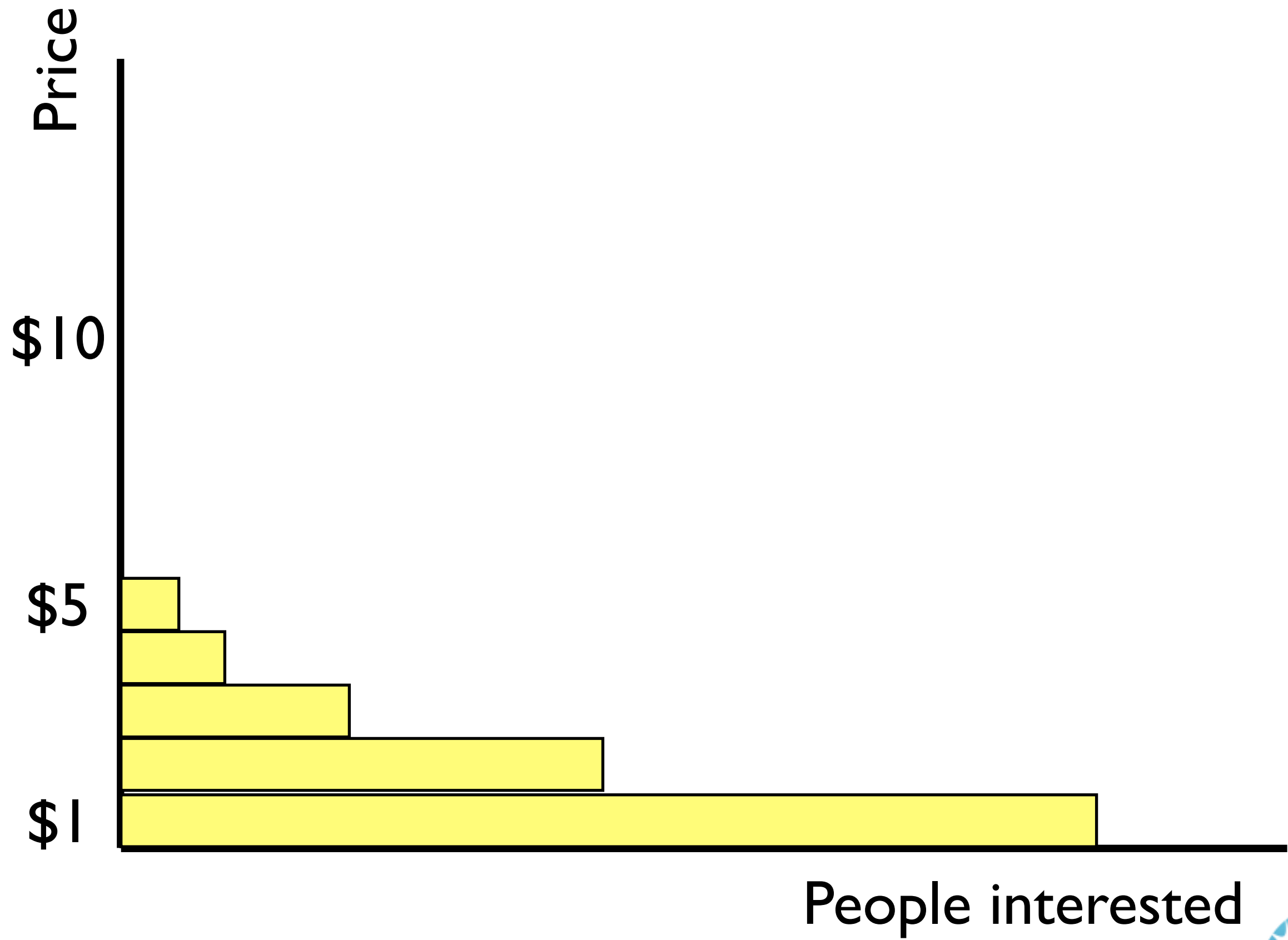


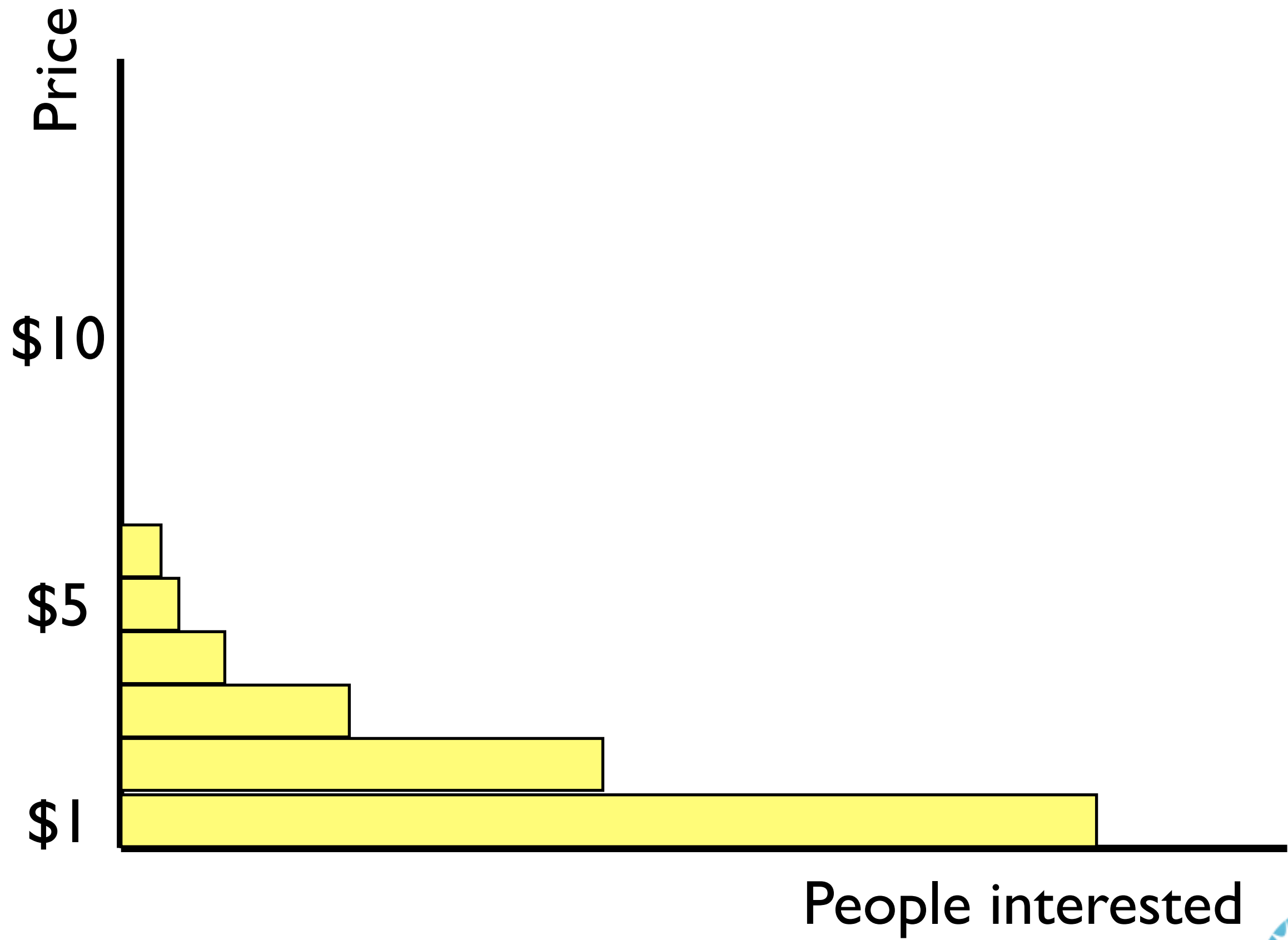


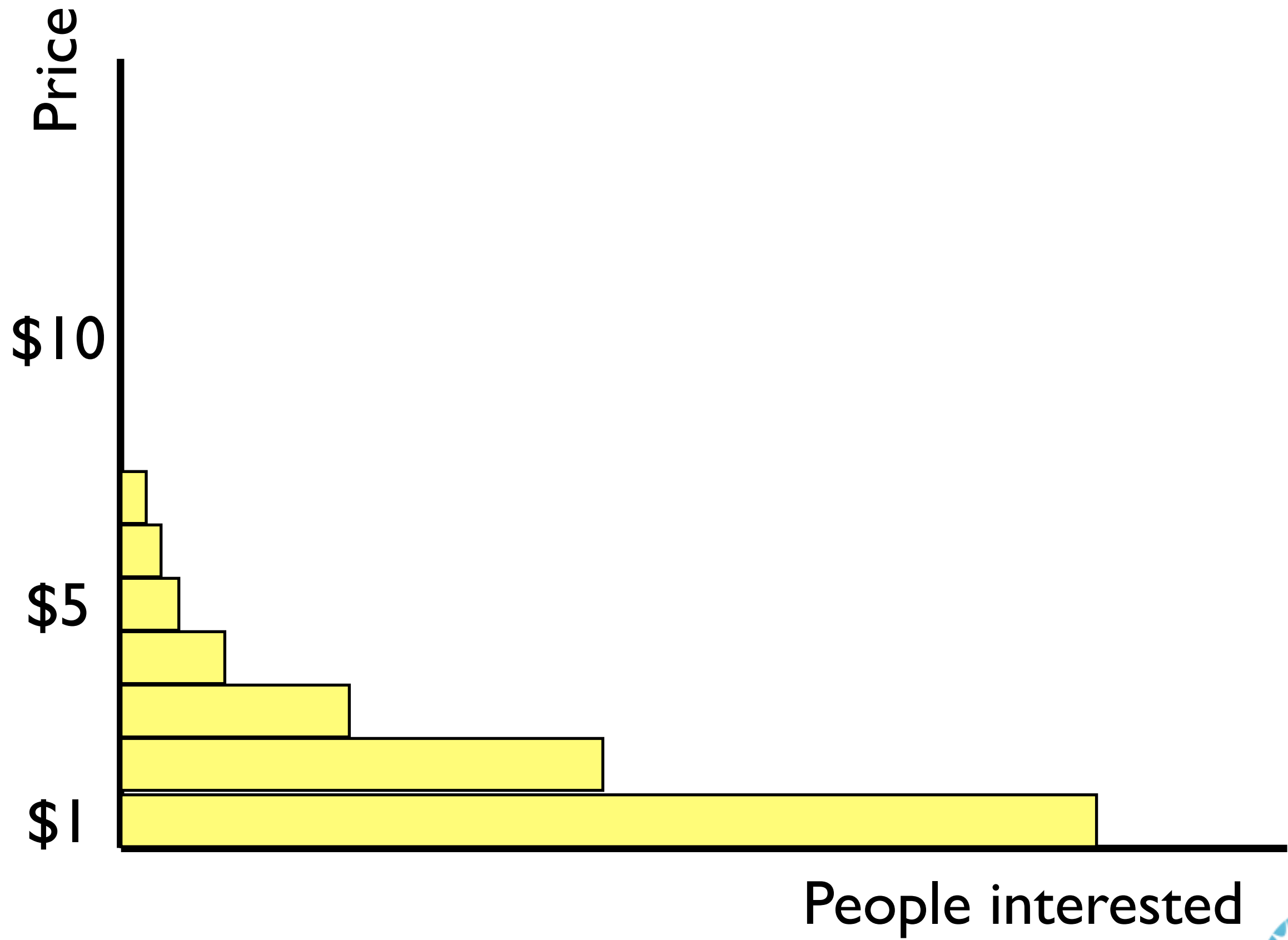


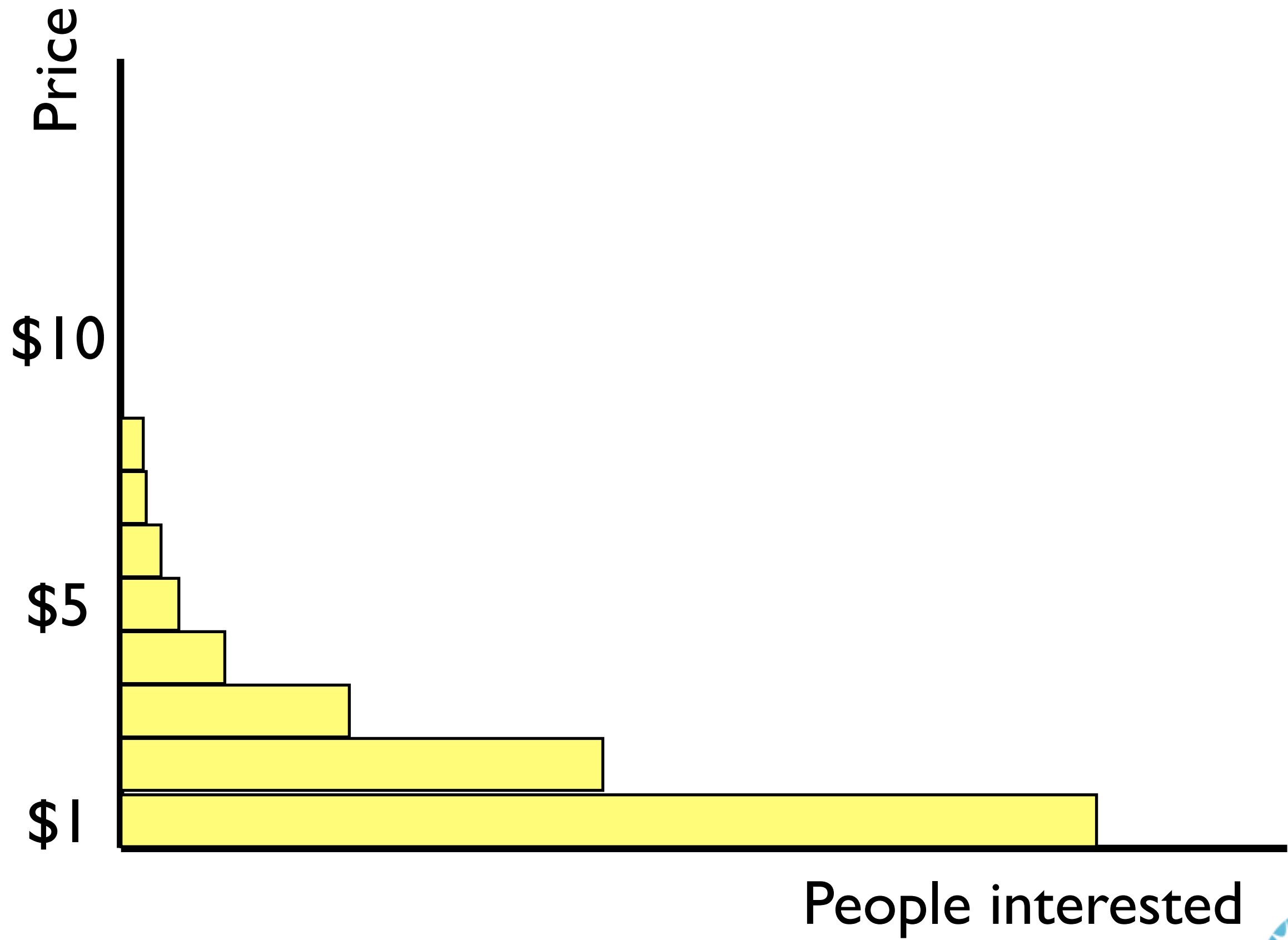


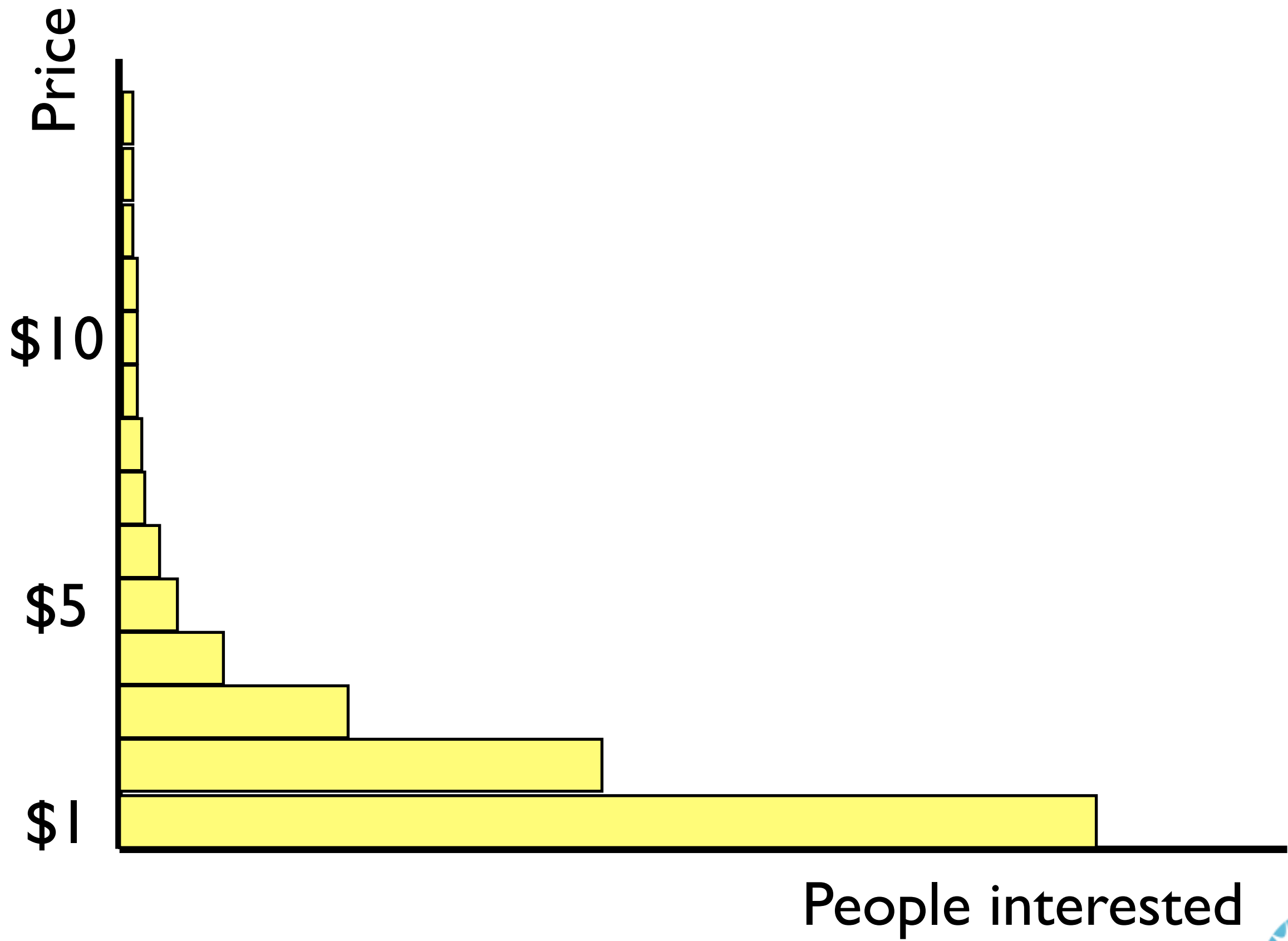


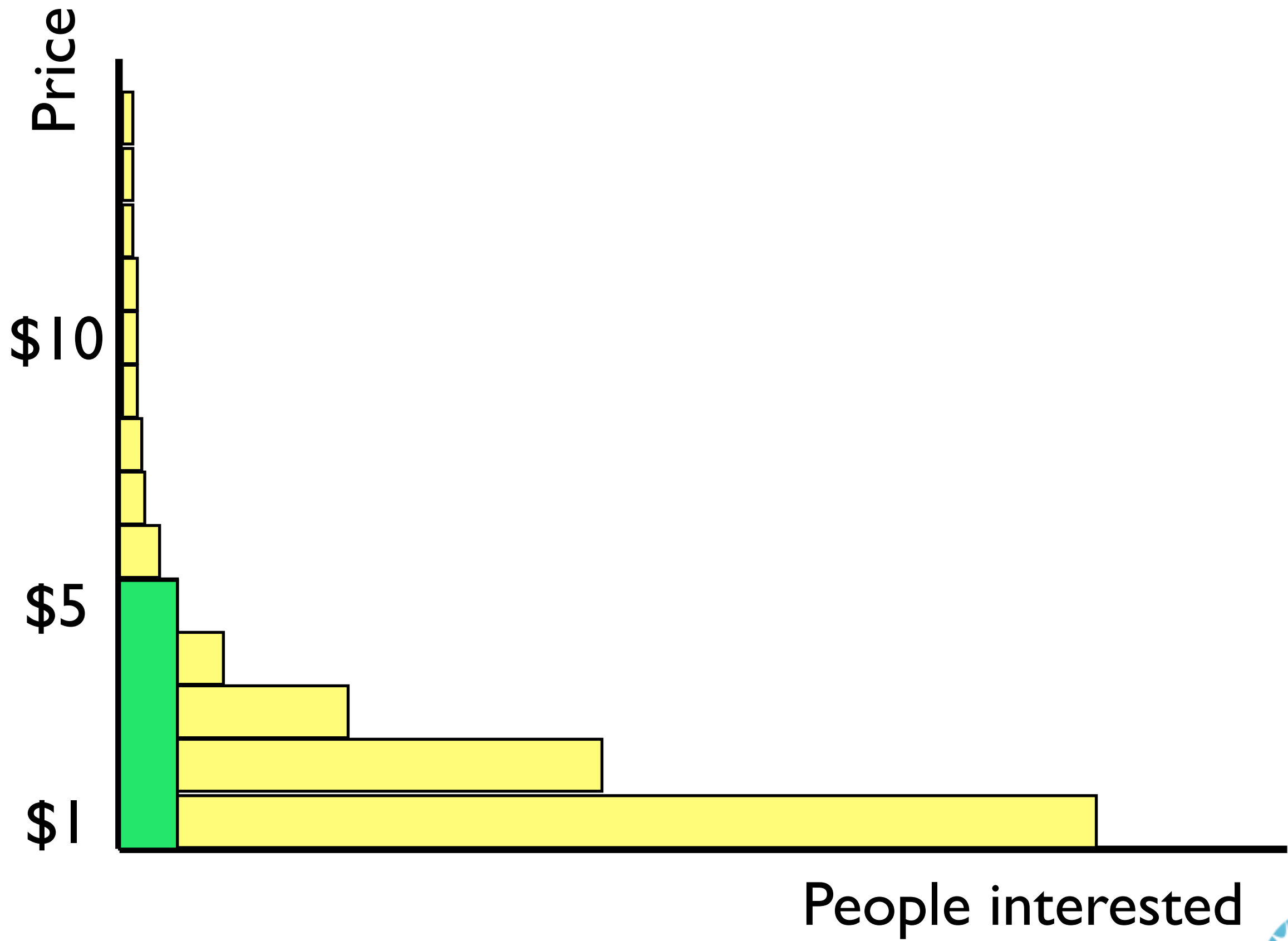


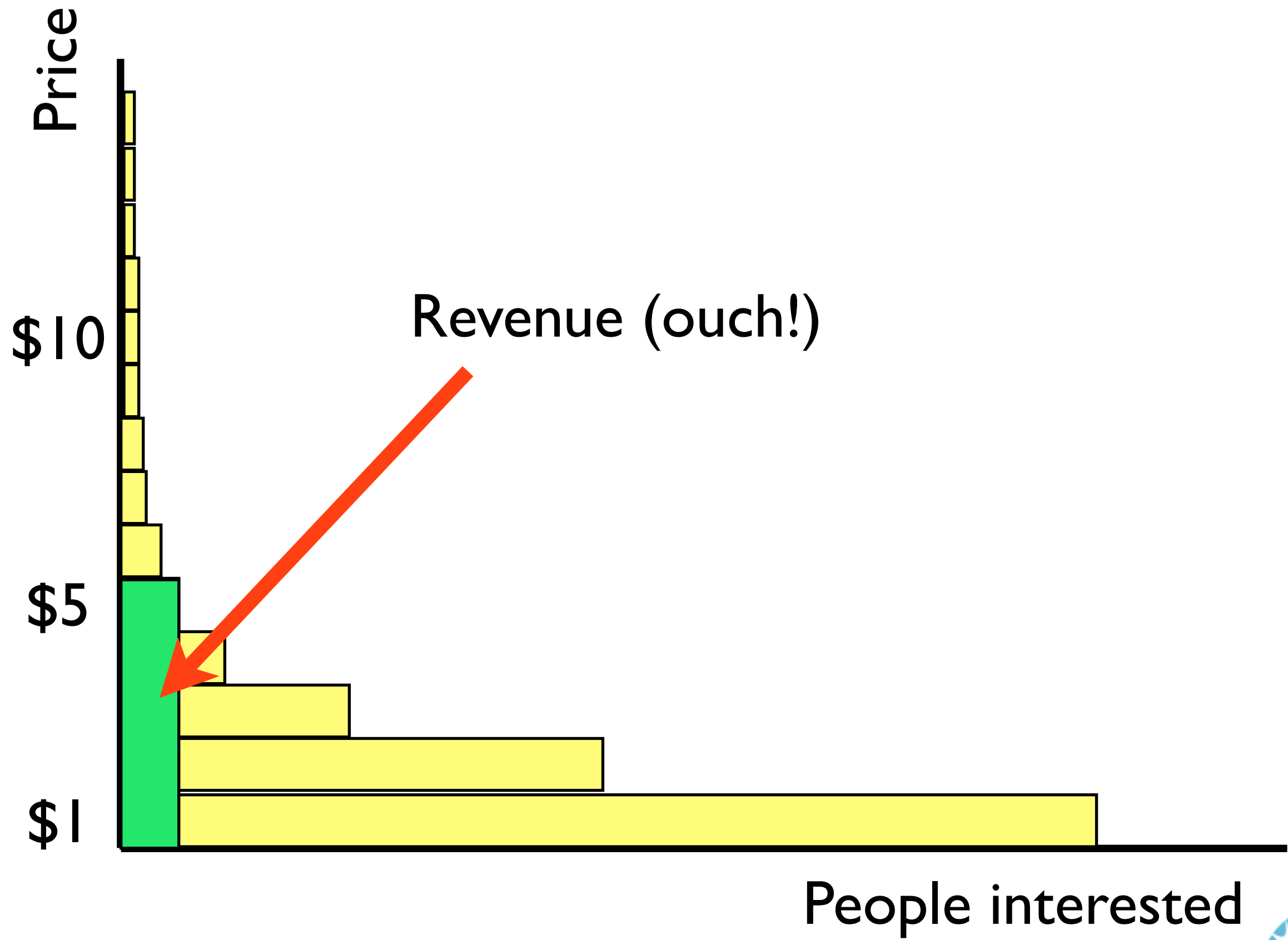




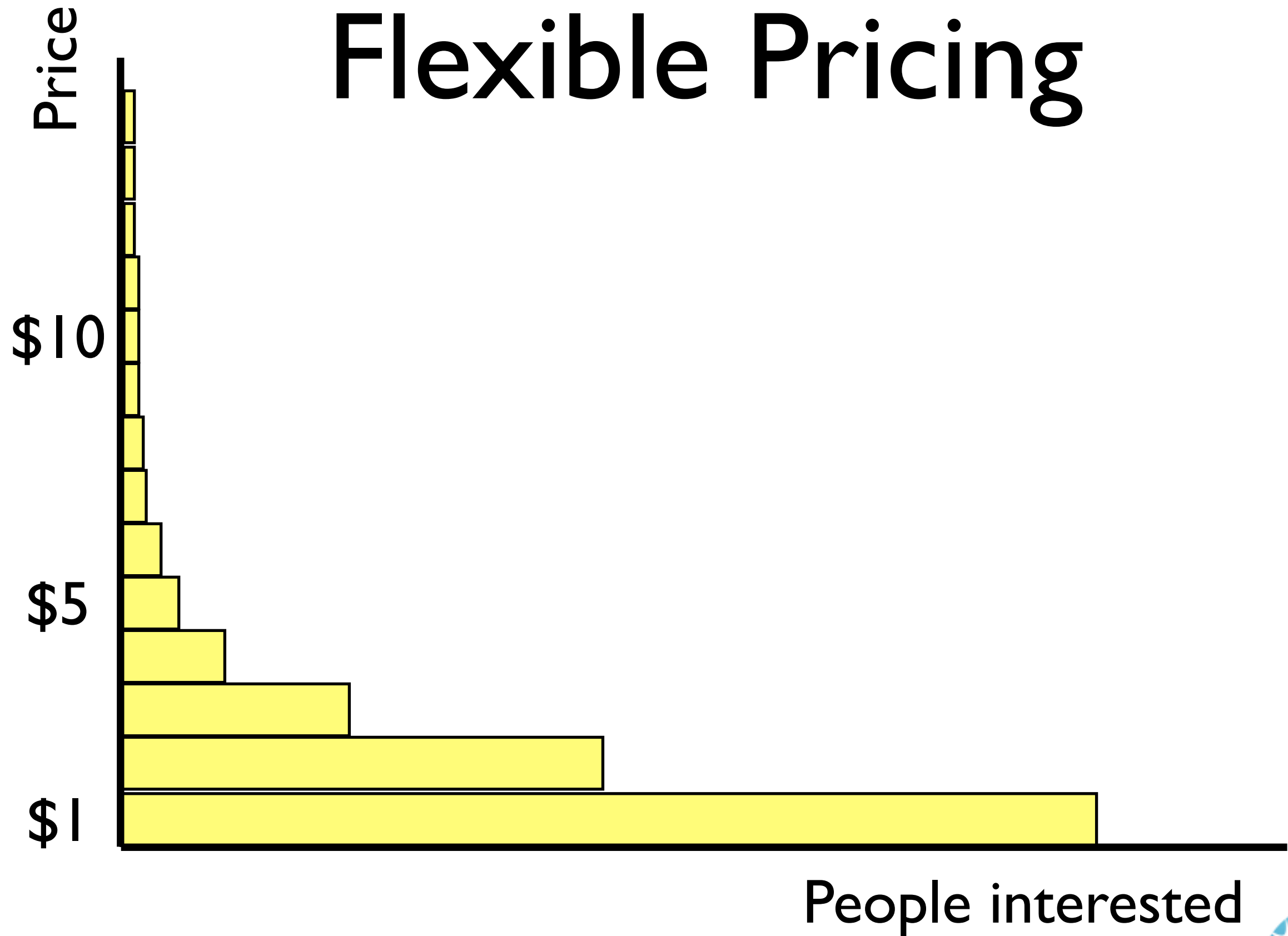




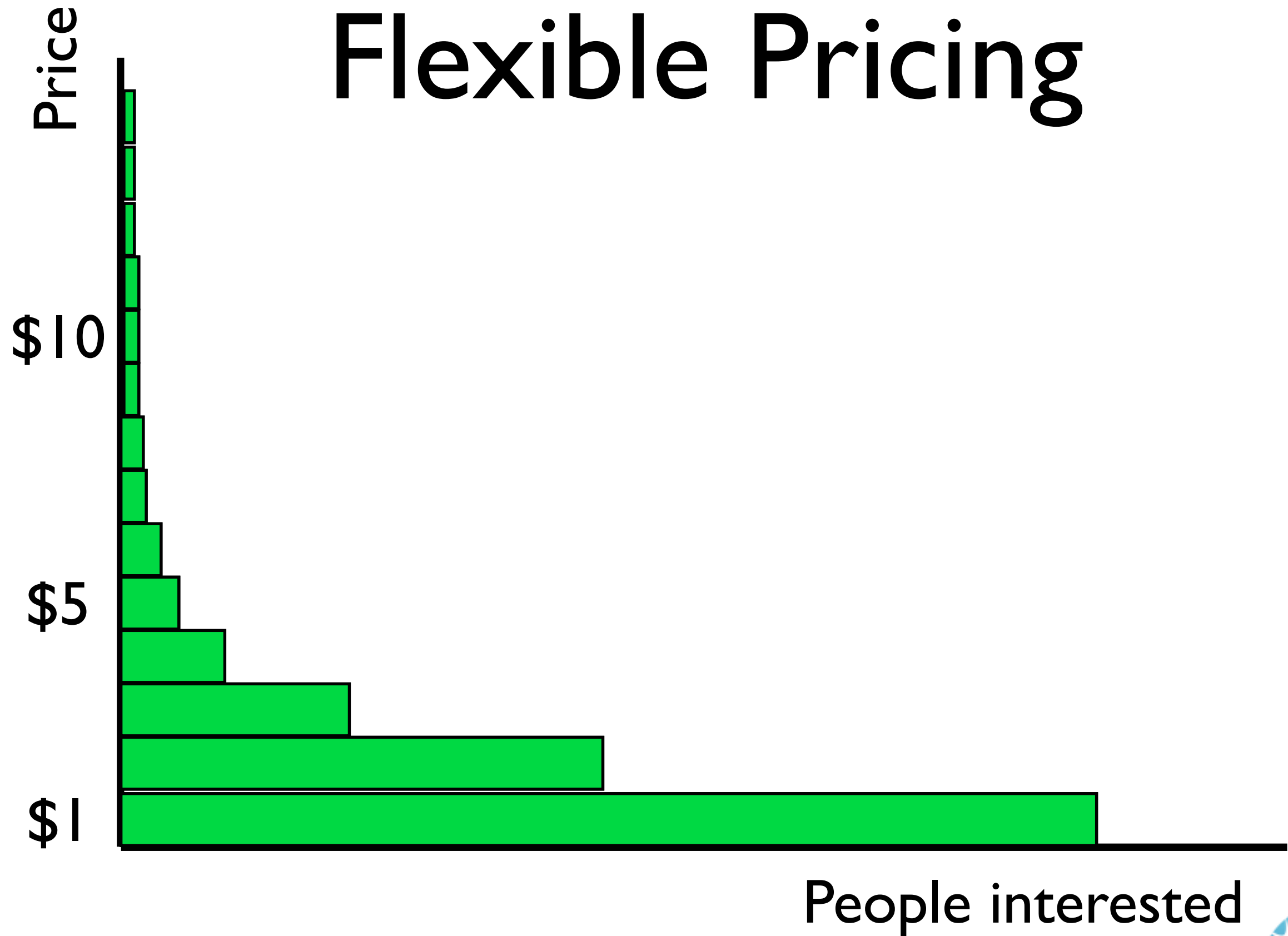




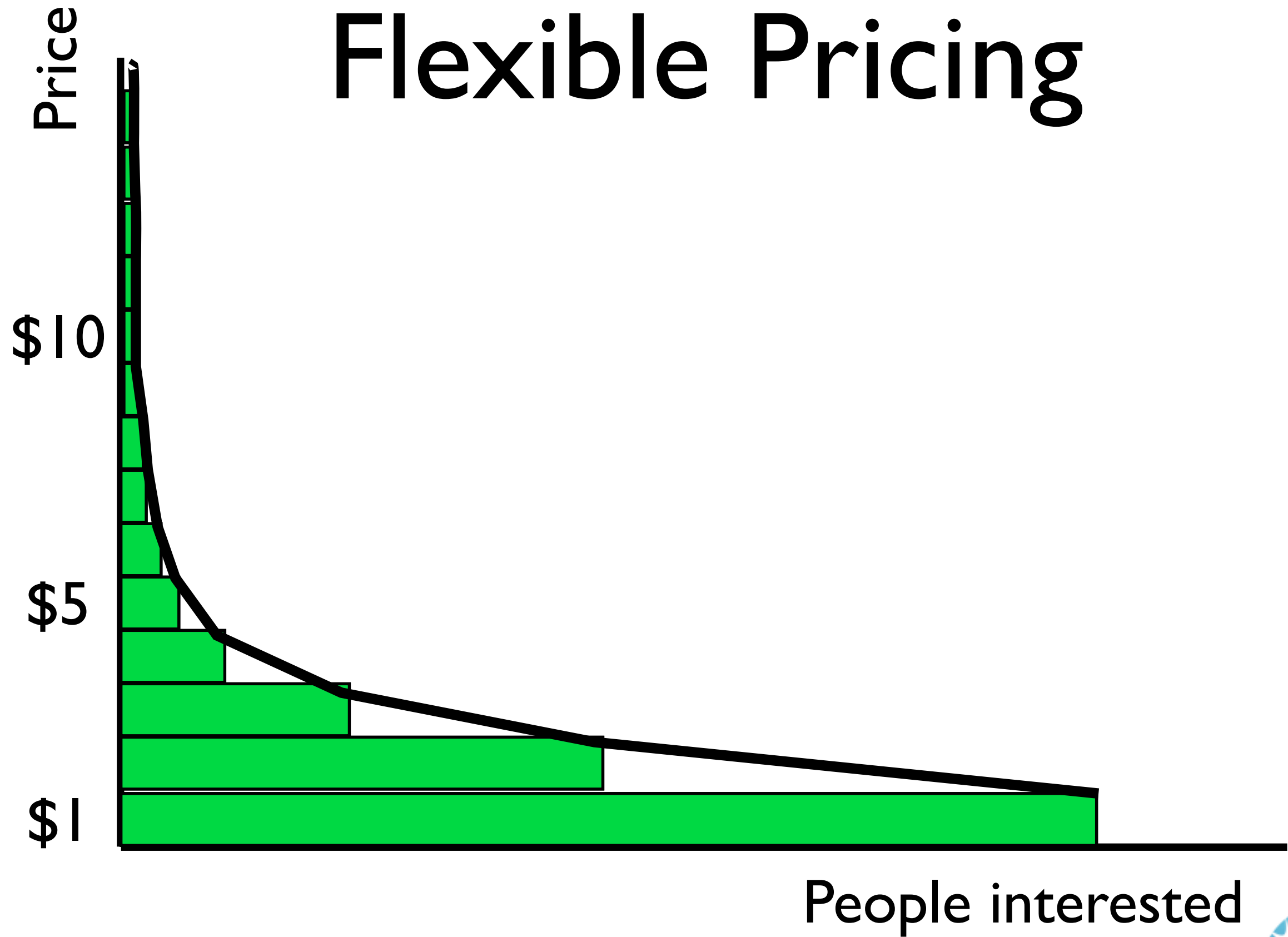
Flexible Pricing



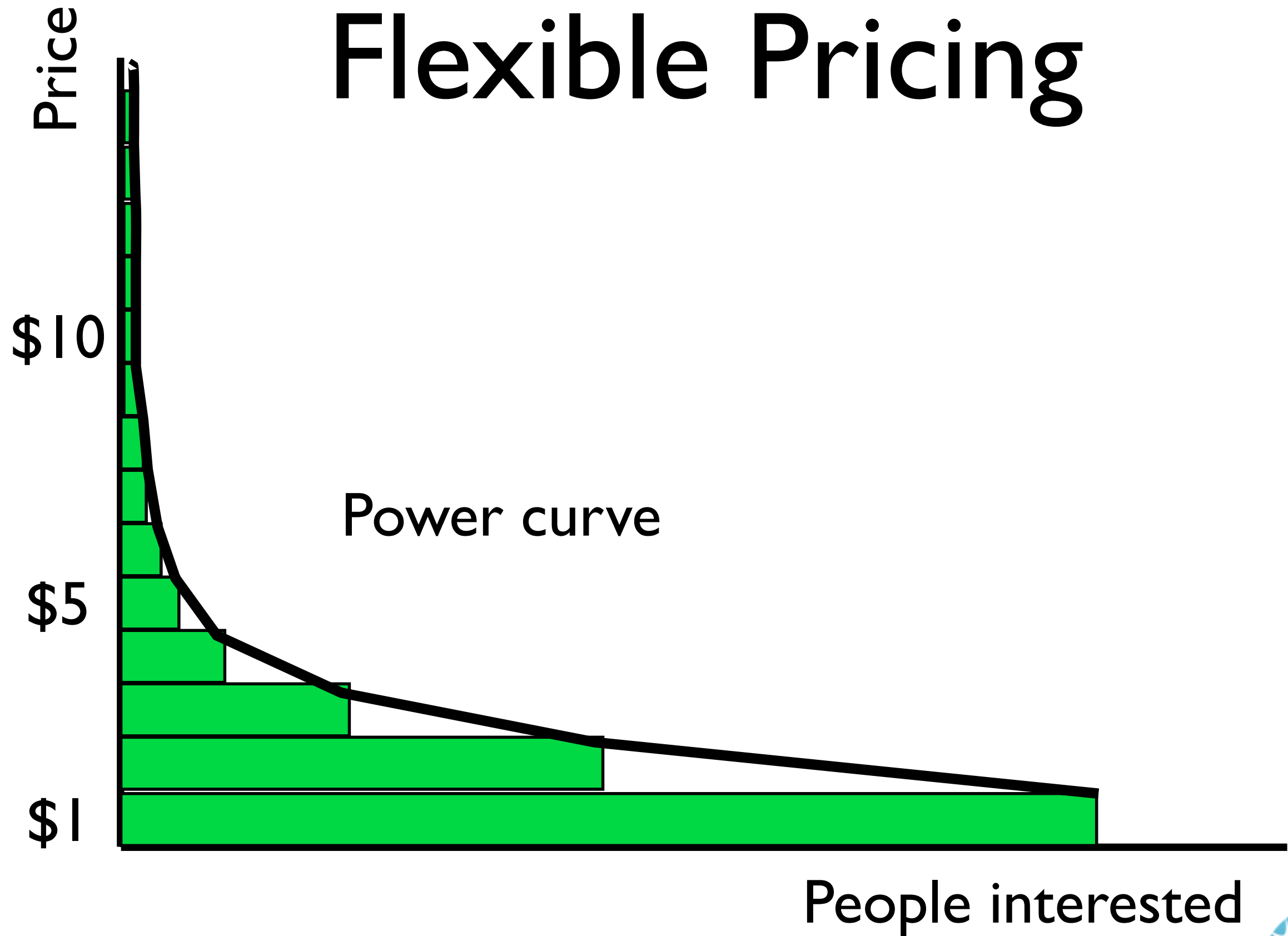
Flexible Pricing



Flexible Pricing



Flexible Pricing





[...] offer a variety of premium packages for sale and make them limited editions / scarce goods. Base the price and amount available on what you think you can sell. Make the packages special - make them by hand, sign them, make them unique, make them something YOU would want to have as a fan. Make a premium download available that includes high-resolution versions (for sale at a reasonable price) and include the download as something immediately available with any physical purchase. Sell T-shirts. Sell buttons, posters... whatever.

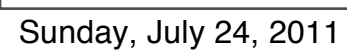




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<http://forum.nin.com/bb/read.php?30,767183>

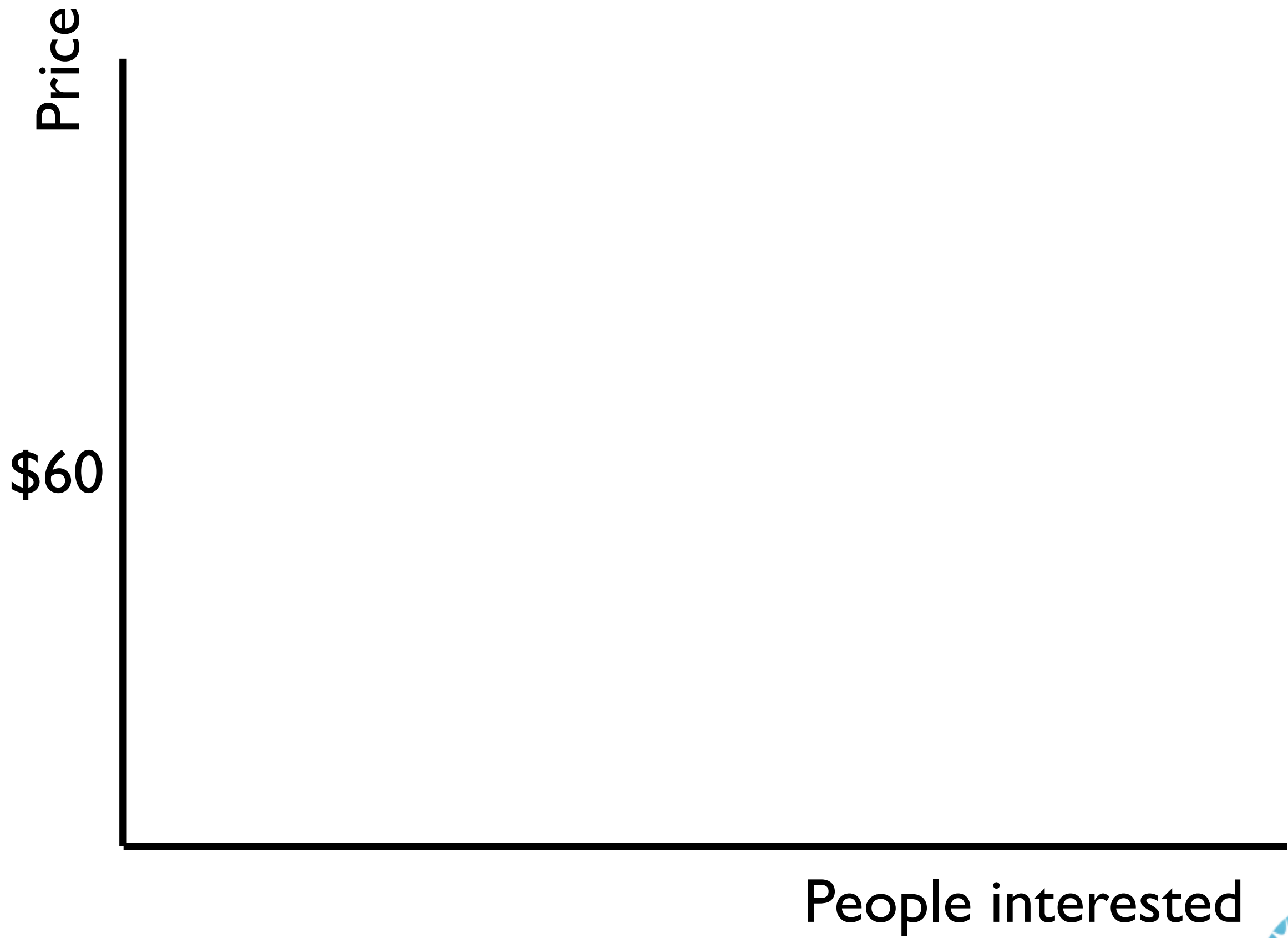


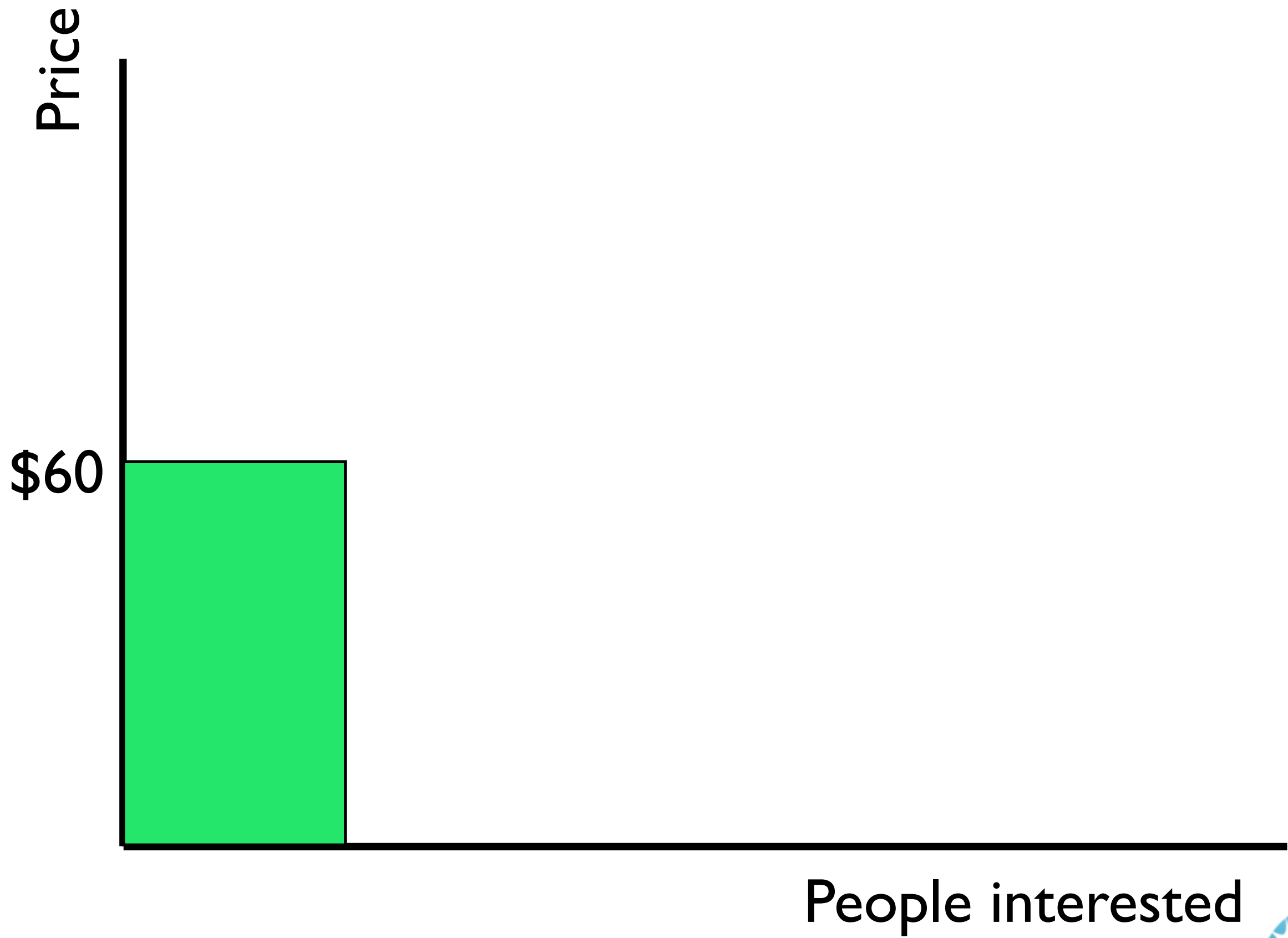


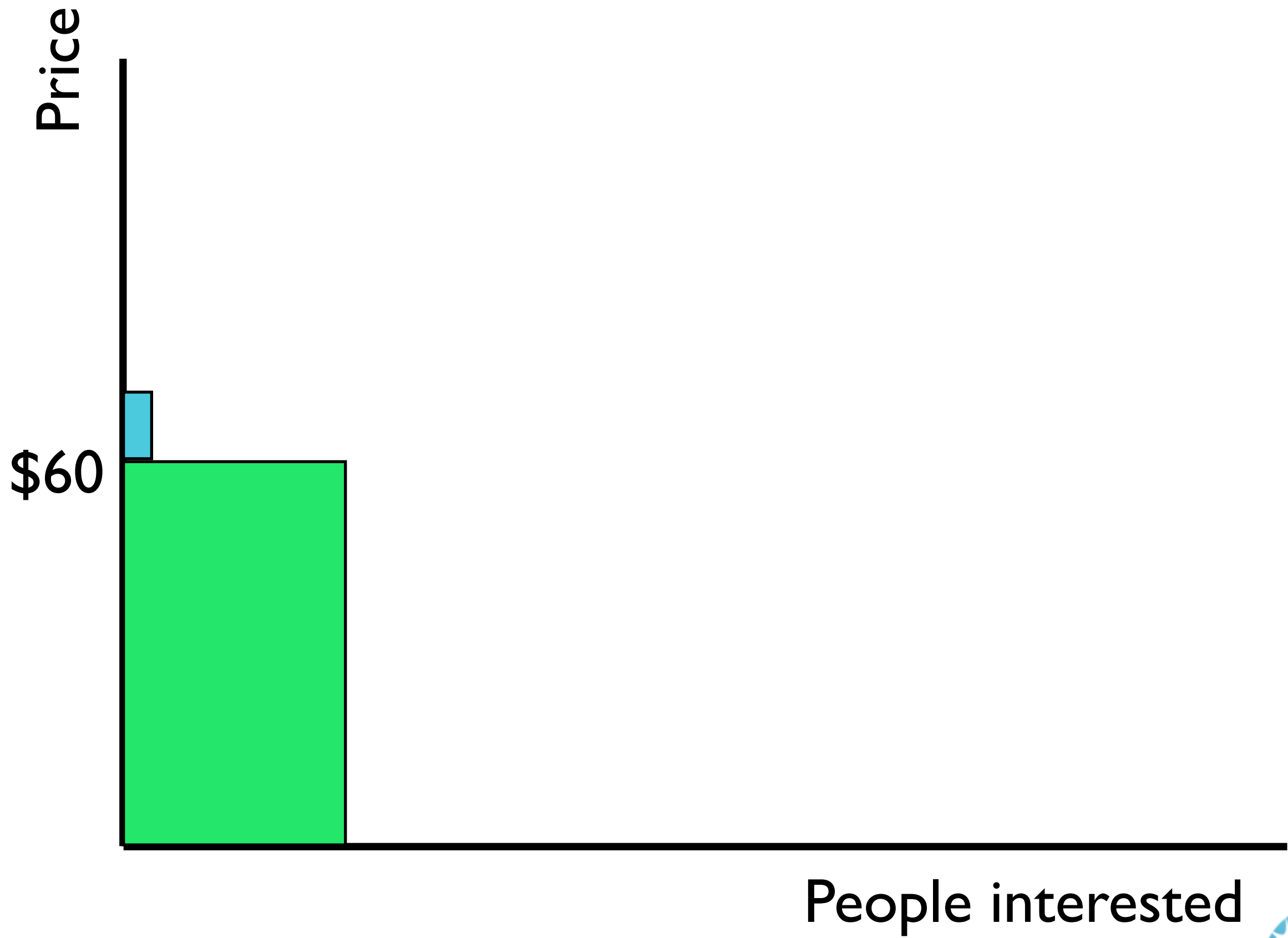


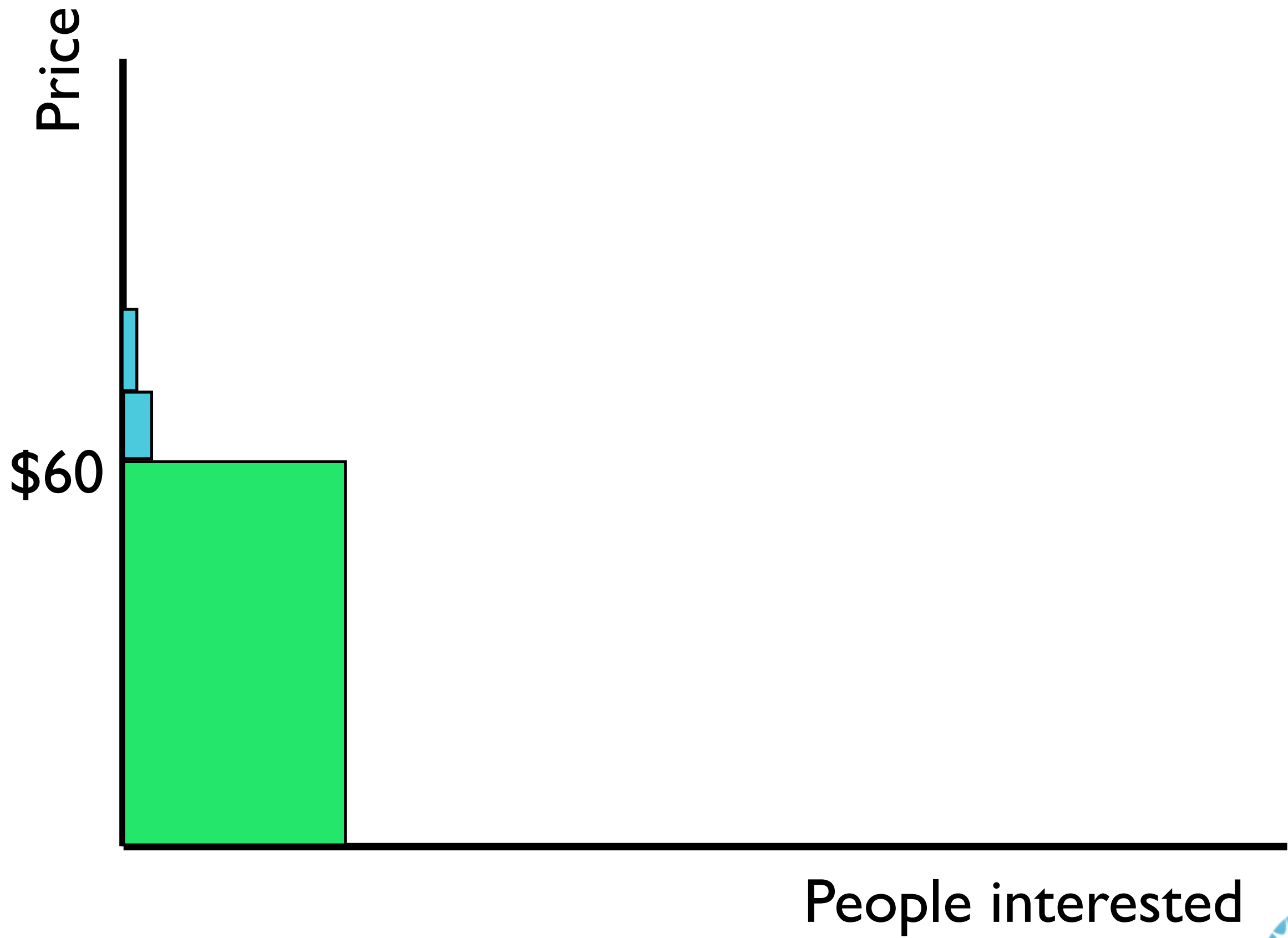


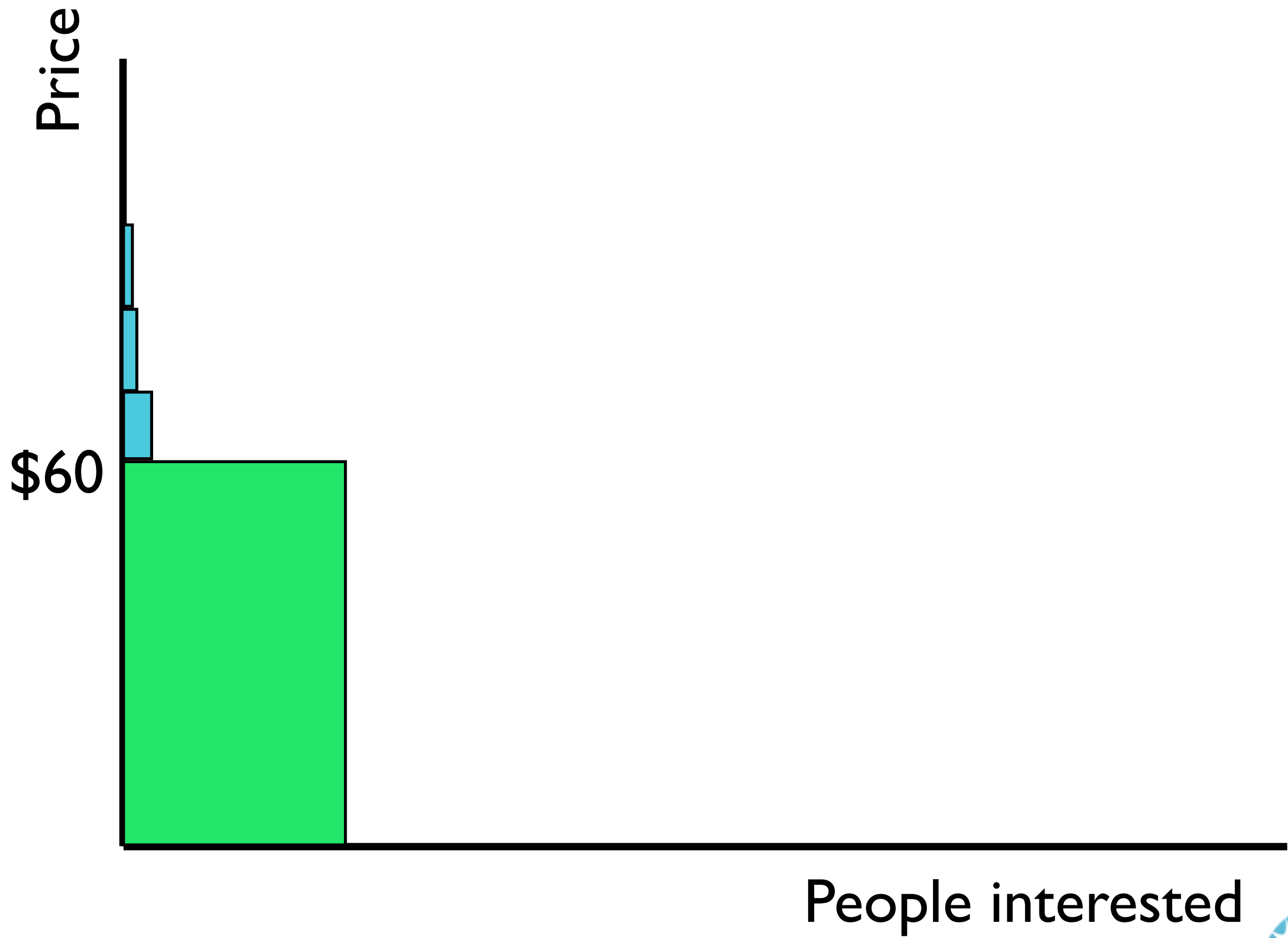


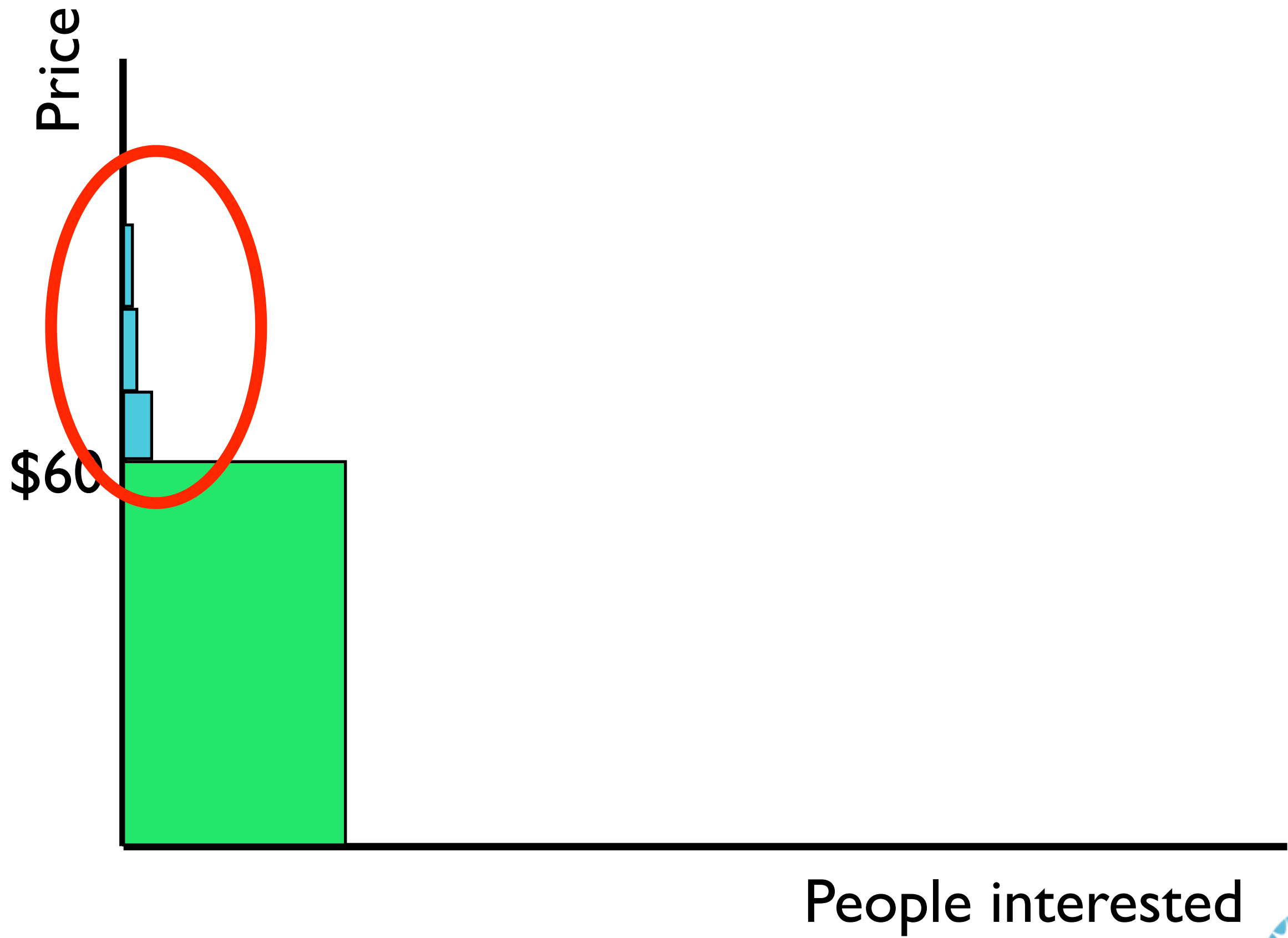


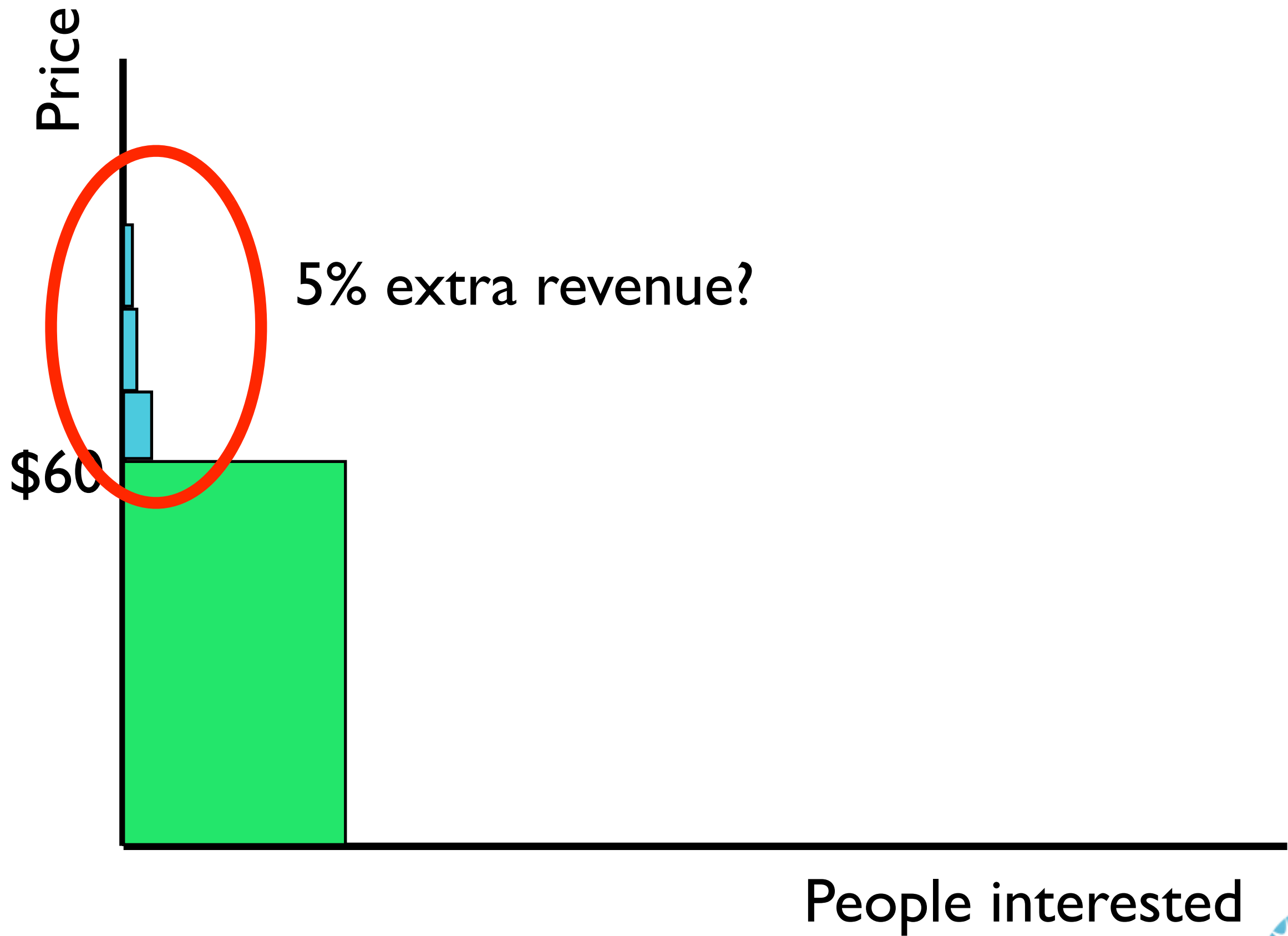




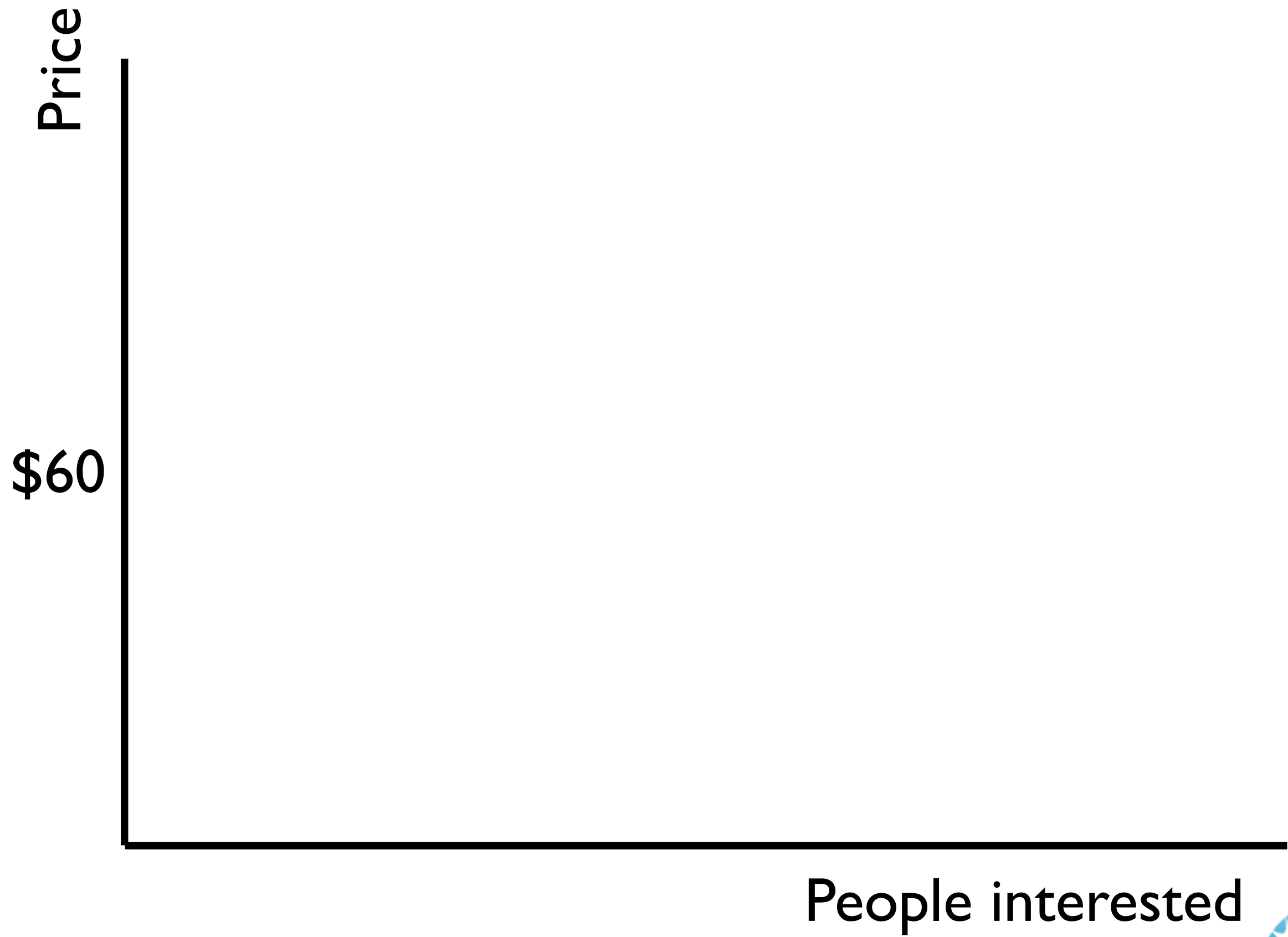


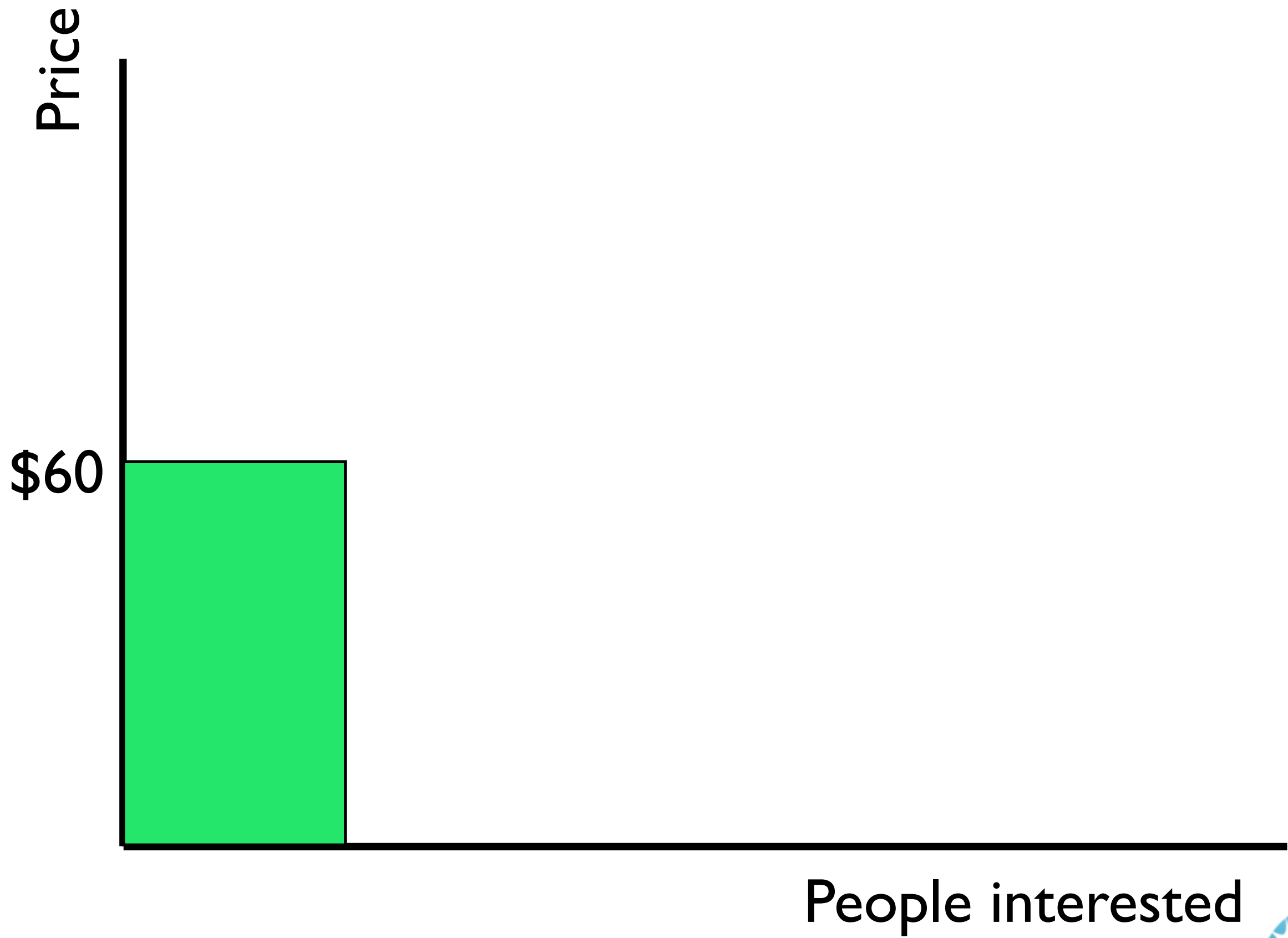


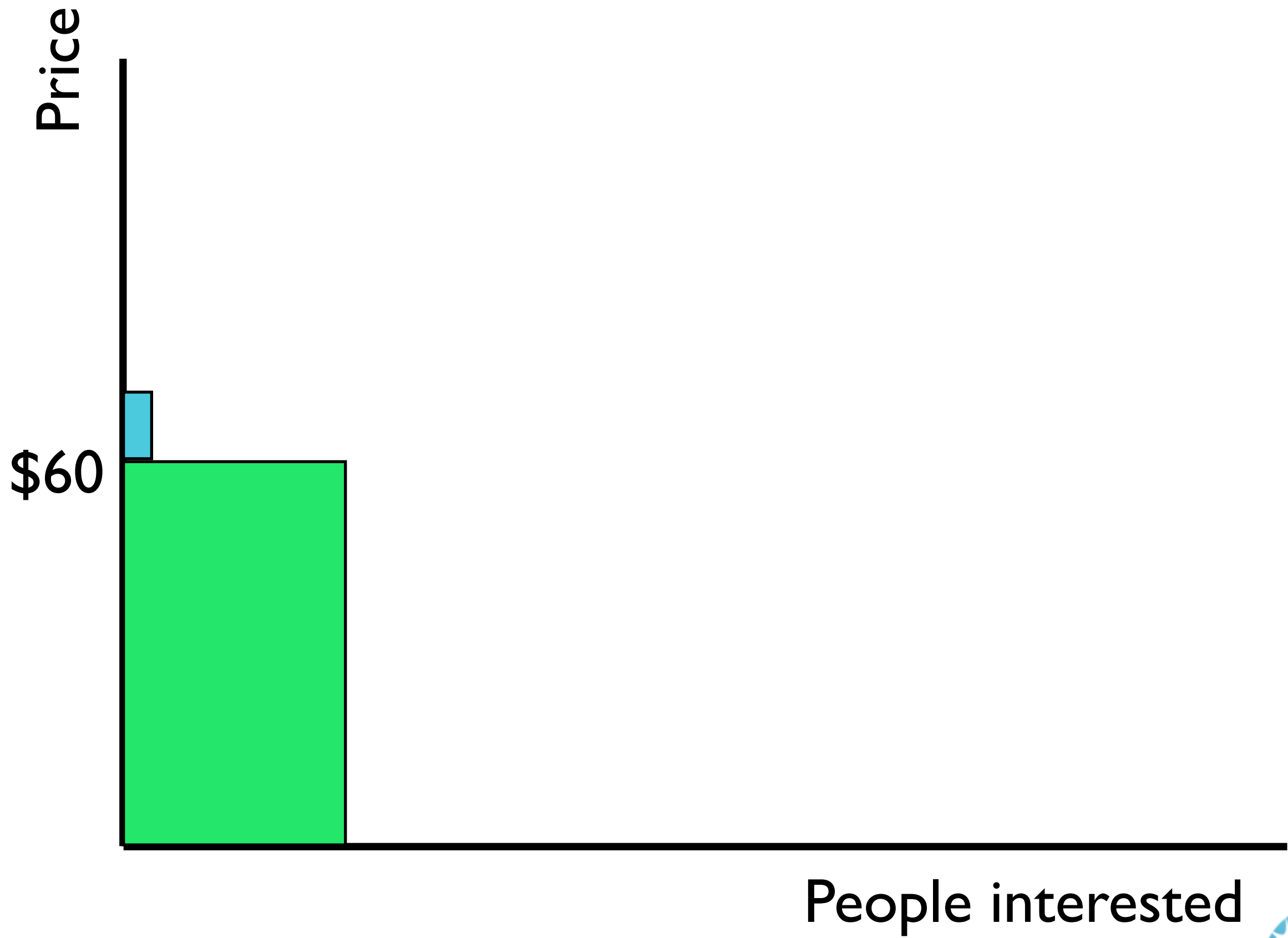


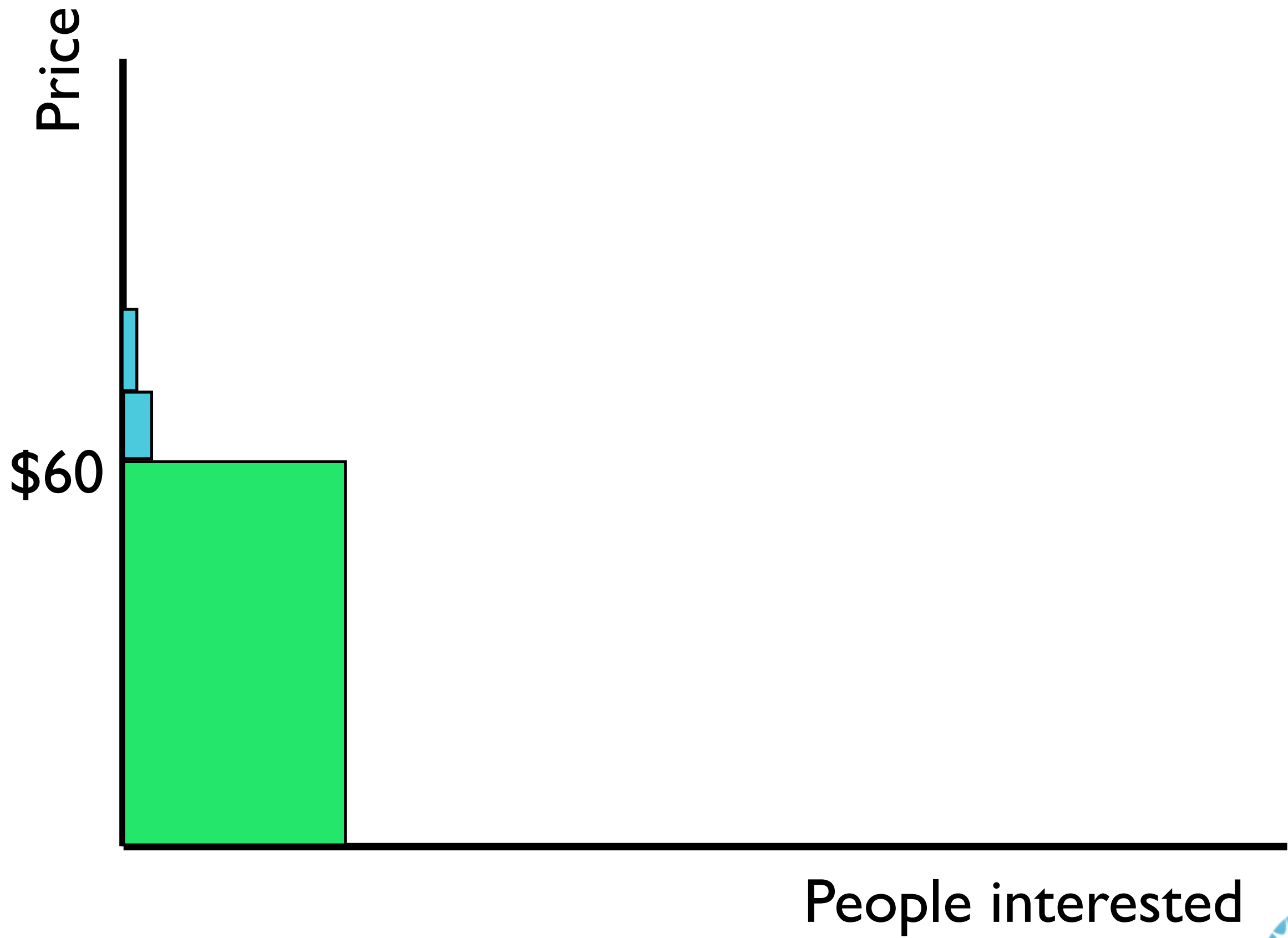


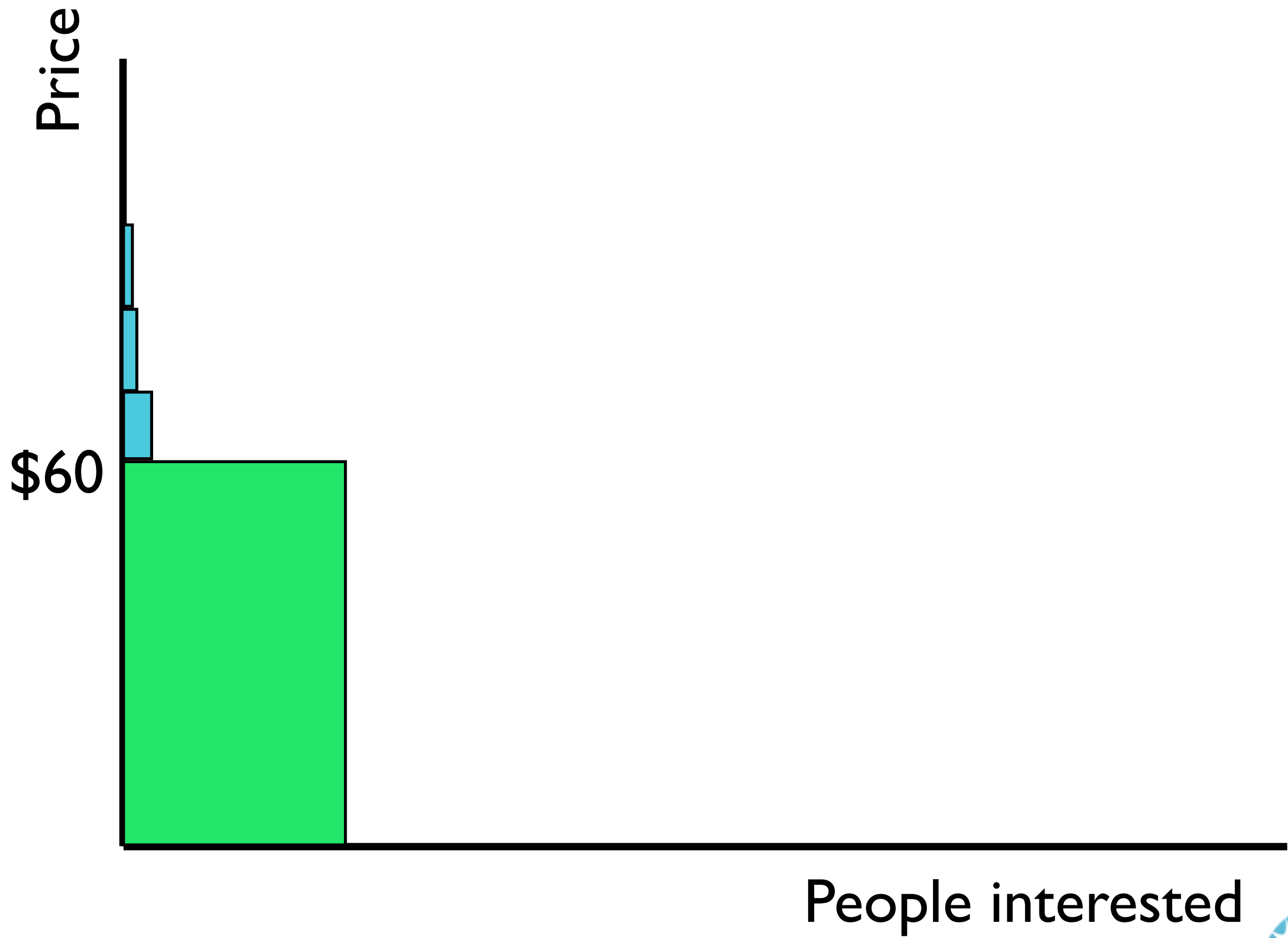


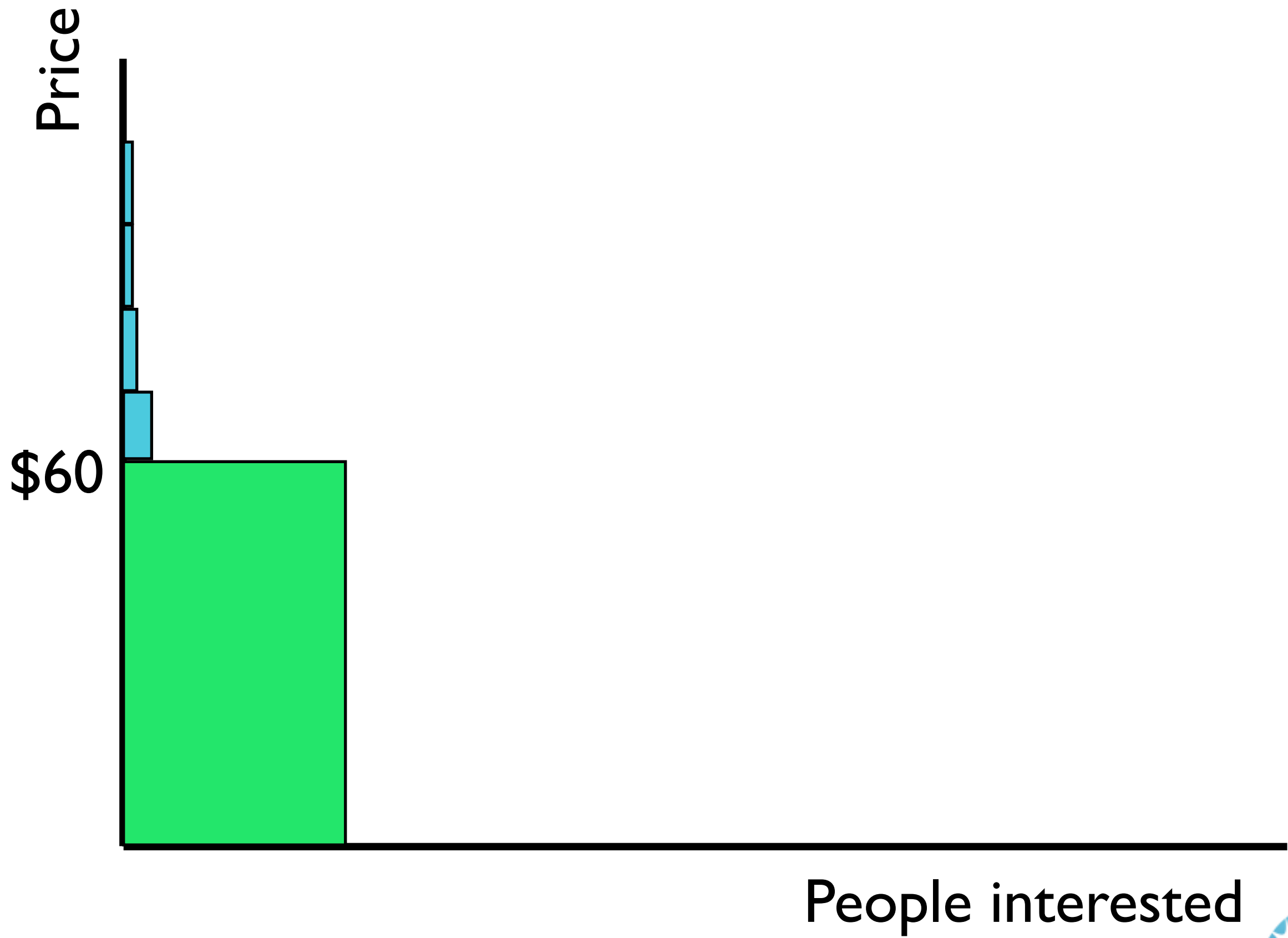


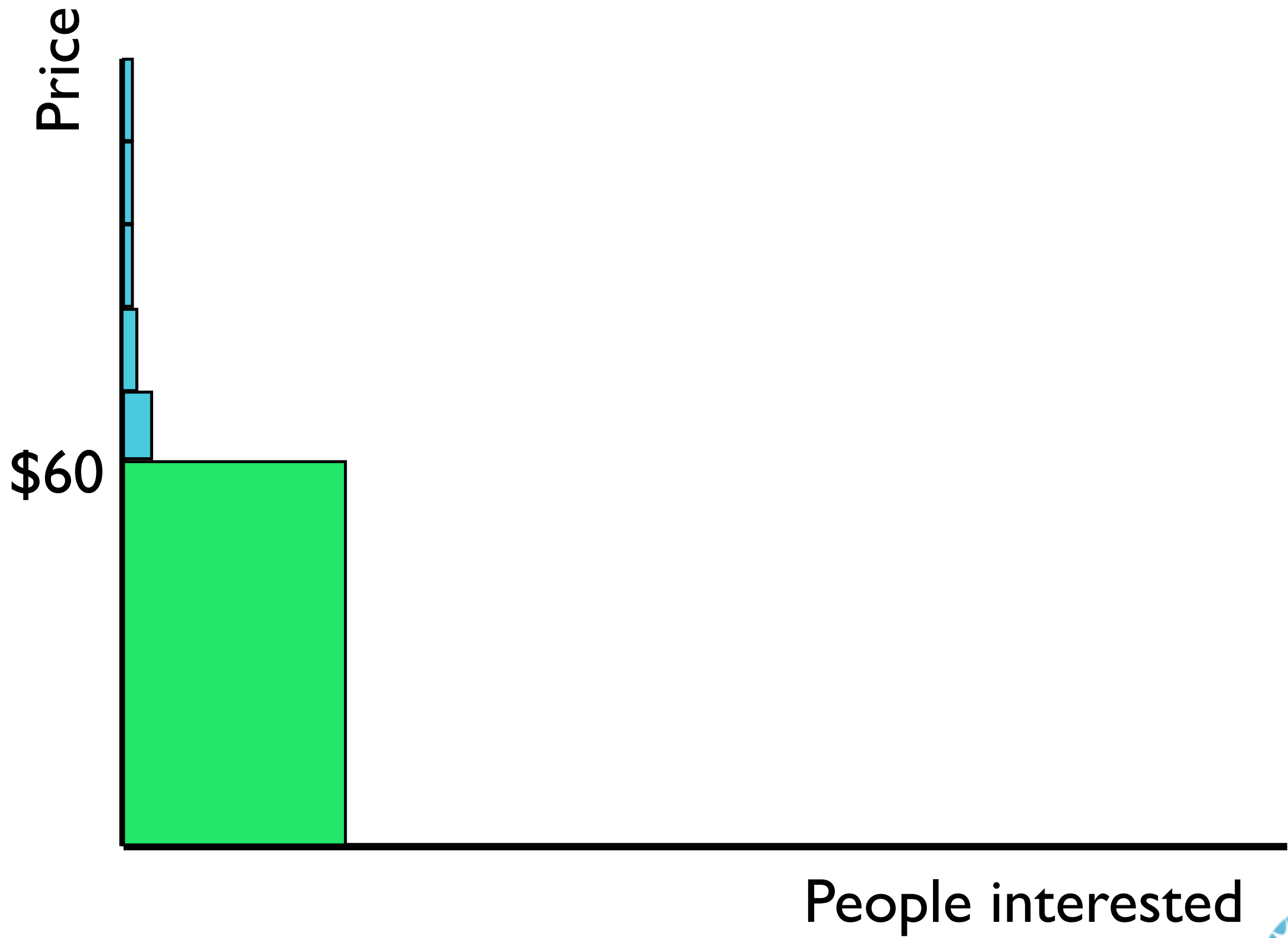


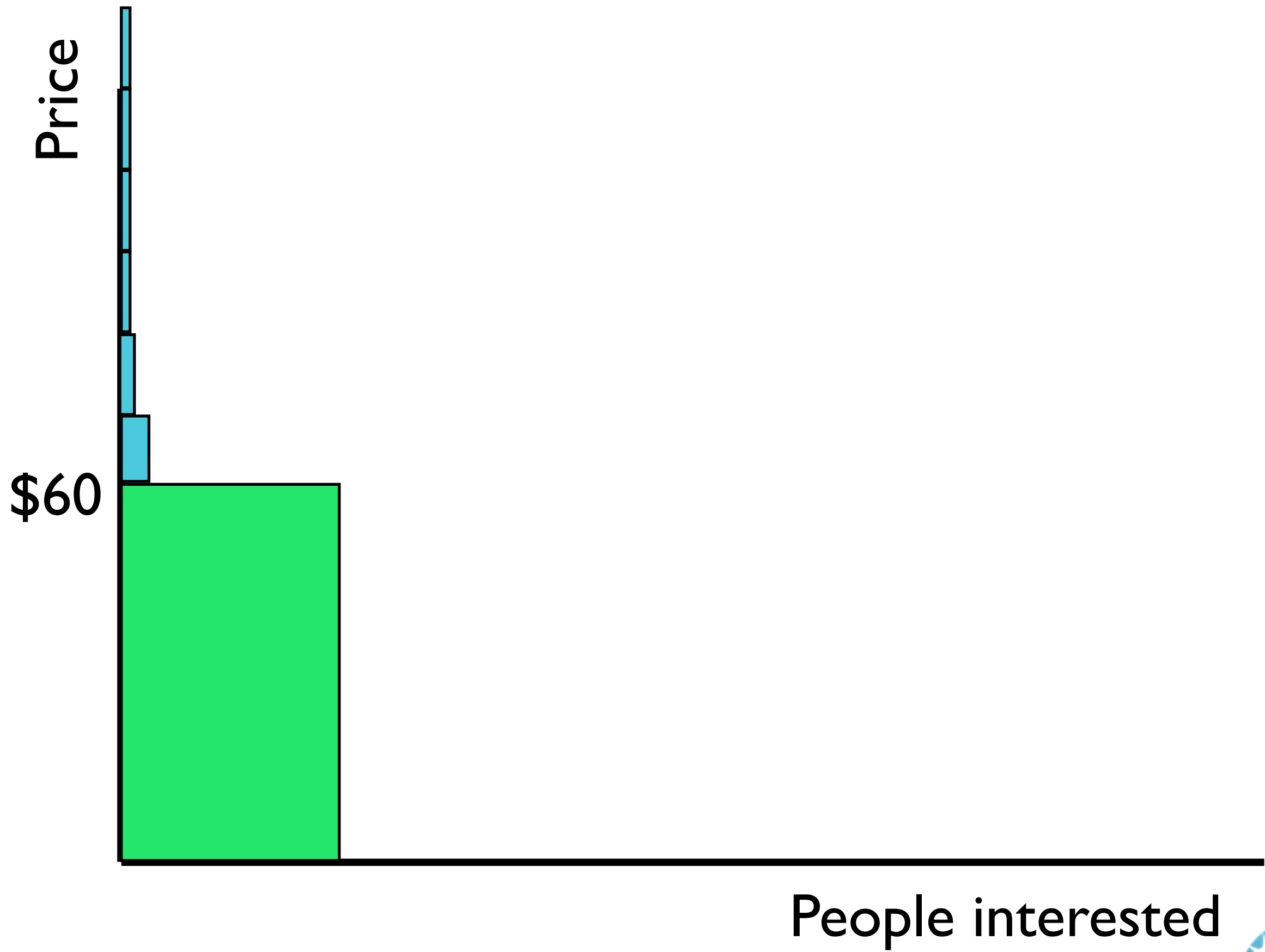


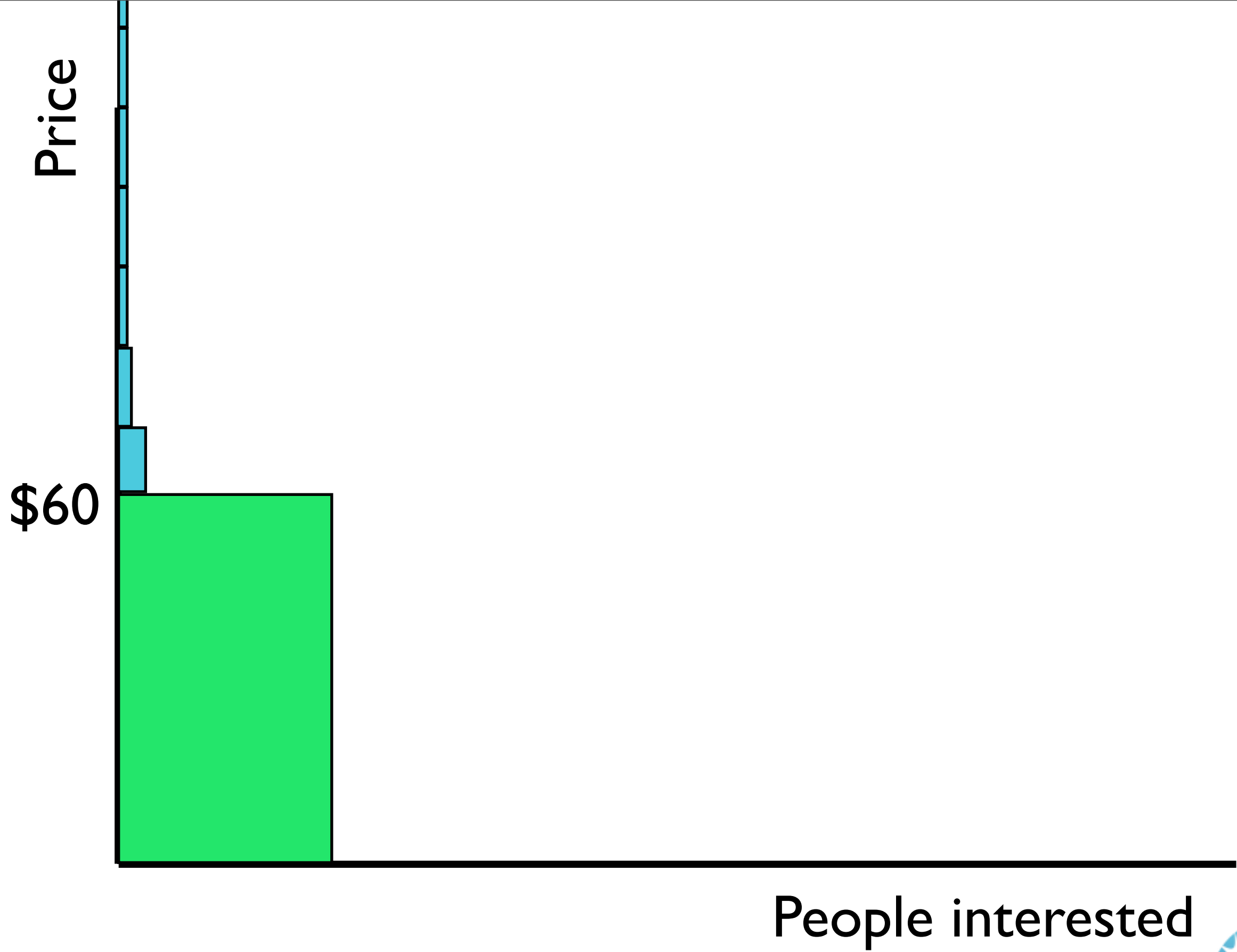






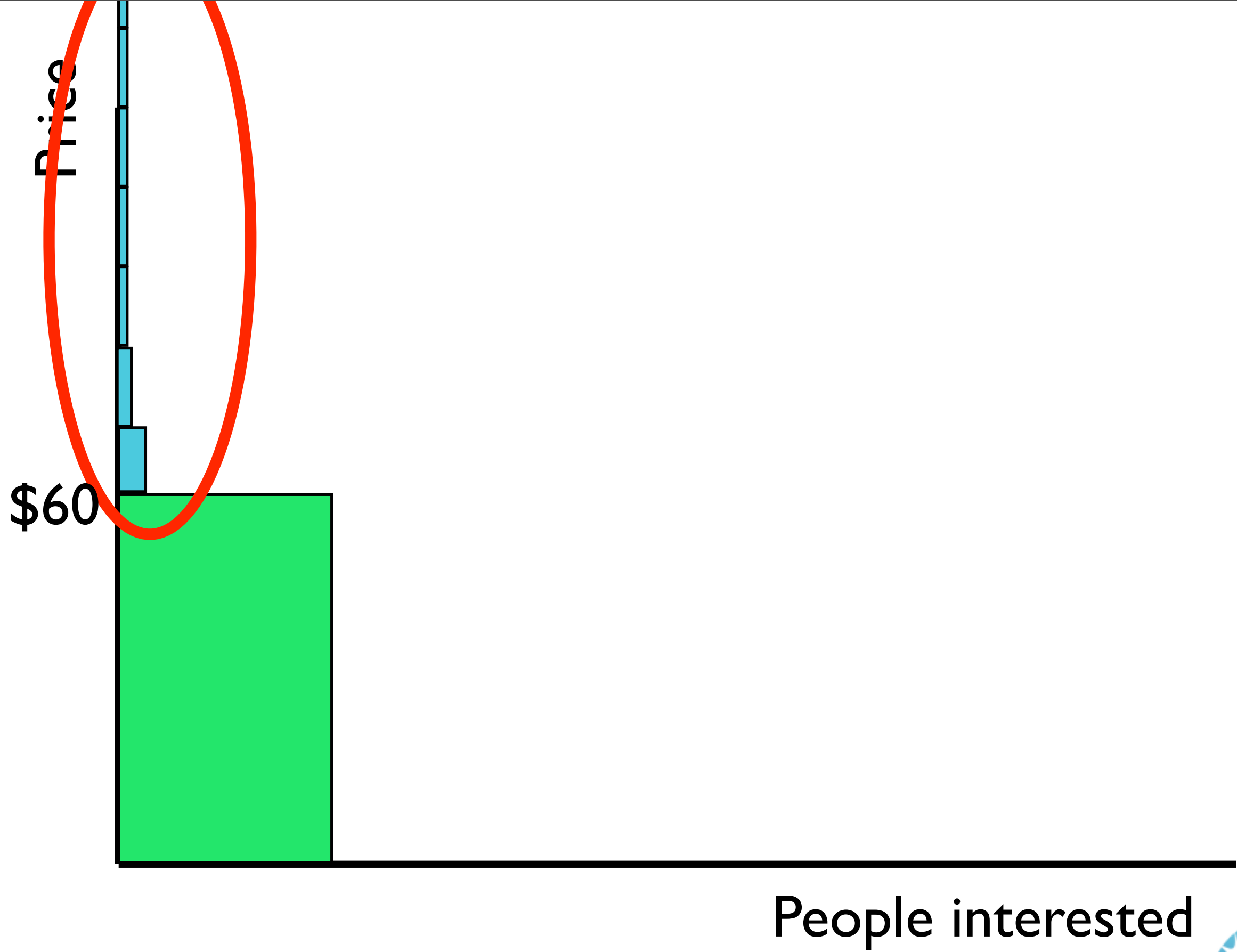


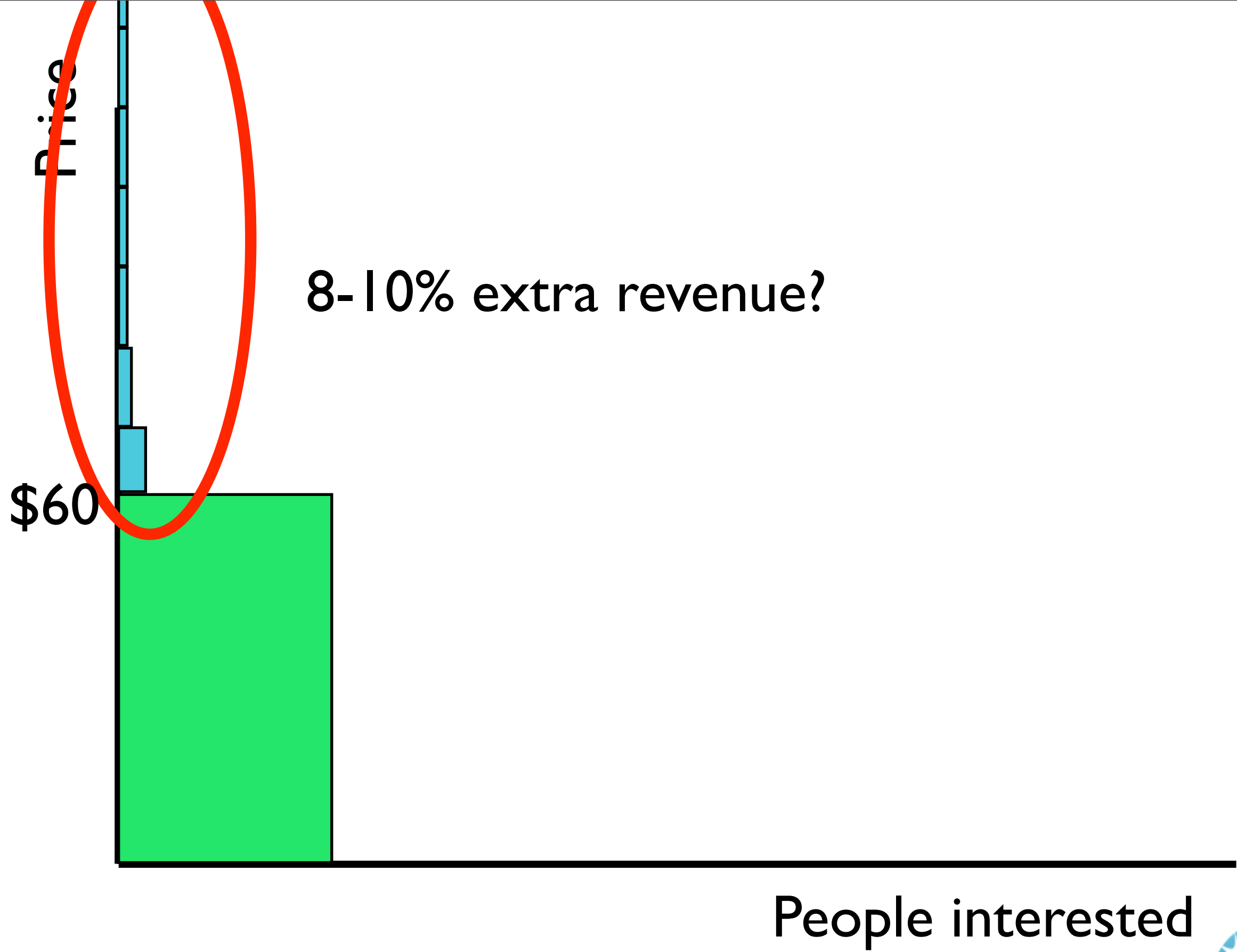


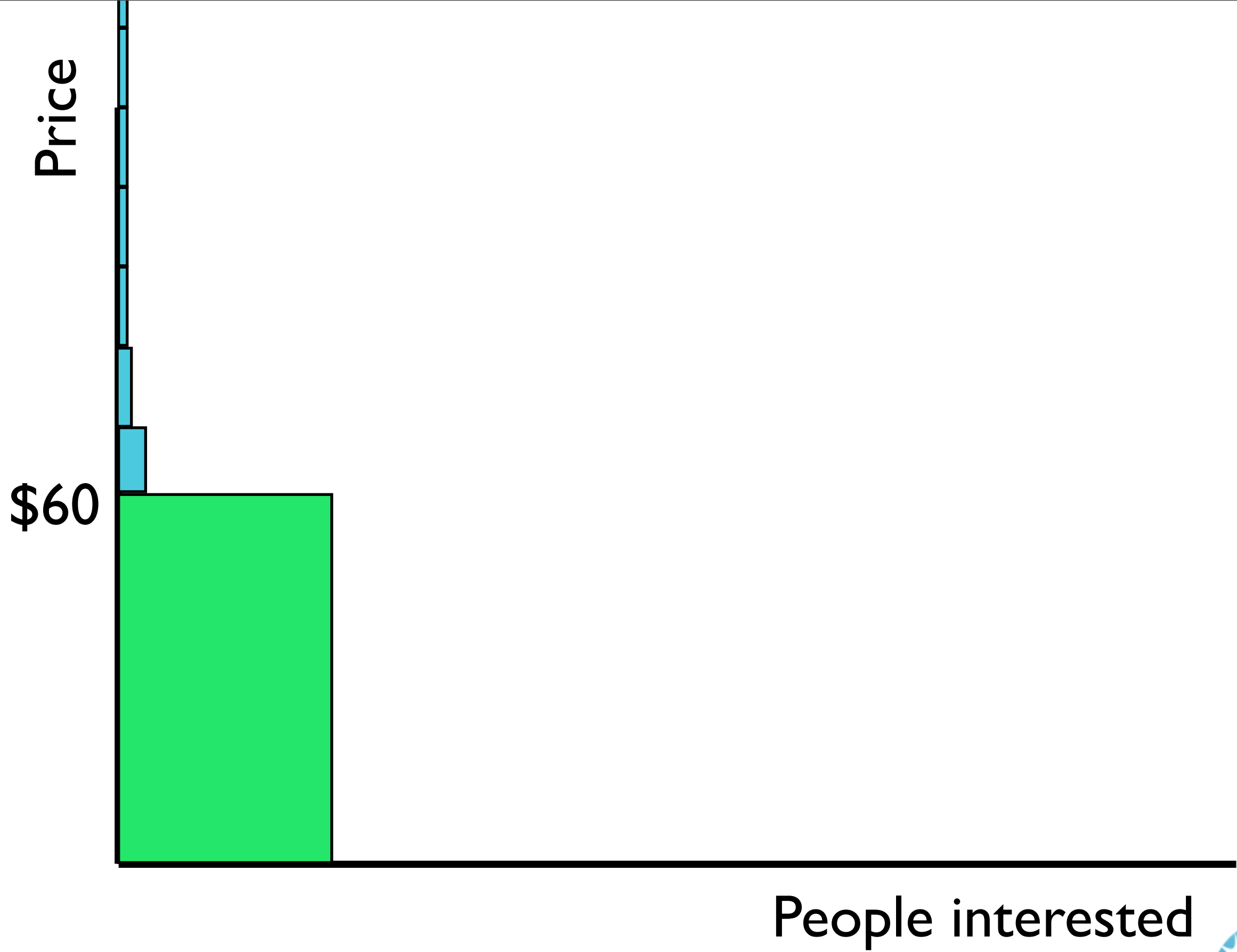


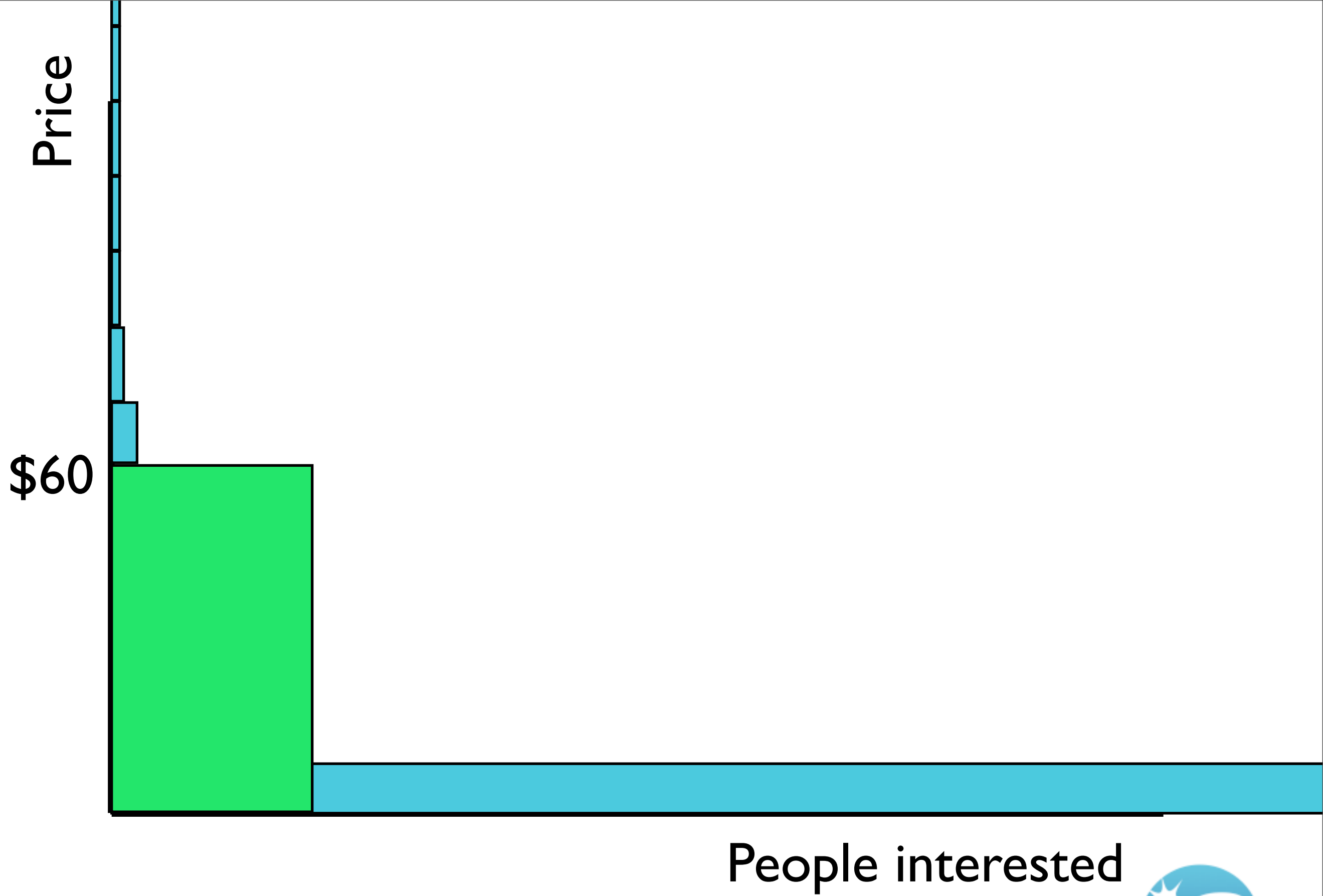
People interested

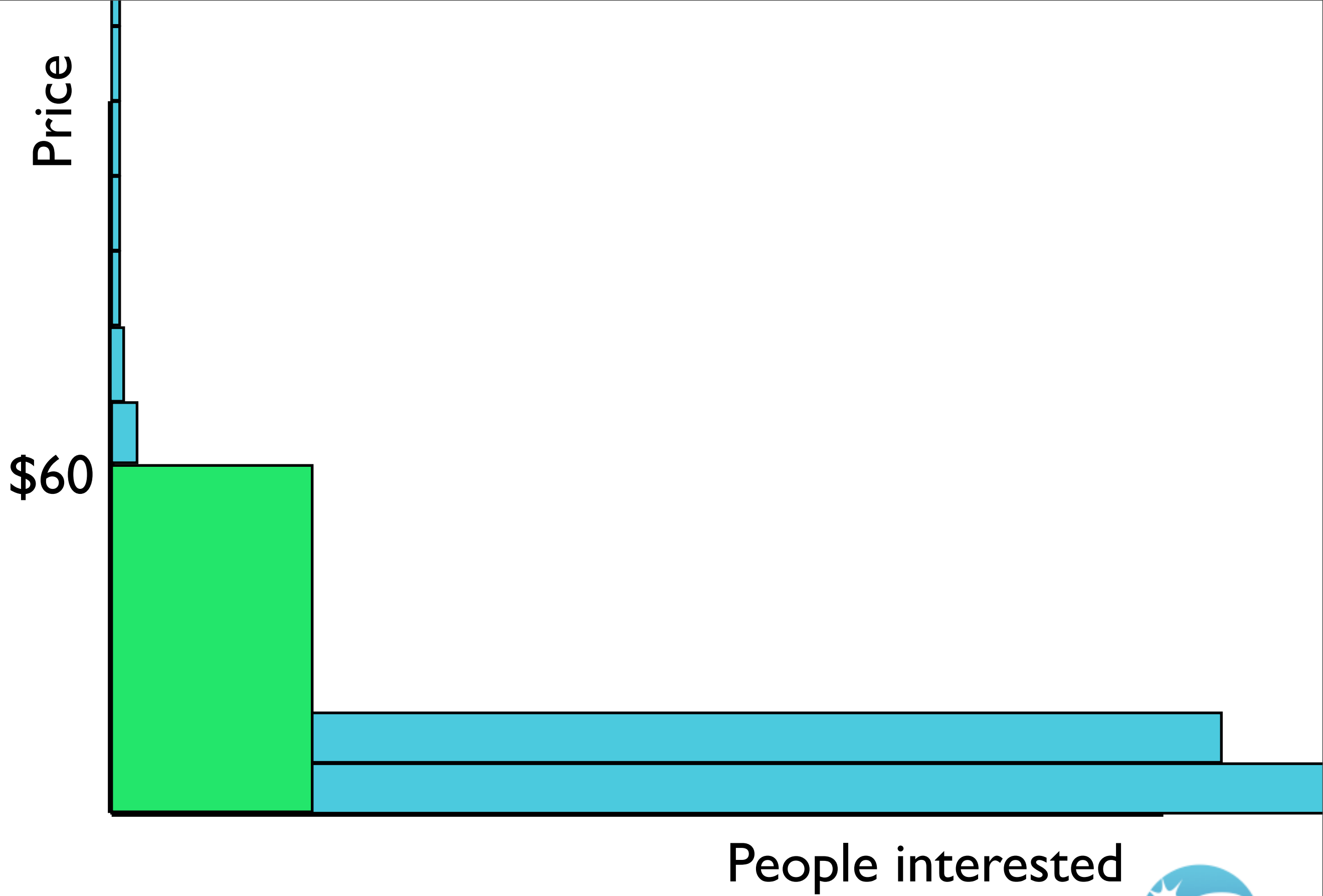






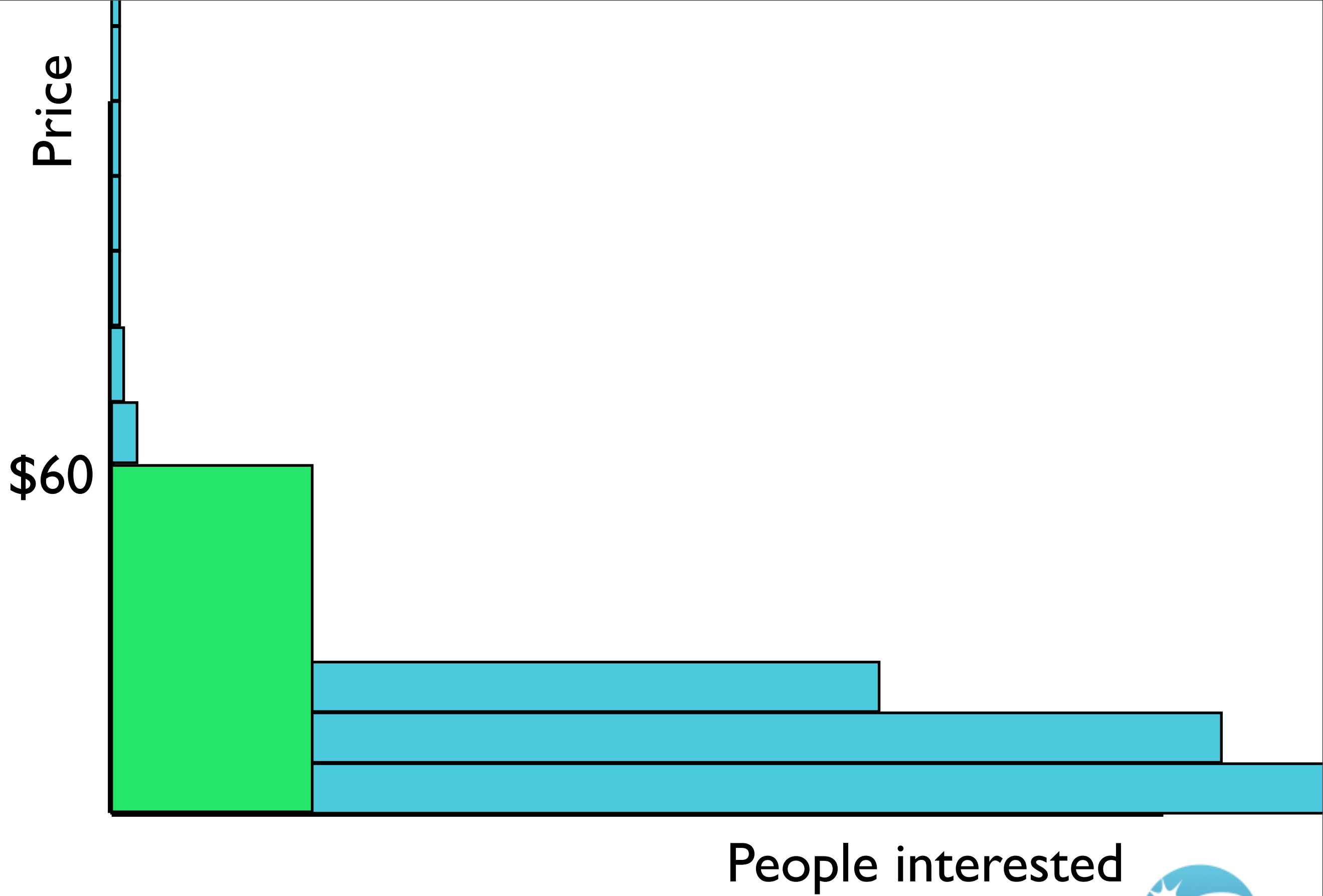


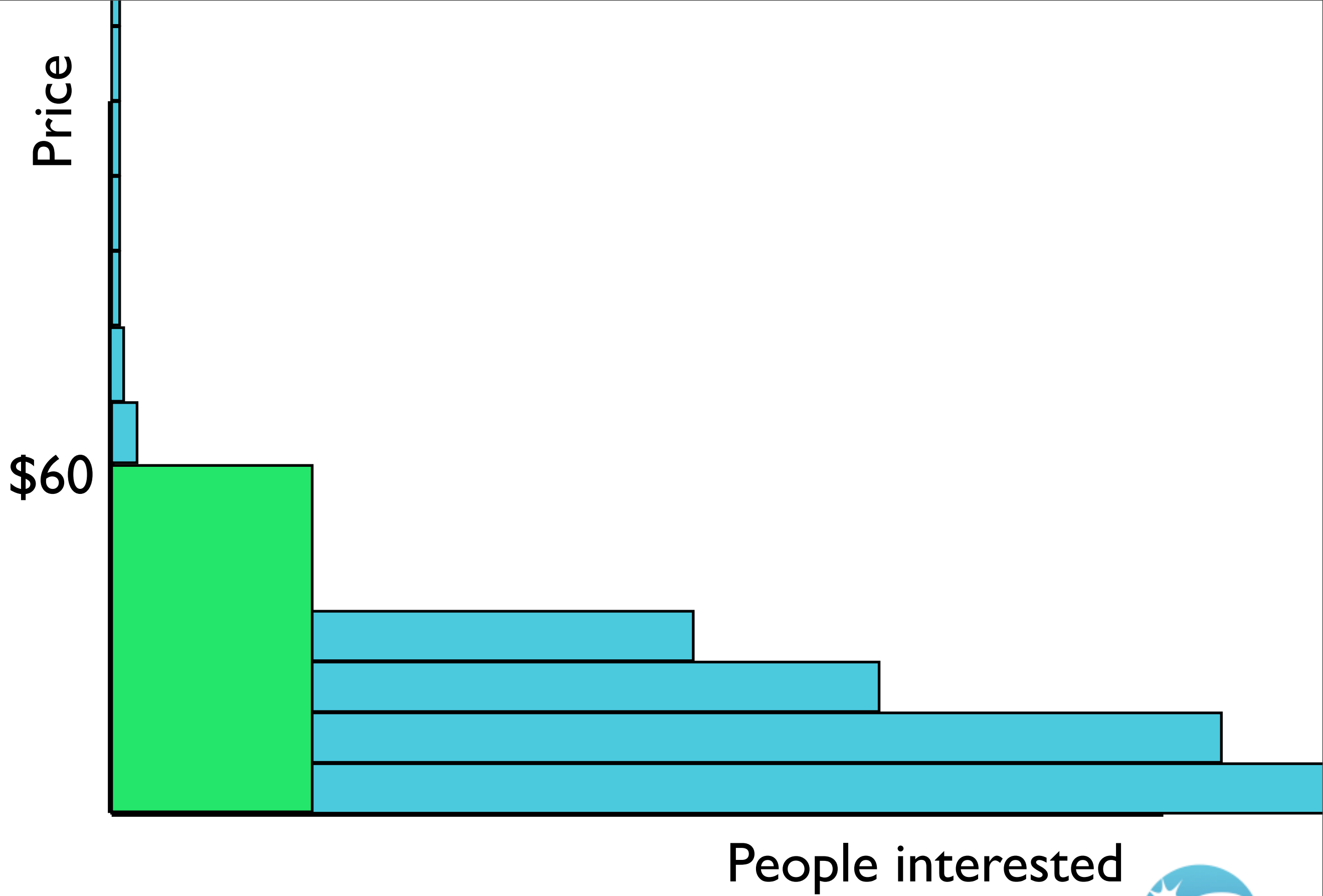


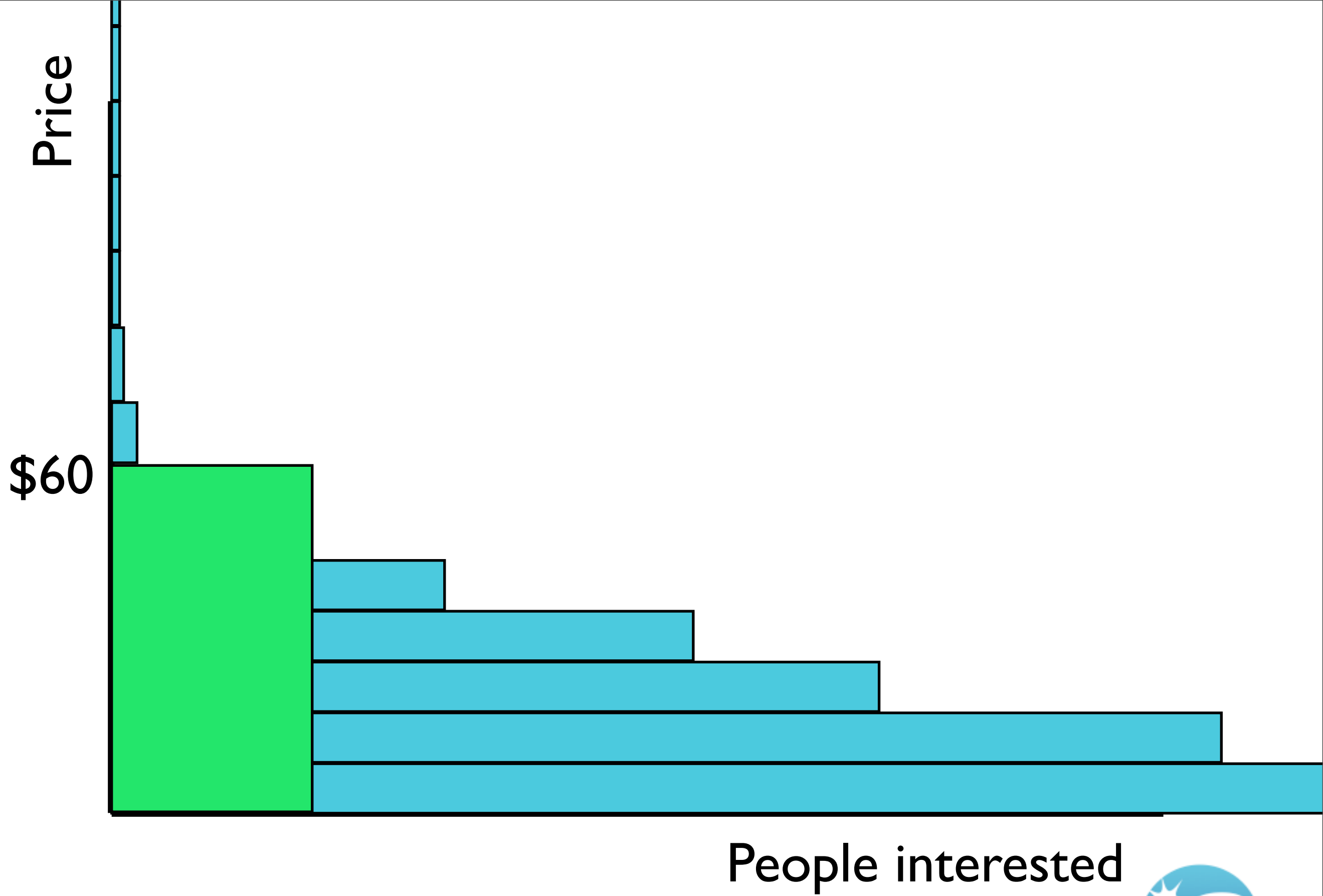


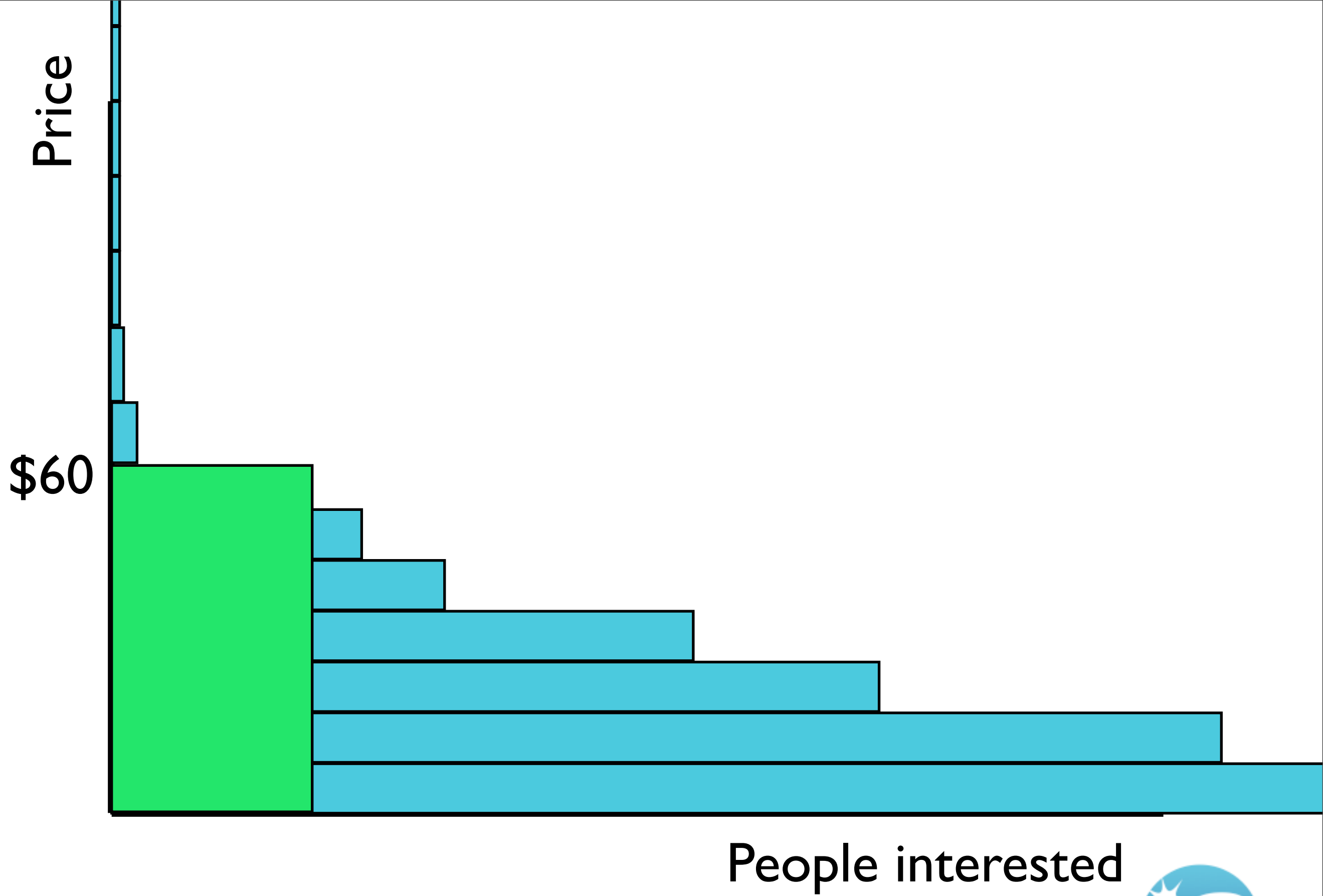
People interested



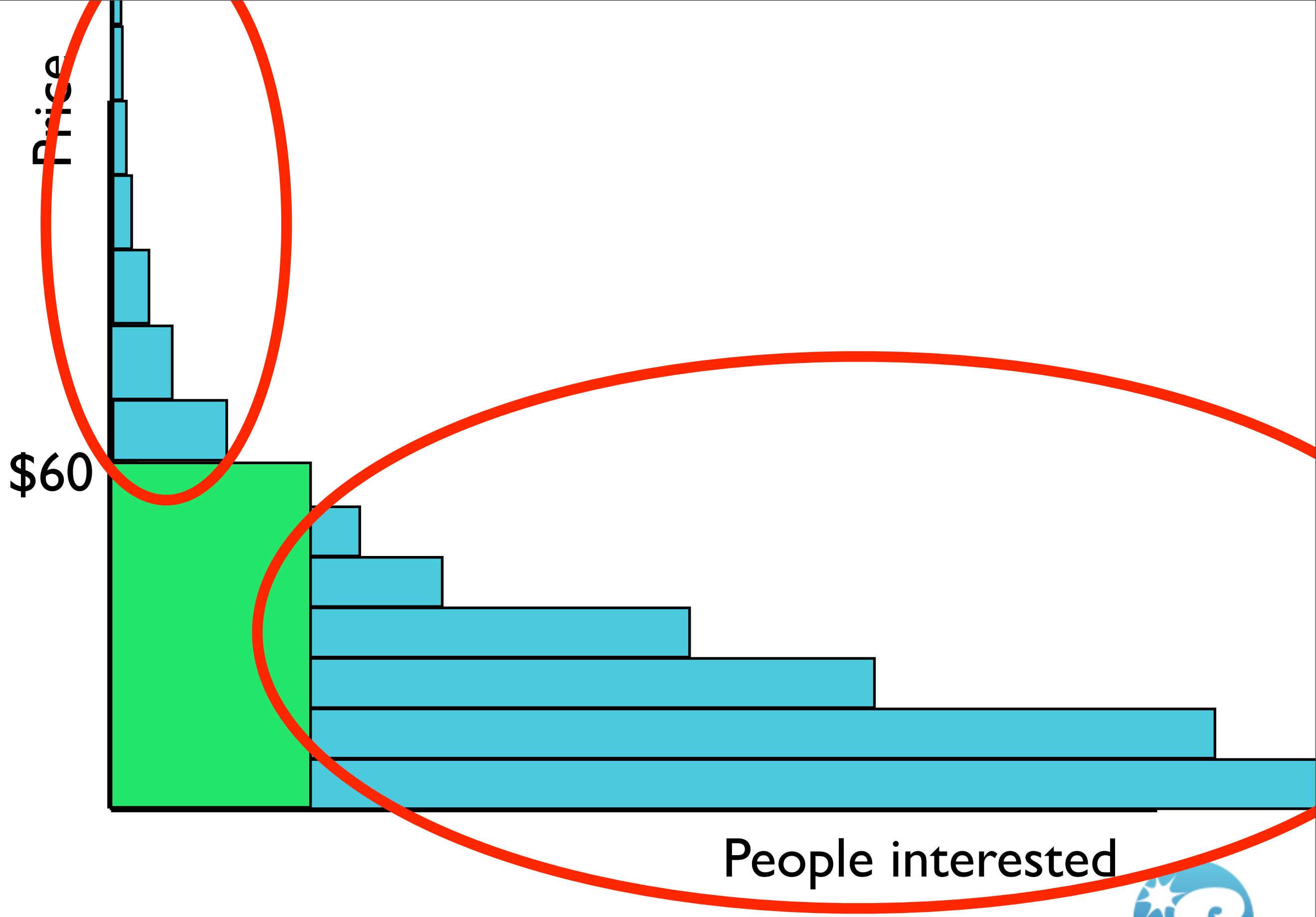


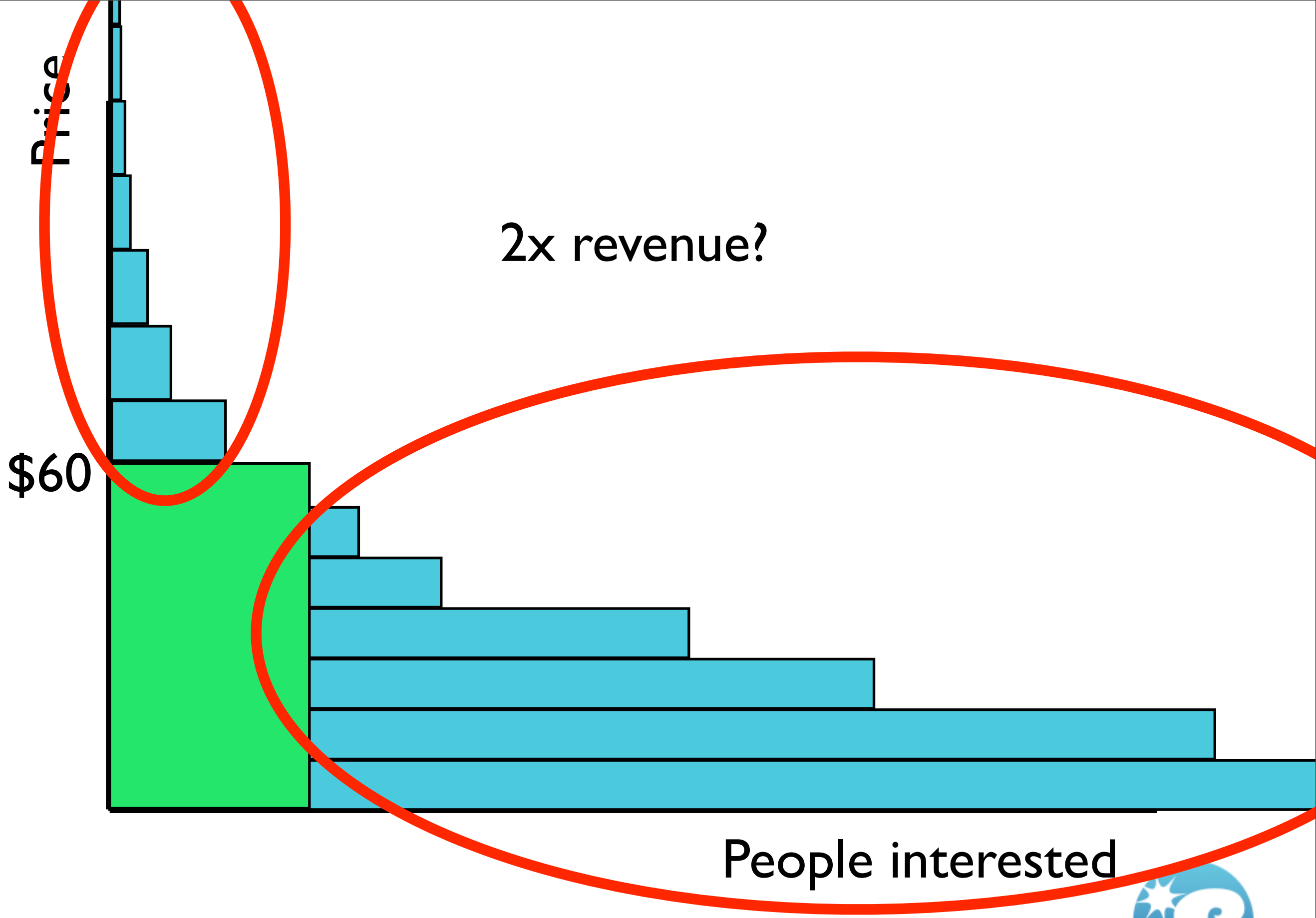




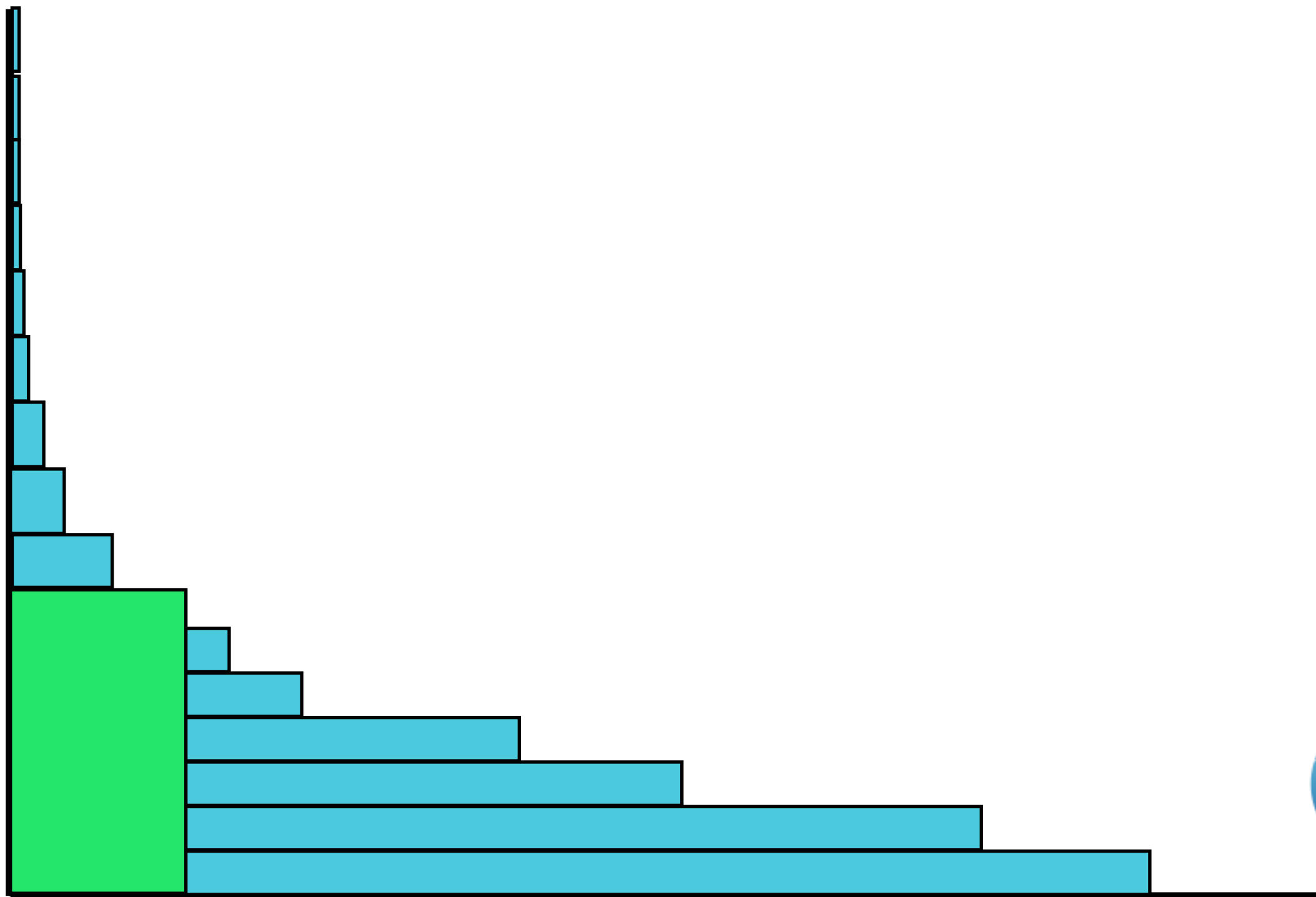




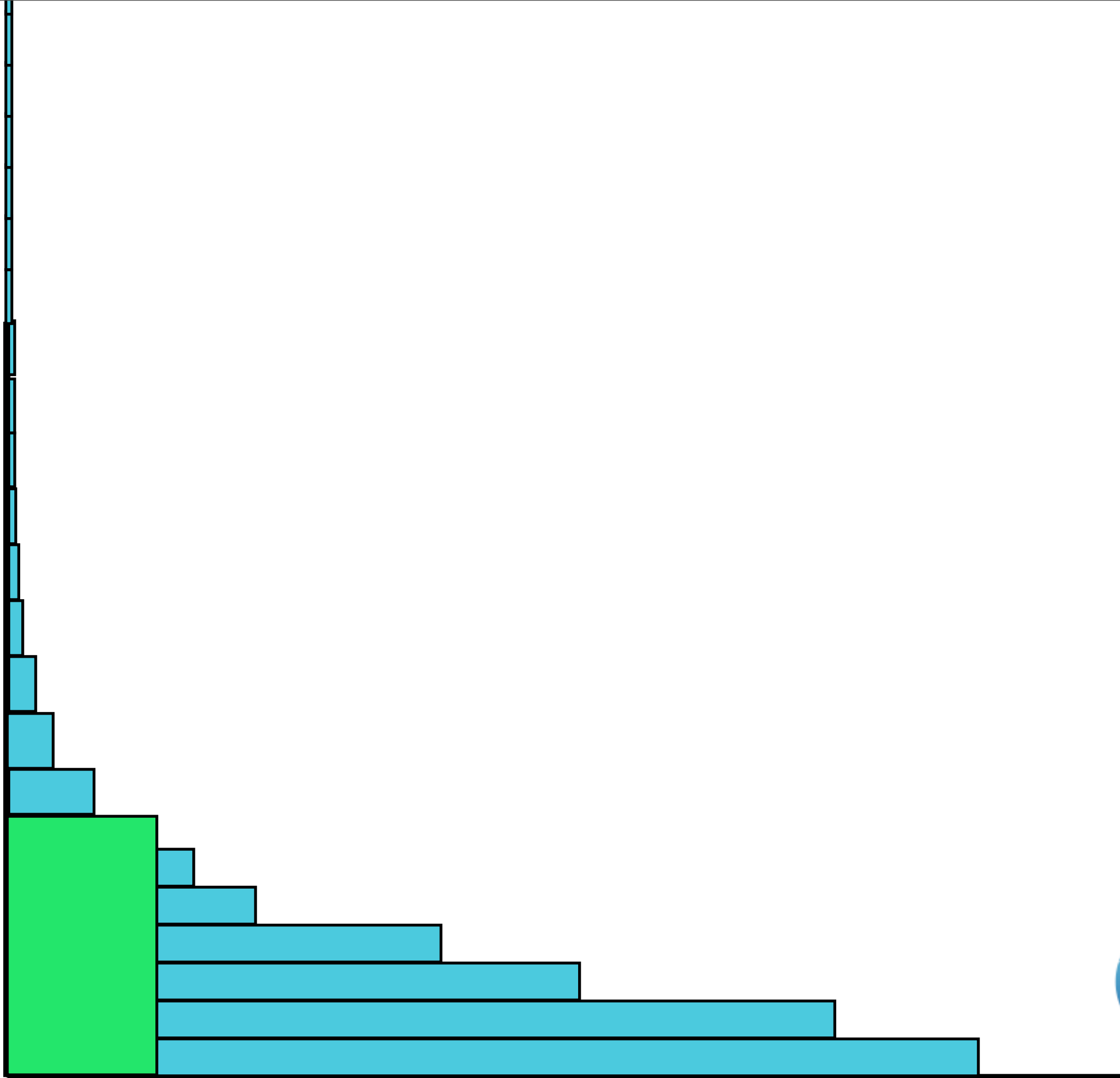


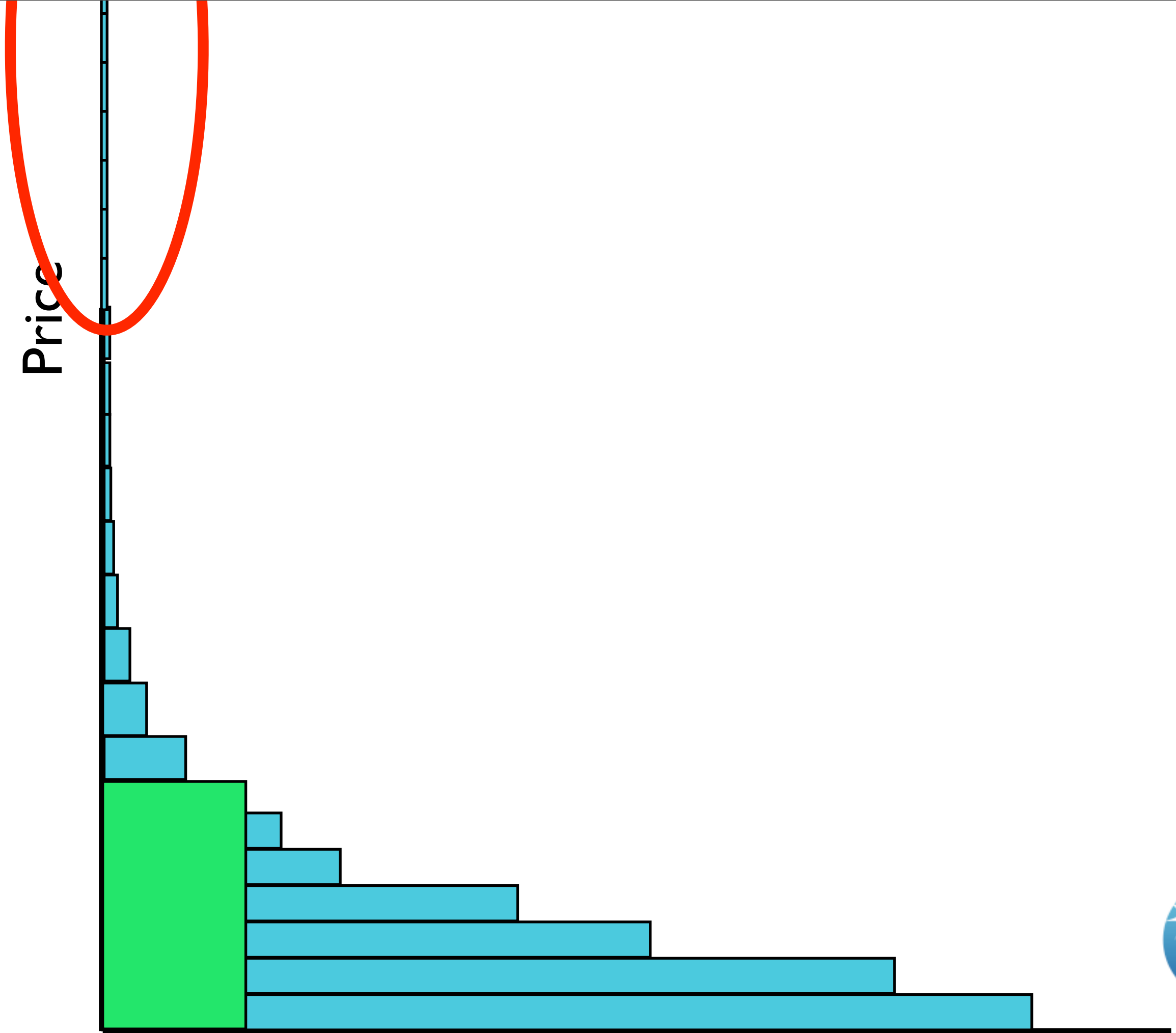


Price



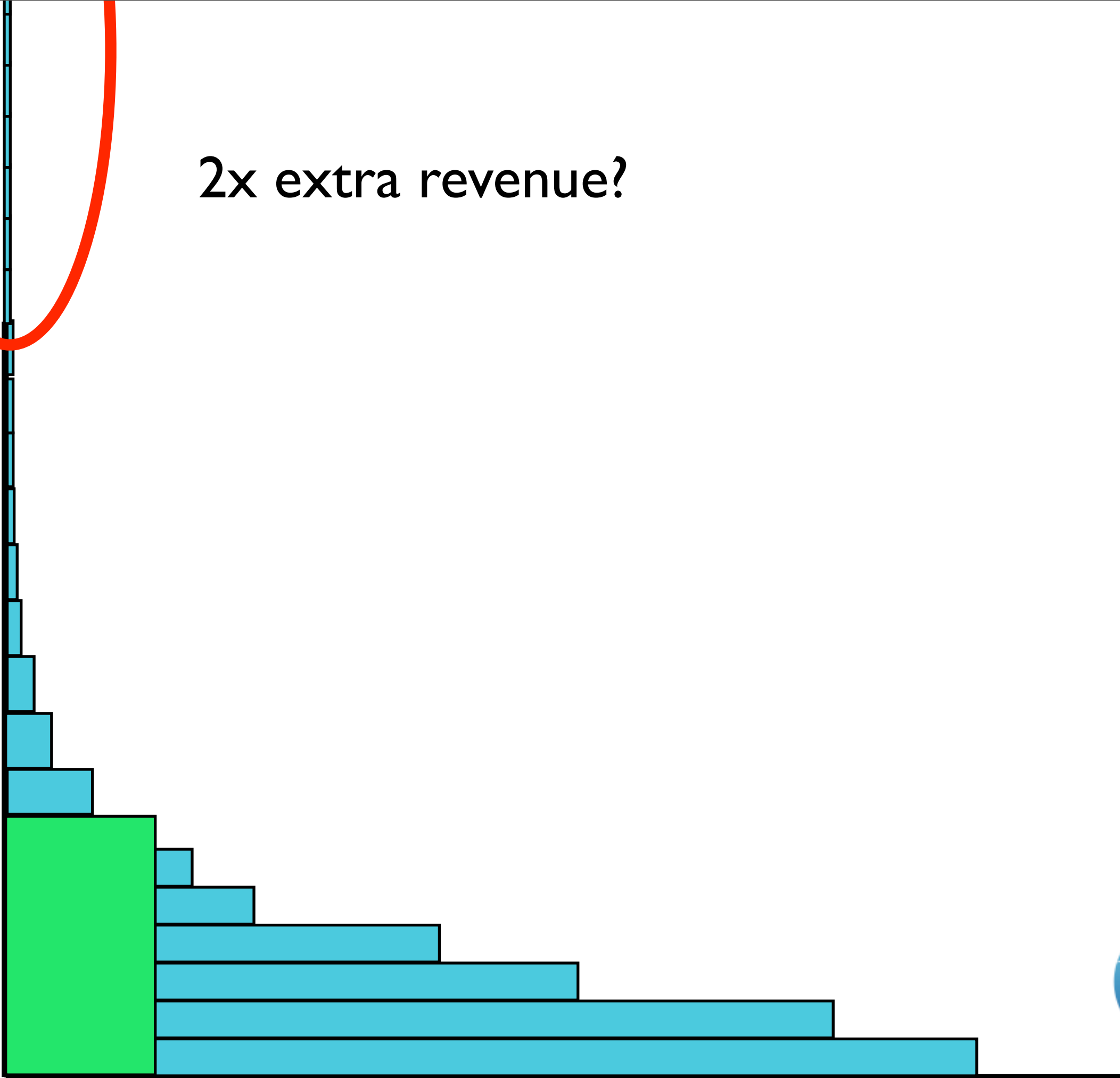
Price





2x extra revenue?

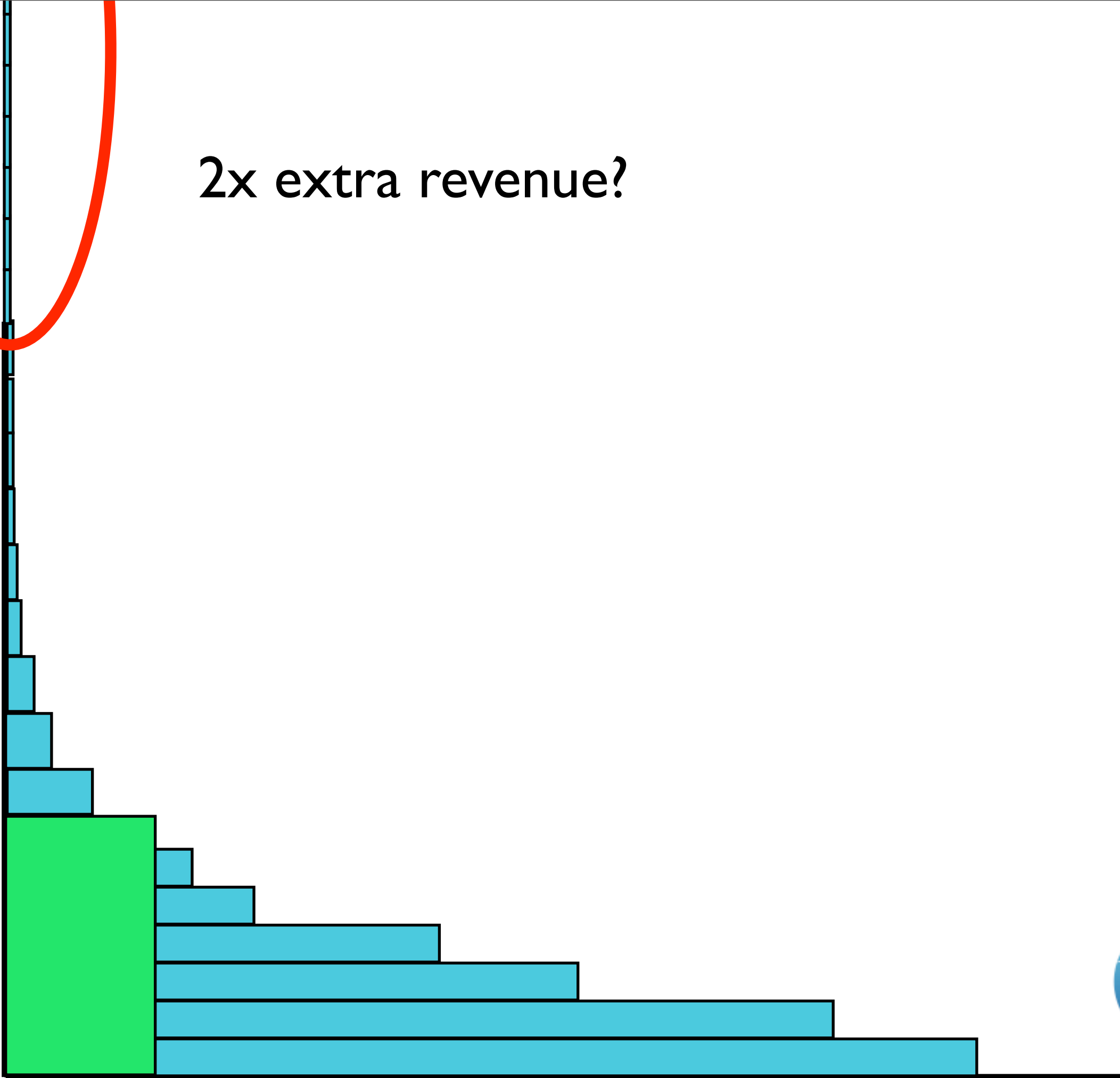
Price

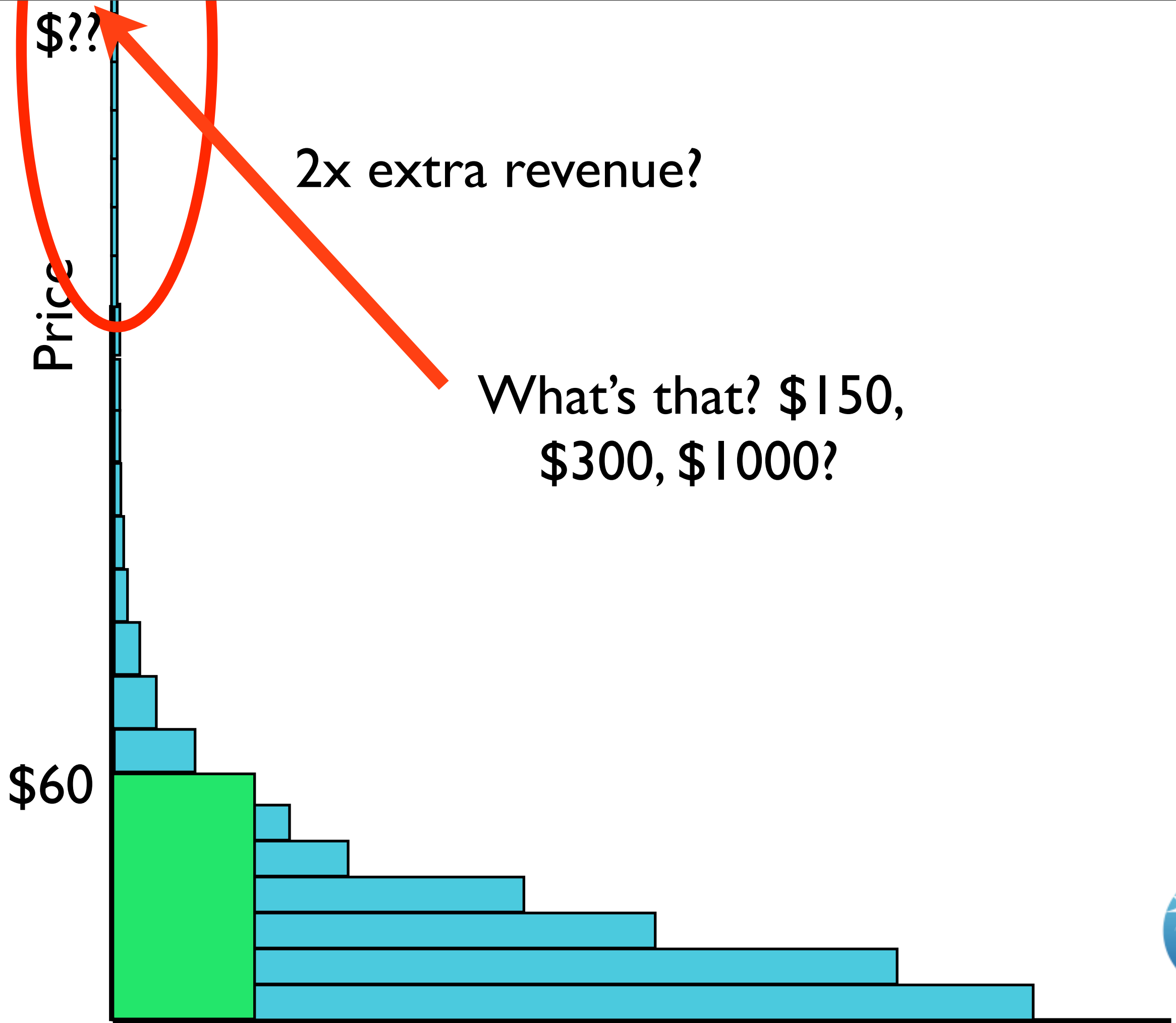


2x extra revenue?

Price

\$60





The Power of Free





As an artist you want as many people as possible to hear your work. Word of mouth is the only true marketing that matters.



Price

\$0

People interested



Price

\$0

People interested



Price

\$0

People interested



Free Players Are Very Important!



Free Players Are Very Important!

- Word of mouth



Free Players Are Very Important!

- Word of mouth
- Other people compare against them



Free Players Are Very Important!

- Word of mouth
- Other people compare against them
- Some % will convert to paid players



Price

\$0

People interested



Price

\$0

People interested



Fill in the blank



Fill in the blank

- 80-90% of profit comes from _____% of users

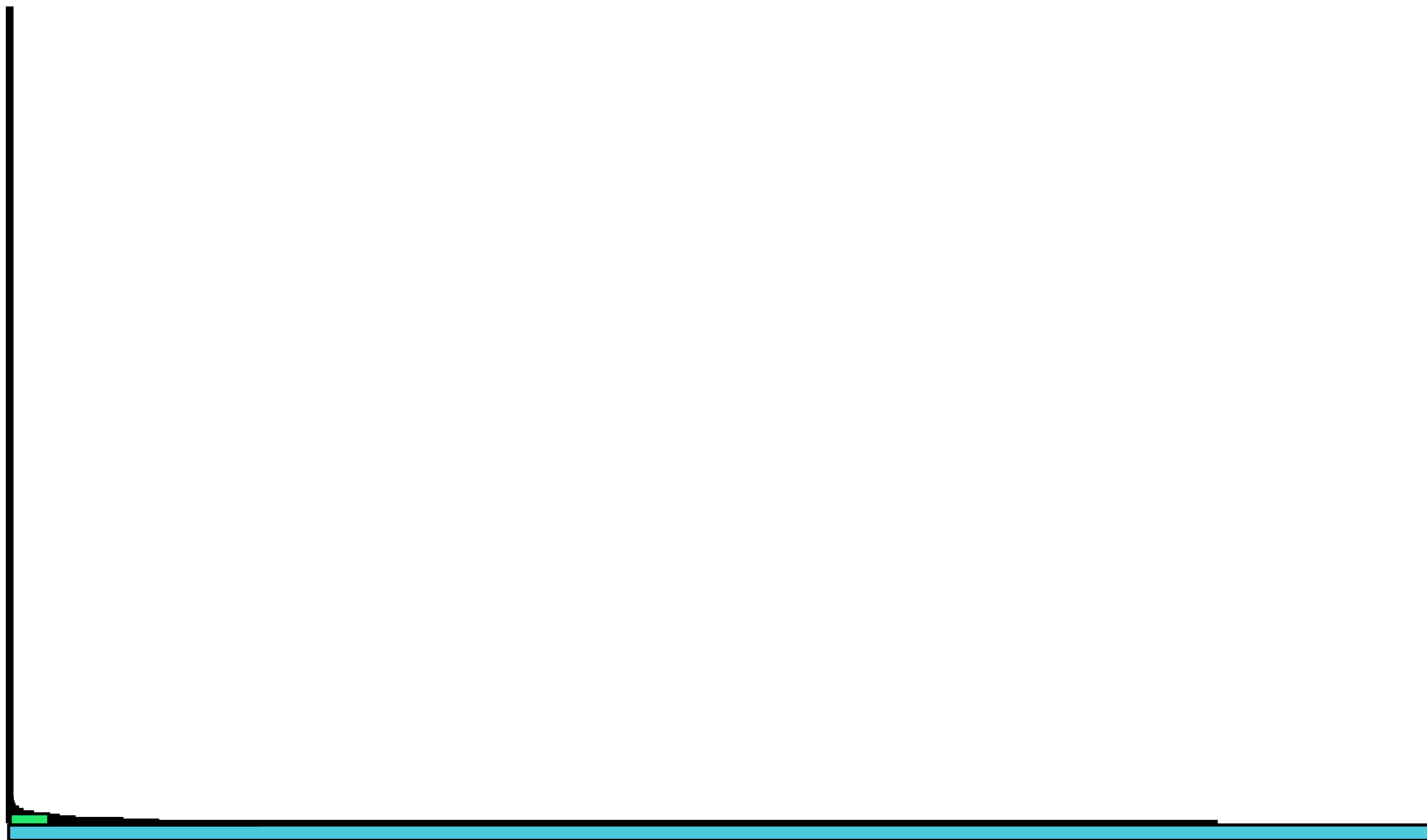


Fill in the blank

- 80-90% of profit comes from 0.5% of users



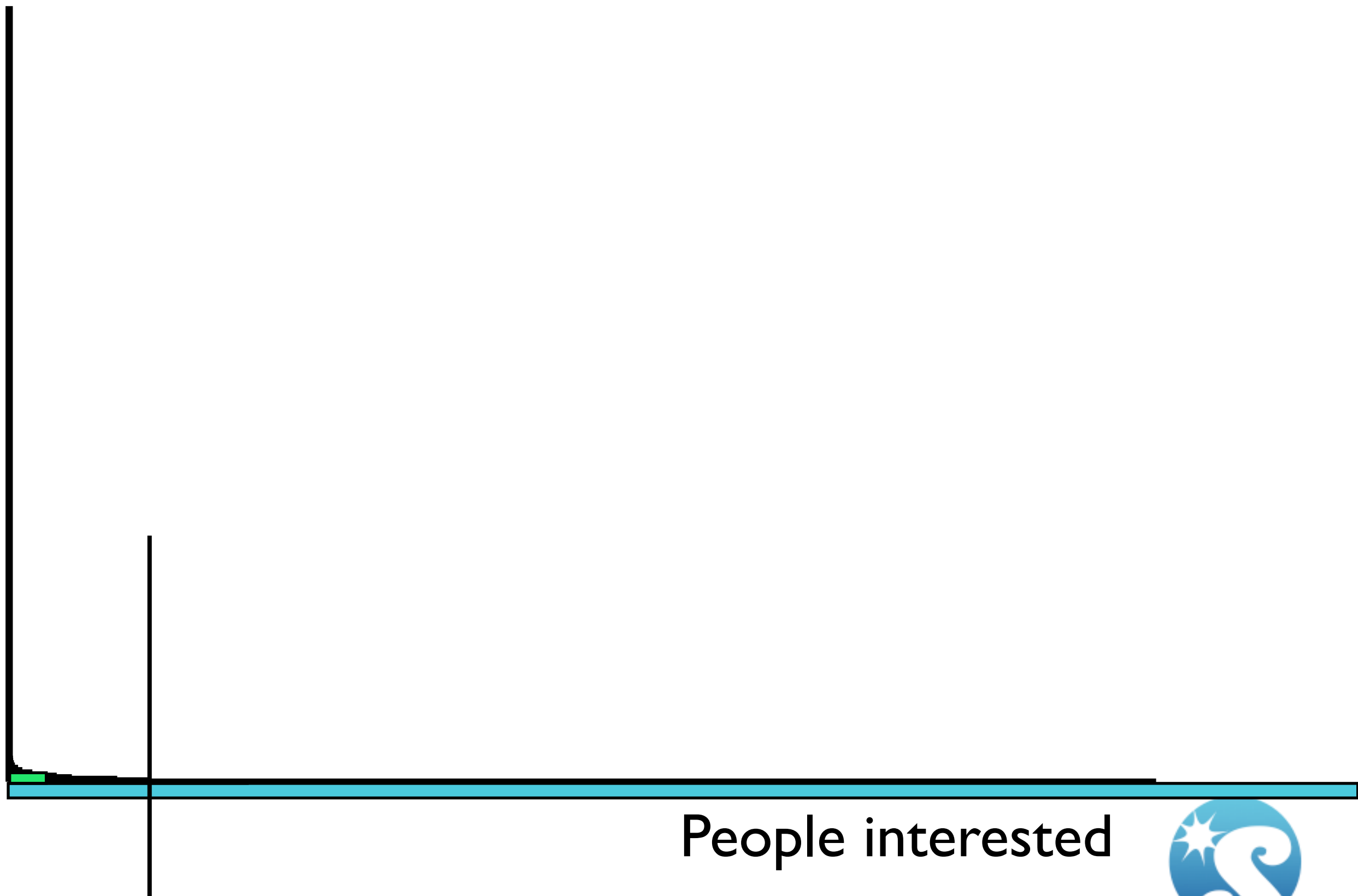
Price



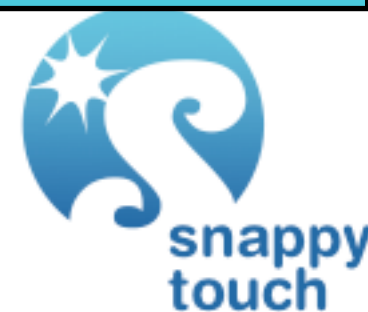
People interested



Price



People interested



Price

Magic number: 2%

People interested



Hard Data



Hard Data



1% of users responsible for 25-50% of
Zynga revenue

<http://www.businessinsider.com/zynga-whales-2011-7>





**6% of Skype users account for
almost all revenue**

<http://techcrunch.com/2010/08/09/skype-ipo/>







3.8% users purchase some IAP



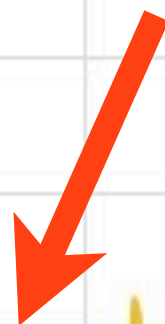


flower garden



Combined Products

Introduction of IAPs



Jul 2009

Oct 2009

Jan 2010

Apr 2010

Jul 2010

Oct 2010

Jan 2011

Apr 2011

Flower Garden



Flower Garden

- Some disclaimers:



Flower Garden

- Some disclaimers:
 - Counting only purchases (bundles count as 1)



Flower Garden

- Some disclaimers:
 - Counting only purchases (bundles count as 1)
 - Counting only UDIDs (not App Store accounts)

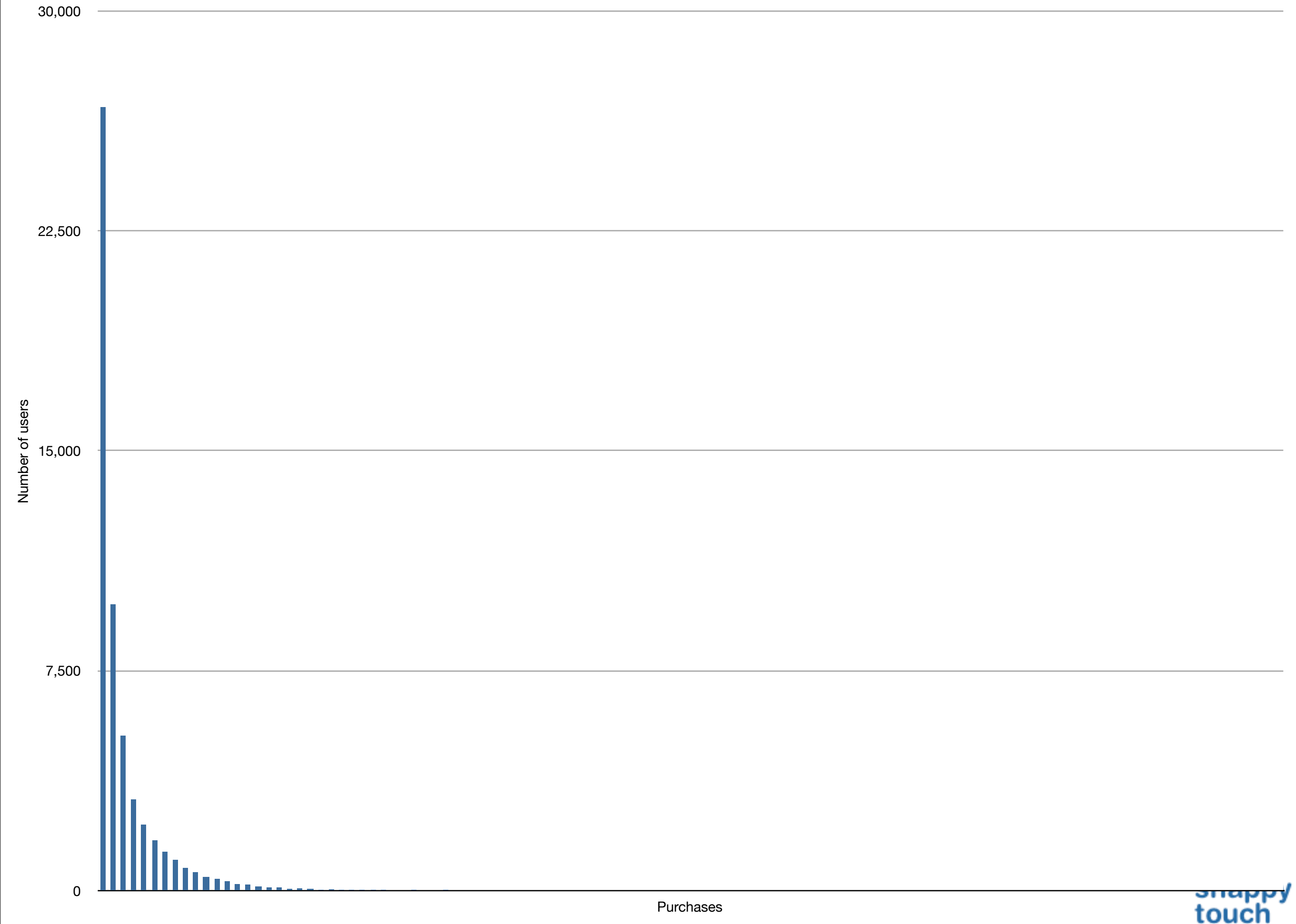


Flower Garden

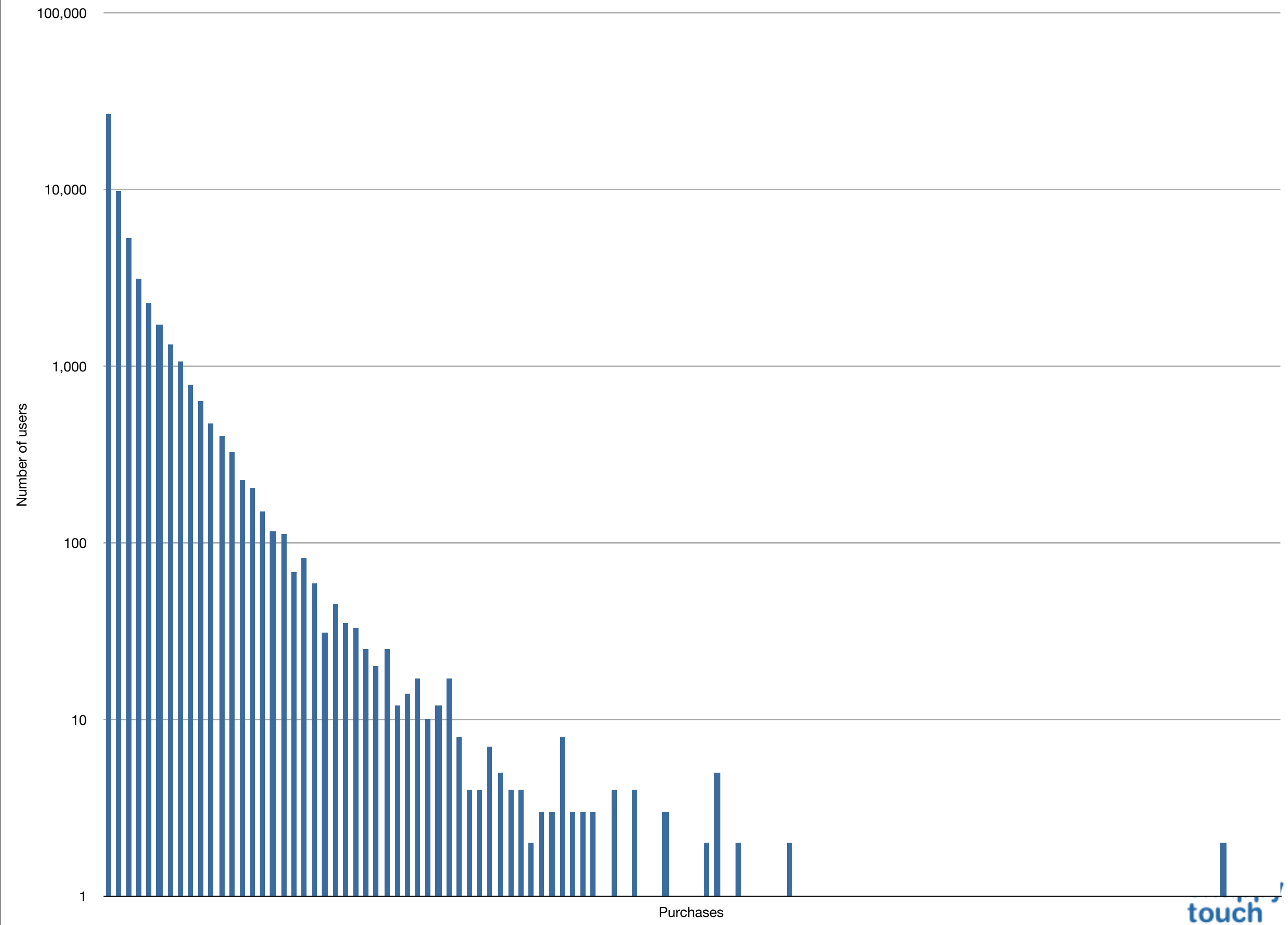
- Some disclaimers:
 - Counting only purchases (bundles count as 1)
 - Counting only UDIDs (not App Store accounts)
 - Counting only 6 months (starting from the time only a few IAPs were included)



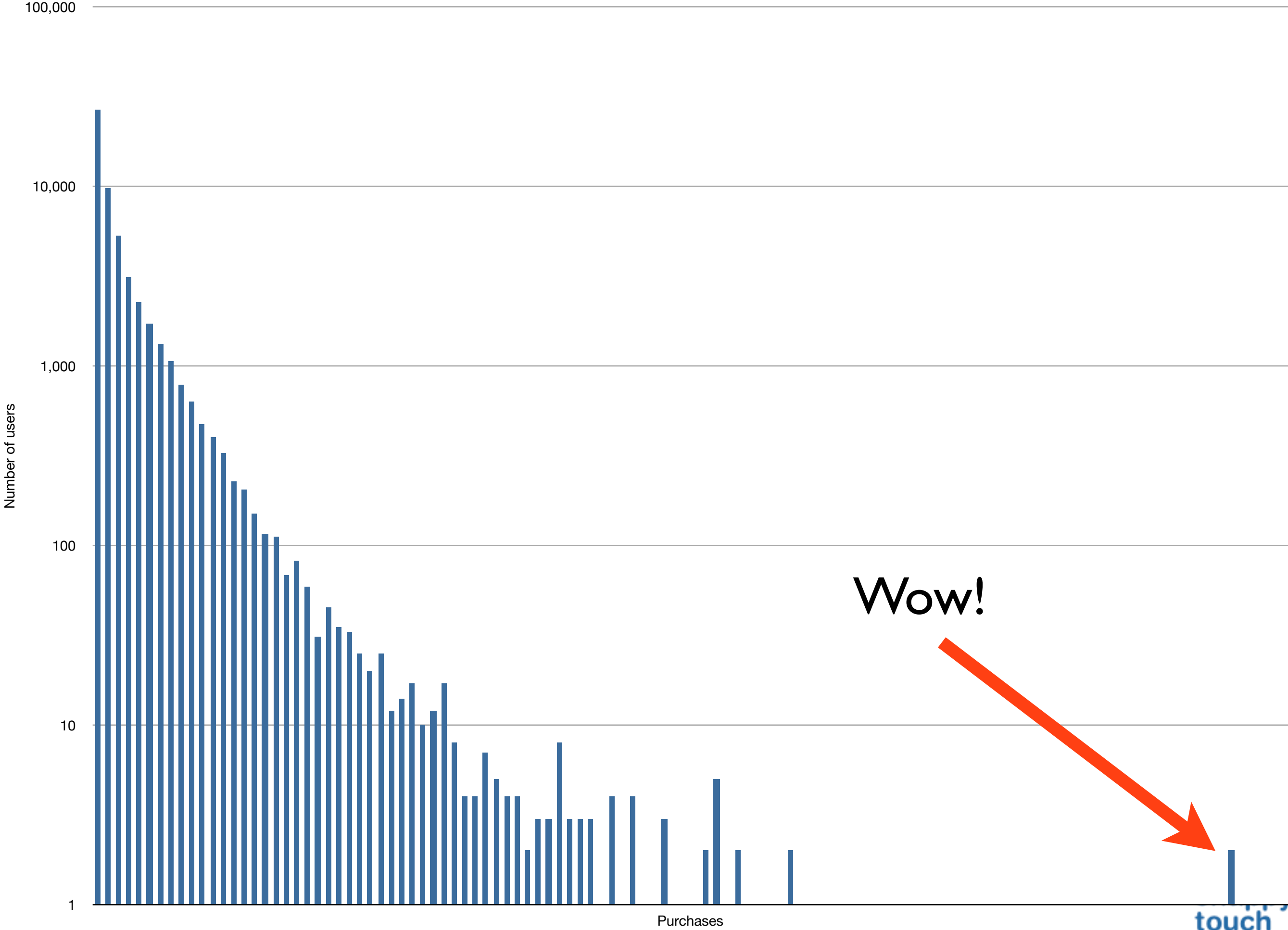
Users vs. number of purchases



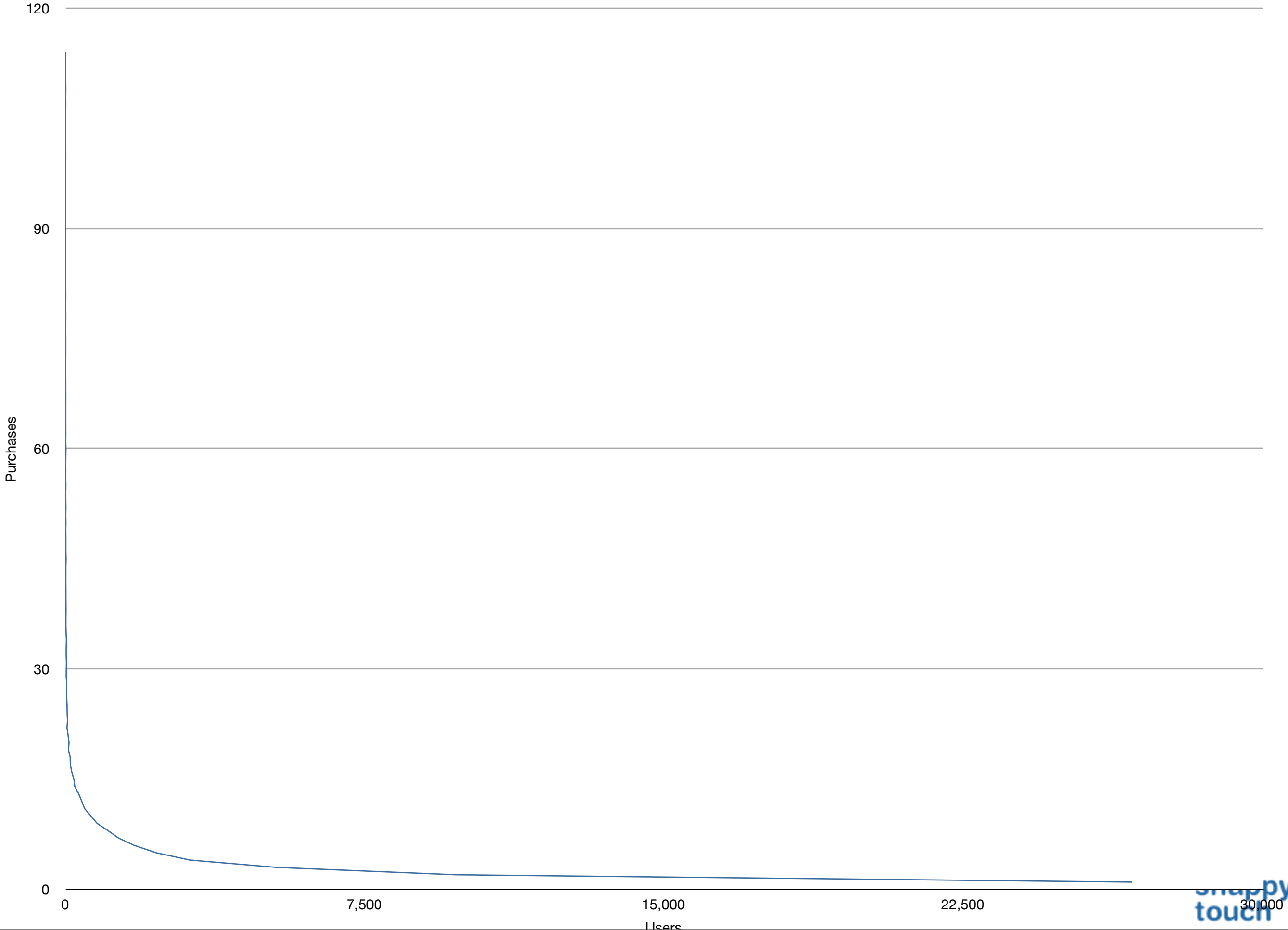
Users vs. number of purchases



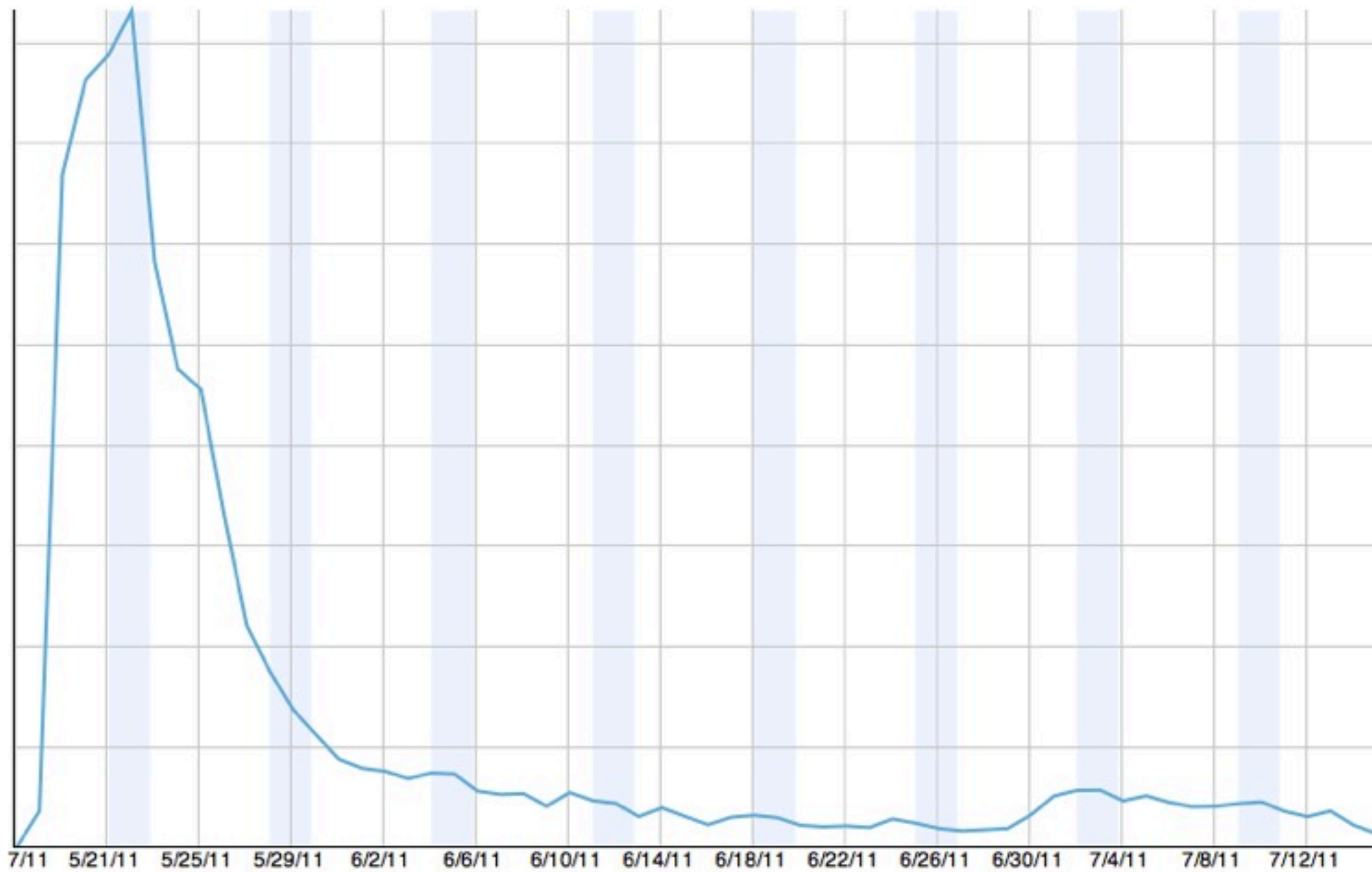
Users vs. number of purchases



Purchases vs. users







Drawbacks



Drawbacks

- Negative perception by some players.



Drawbacks

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- Mostly hardcore, and mostly because it's different than the model they grew up with.



Drawbacks

- Negative perception by some players.
- Mostly hardcore, and mostly because it's different than the model they grew up with.
- No different than subscriptions when they came out.



Drawbacks

- Negative perception by some players.
- Mostly hardcore, and mostly because it's different than the model they grew up with.
- No different than subscriptions when they came out.
- Lots of traditional game developers also feel threatened by this model.



Ethical Issues



Ethical Issues

- Some people think this kind of games are “evil”.



Ethical Issues

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- The way I see it, you’re giving a chance for players to get more of what they want.



Ethical Issues

- Some people think this kind of games are “evil”.
- The way I see it, you’re giving a chance for players to get more of what they want.
- Forced waits is common, but not evil. Other ways to make consumables.



Game Design



Game Design

- Not all games fit well into this model.



Game Design

- Not all games fit well into this model.
- A lot of freemium games feel the same.



Game Design

- Not all games fit well into this model.
- A lot of freemium games feel the same.
- Still in its infancy. Devs figuring it out.



Game Design

- Not all games fit well into this model.
- A lot of freemium games feel the same.
- Still in its infancy. Devs figuring it out.
- Harder with competitive games.



Game Design



Game Design

Your mission:



Game Design

Your mission:

Create a compelling freemium game that respects the player and provides an engaging experience.



Things Learned



Things Learned

- Extra game content isn't a very good seller.



Things Learned

- Extra game content isn't a very good seller.
- Things displayed in social setting very important (TF2).



Bundles



Top In App Purchases

1	GRO - BOTTLE	\$9.99
2	GRO - BOTTLE	\$4.99
3	GRO - CARTON	\$19.99
4	GRO - JUG	\$39.99
5	GRO - JUG	\$49.99
6	GRO - TUB	\$99.99
7	GRO - JAR	\$2.99

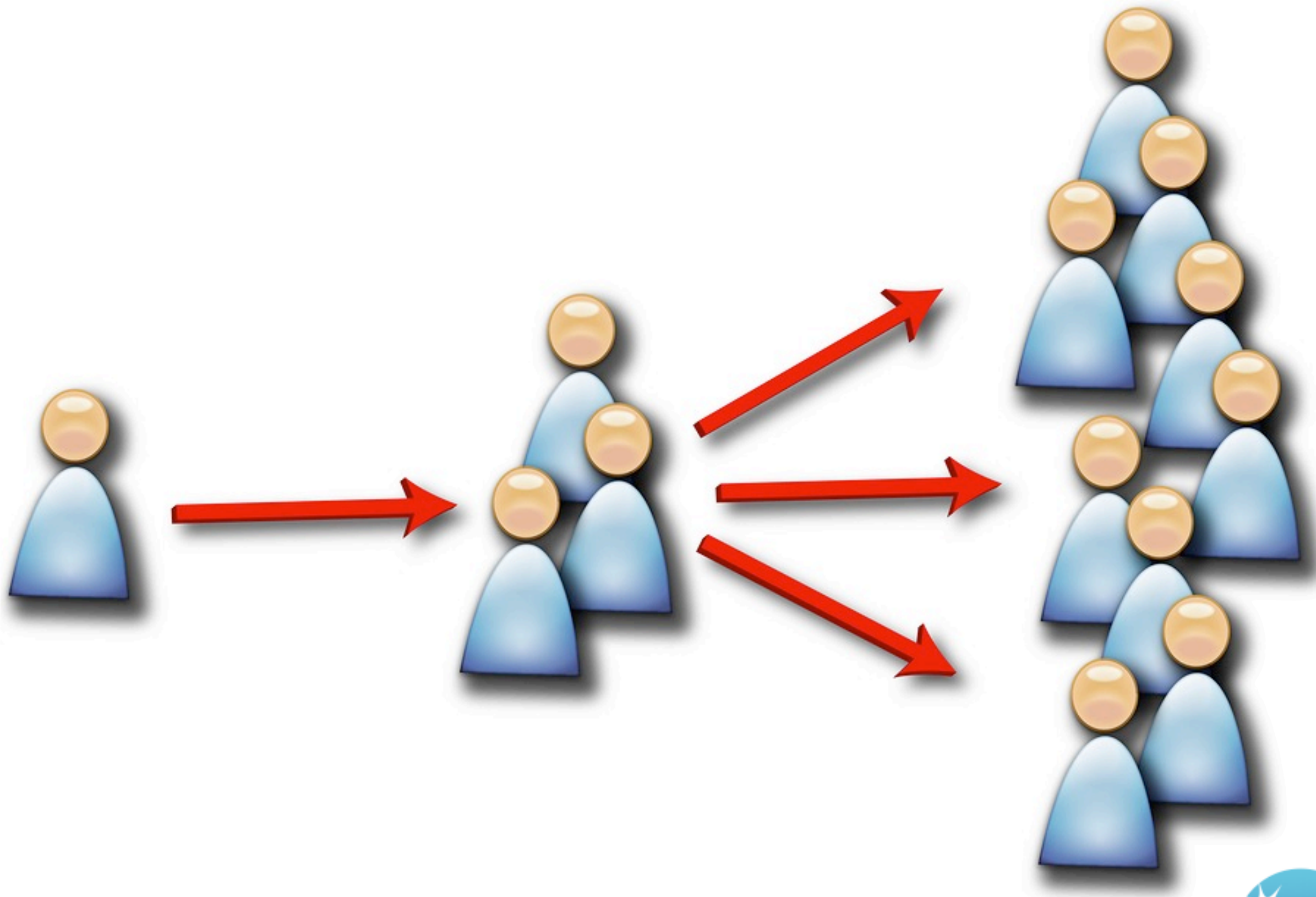




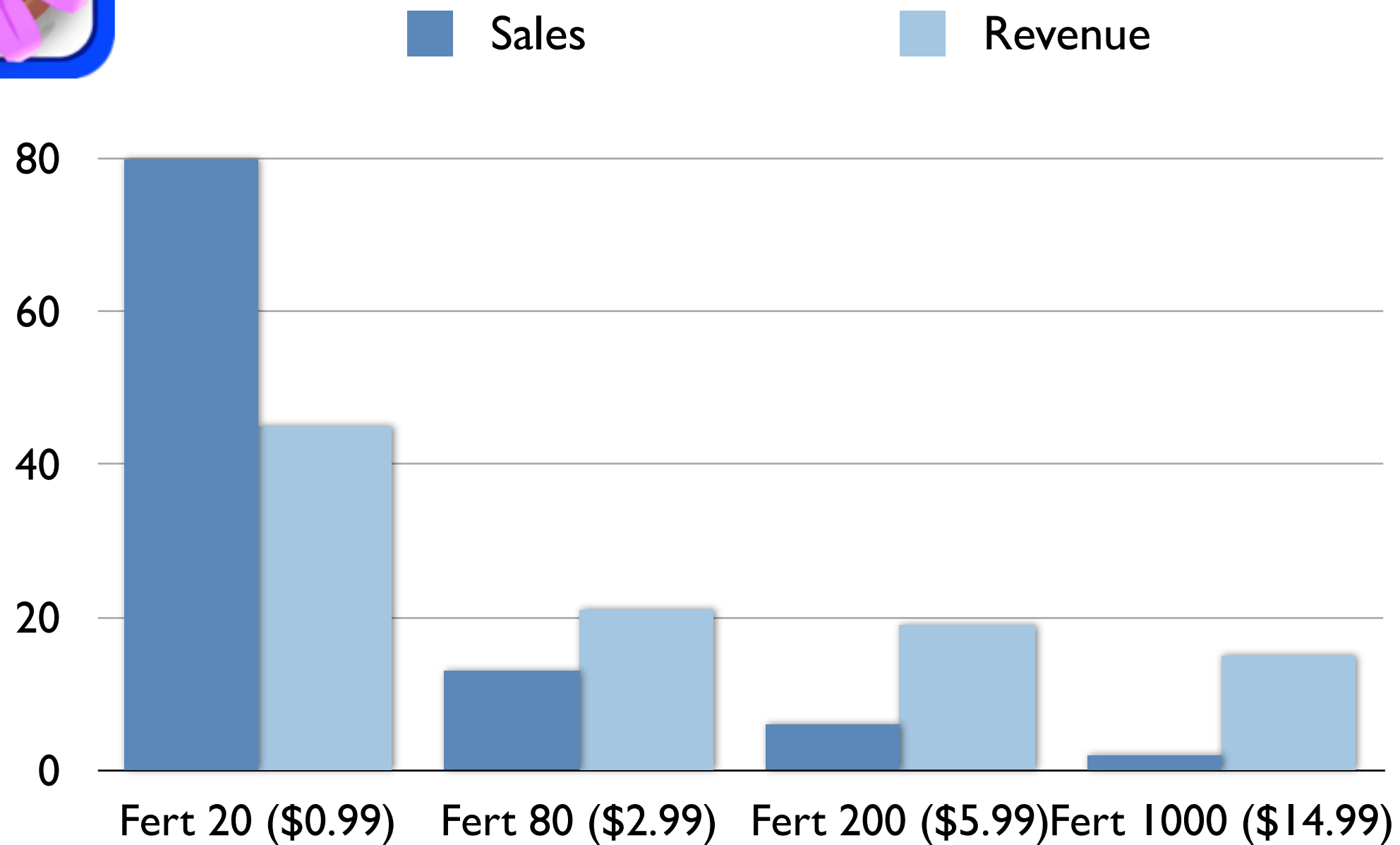




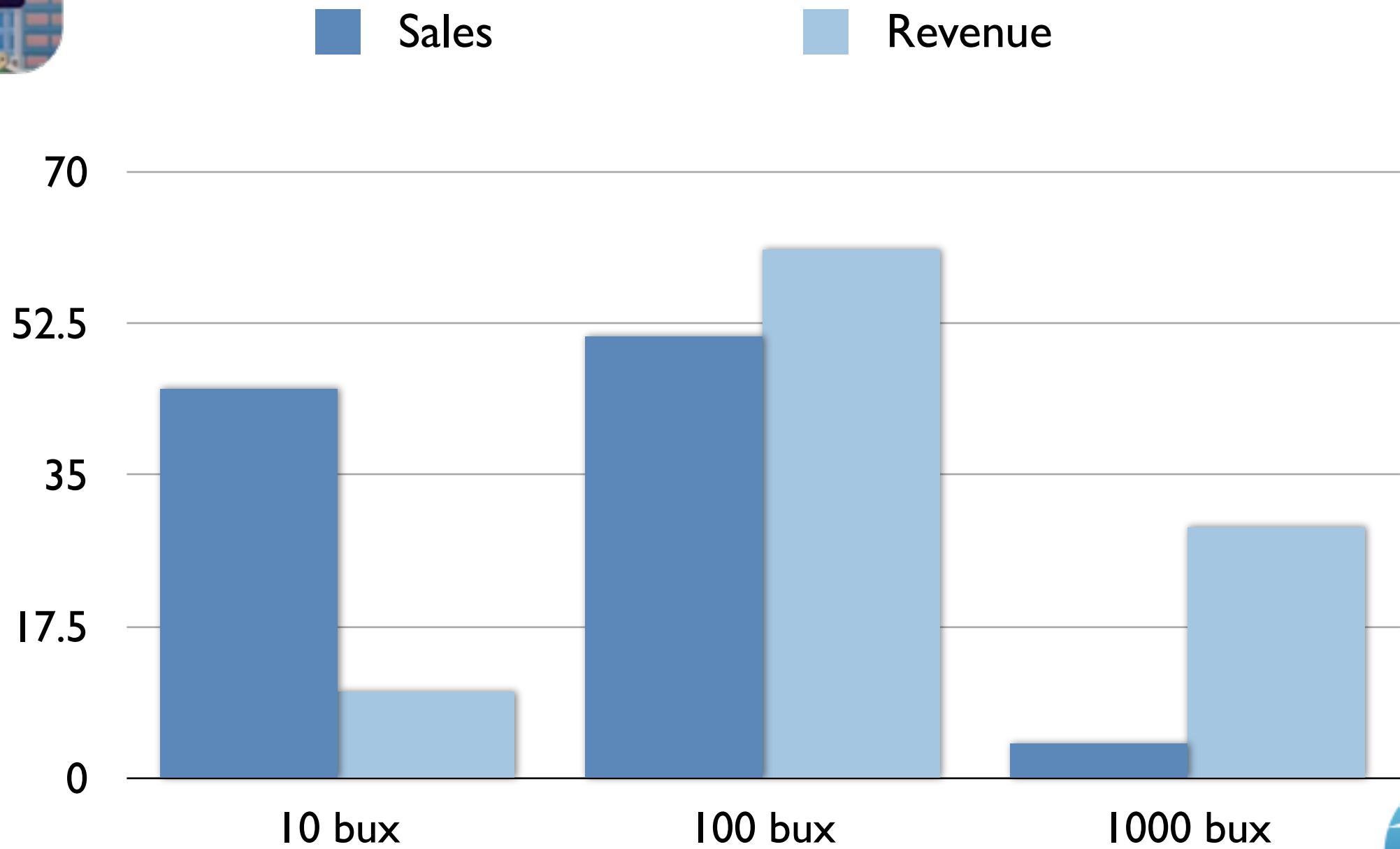




Flower Garden Bundles



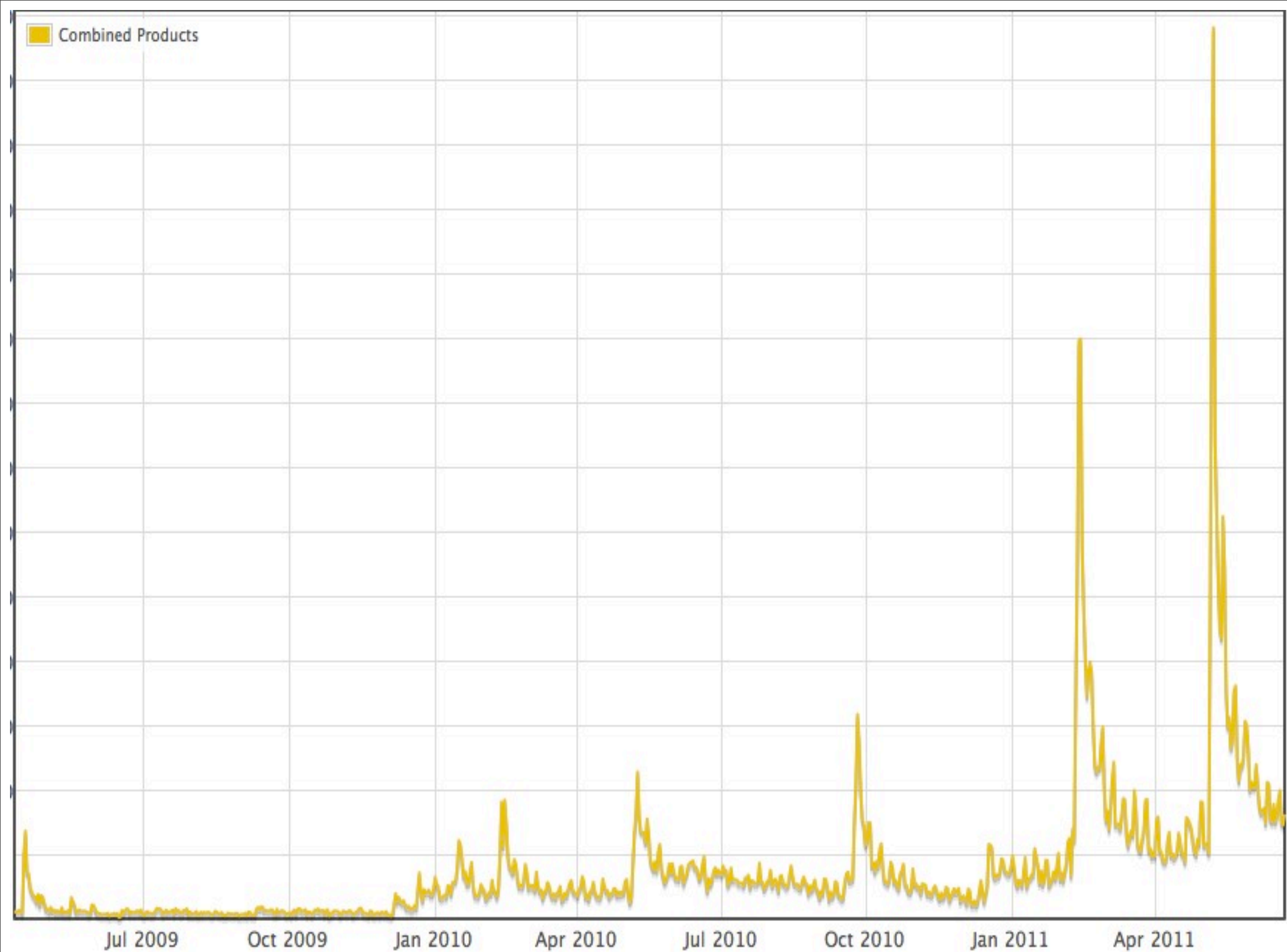
Tiny Tower Bundles



Give It All For Free

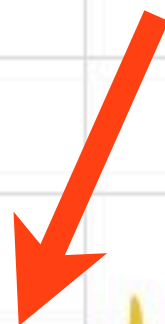


Combined Products



Combined Products

Introduction of IAPs



Jul 2009

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Combined Products

Introduction of in-game
currency to earn
credits

Introduction of IAPs

Jul 2009

Oct 2009

Jan 2010

Apr 2010

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Jan 2011

Apr 2011

Conclusion



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- Abandon fixed-price games.
- Hot in mobile and web games. Soon will expand to PC and consoles.
- Engage your players, delight them with your game, and let them spend as much money as they want.



Thanks!

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Questions?

