



Game Analysis

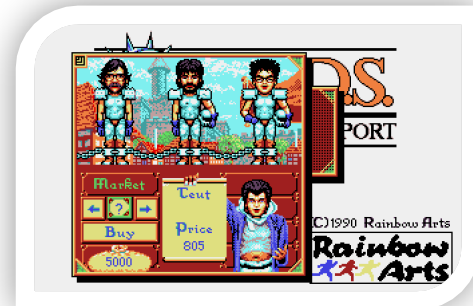
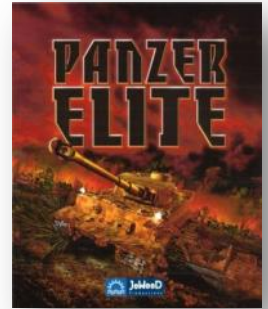
Teut Weidemann

Online Games & Monetization Consultant



Who am I?

- Working on Games since the 80's
- Over 100 titles on C64, Amiga, Atari ST, PC, Consoles, Online Game
- Jobs: Graphic Artist, Programmer, Designer, Development Director, CEO, CTO
- Consulting as Online Games & Monetization Expert
- Senior Online Games Supervisor @ Ubisoft Blue Byte
- Teaching “games” at various Universities
- Companies: Rainbow Arts, Softgold, Lucasfilm Games, Apple, Microsoft, Wings Simulations, Psygnosis, Jowood, CDV, Ubisoft





Consulting Online Games



TheSettlersOnline.com



SilentHunterOnline.com



Anno-online.com



Heroes-Online.com

- All free-to-play MMOs
- Running in all internet browsers
- Technology: 



Further Involvement

- ❏ PvP monetization & pricing (AC4)
- ❏ Post launch monetization strategy (Anno 2070)
- ❏ Online Mechanics & Monetization Supervision (Panzer General Online)
- ❏ Monetization optimization MQEL
- ❏ F2P Education & Training for Ubisoft world wide



How I dissect

Metrics

Playing

Paying



Metrics

I use public tracking tools

- Comscore
- Alexa
- TrafficEstimate.com

I research Riot's/other owners' PR

- PR releases
- Conference talks
- Company's/Owners' financial statements

GAMER'S MIND

I play without paying

- from the start with a new account
- I reset my brain, try to forget what I know
- I experience progress and game behavior
- I interview core players (Thanks Sephi!)

ANALYTIC DESIGNER'S MIND

- I find friction points
- I measure progress & speed changes
- I analyze items & monetization opportunities

Paying

I start paying \$10

- It is the popular entry point
- I maximize my spending rewards
- I only buy the most useful items

I research changes

- How does the game change now?
- How do progression & feel change?
- How does it feel to run out of currency?
- How well is the 2nd payment supported?



Nutshell

METRICS

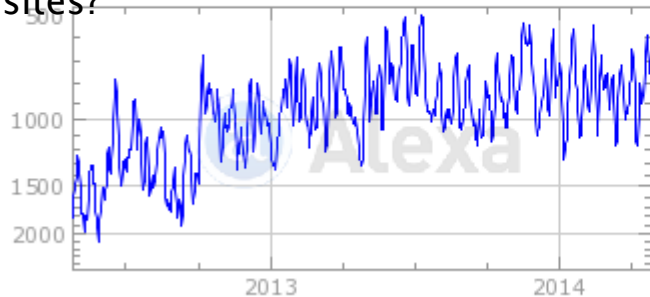


Alexa/ComScore*



Alexa Traffic Ranks

How is the site ranked relative to other sites?



Global Rank

809 ▼ 46

Rank in the US

830



Media	Jan-2014
World of Tanks worldwide	15.821
League of Legends worldwide	15.175
World of Warplanes	4.293
Planetside 2	1.077
Battlefield Heroes	830
Heroes of Newerth	773

Bounce Rate

Daily Time on Site

50.60% ▲ 3.00%

Daily Pageview per Visitor

3.22 ▼ 7.20%

3:45 ▼ 8.00%

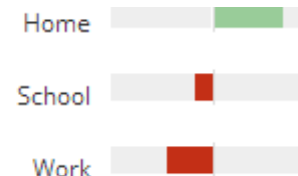
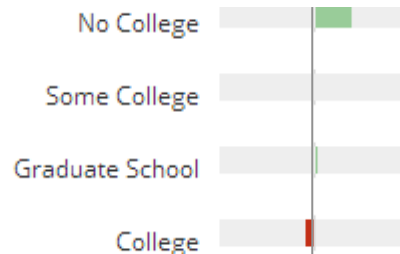
Audience Demographics

How similar is this site's audience to the general internet population?

Gender

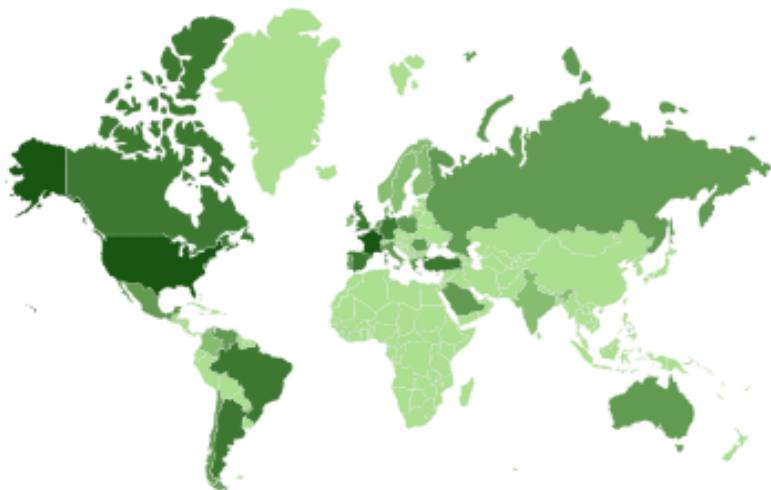


Education








Audience Geography LoL Site

Visitors by Country



Country in Country

Country	Visitors	Rank
 United States	20.2%	830
 France	8.9%	322
 Canada	6.5%	271
 Germany	5.5%	759
 Turkey	5.0%	313

[More](#)

Percentage of Visitors from a Search Engine



Search Visits

20.70% ▲ 5.00%

Top Keywords from a Search Engine

Keyword Traffic

Keyword	Search Traffic
1. league of legends	23.76%
2. league of legends	17.90%
3. league of legend	2.53%
4. league of legends download	1.01%
5. lolking	0.91%

 [Upgrade to View](#)

Where do visitors go on leagueoflegends.com?

subdomain	percent of visitors
na.leagueoflegends.com	41.36%
euw.leagueoflegends.com	34.29%
signup.leagueoflegends.com	11.86%
eune.leagueoflegends.com	8.83%
lan.leagueoflegends.com	6.22%
tr.leagueoflegends.com	4.75%
las.leagueoflegends.com	4.06%
br.leagueoflegends.com	3.22%
account.leagueoflegends.com	2.99%
support.leagueoflegends.com	2.91%
oce.leagueoflegends.com	2.21%
ru.leagueoflegends.com	1.91%
pbe.leagueoflegends.com	0.60%
ddragon.leagueoflegends.com	0.52%
eu.leagueoflegends.com	0.24%



Latin America North

ESPAÑOL



Latin America South

ESPAÑOL



Turkey

TÜRKÇE



Russia

РУССКИЙ



Oceania

ENGLISH



Republic of Korea

한국어



North America

ENGLISH



Brazil

PORTUGUÊS



EU West

ENGLISH

DEUTSCH

ESPAÑOL

FRANÇAIS

ITALIANO



EU Nordic & East

ENGLISH

POLSKI

ΕΛΛΗΝΙΚΑ

ROMÂNĂ

ČEŠTINA

MAGYAR



PLAYERBASE

GRAND THEFT AUTO
MAINLINE SERIES LIFETIME SALES

85 MILLION

CALL OF DUTY MODERN WARFARE
TRILOGY LIFETIME SALES

65 MILLION

XBOX LIVE
MONTHLY SUBSCRIBERS

40 MILLION

LEAGUE OF LEGENDS
MONTHLY ACTIVE PLAYERS

~~32 MILLION~~

67 Million*

WORLD OF WARCRAFT
PEAK SUBSCRIBERS

12+ MILLION

*Riot PR 12/2013



DAILY ACTIVE PLAYERS

LEAGUE OF LEGENDS

~~12 MILLION~~ 27 Million

AVERAGE DAILY VISITORS
FOR INSTAGRAM

7.5 MILLION

CALL OF DUTY:
MODERN WARFARE 3

at peak

3.3 MILLION

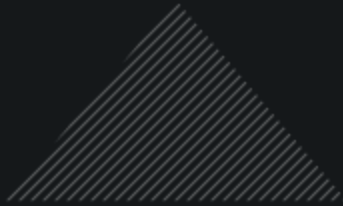


PEAK CONCURRENT PLAYERS



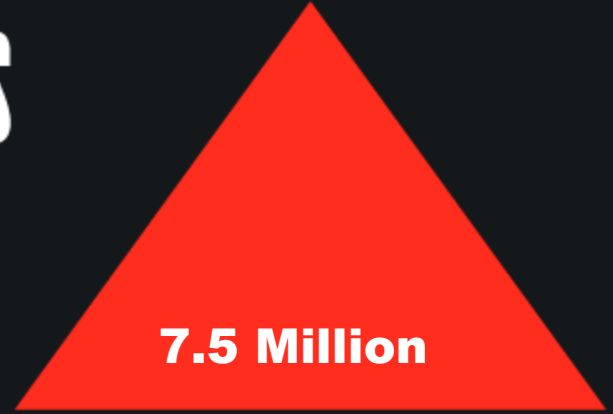
650,000

TOP 100 GAMES
ON STEAM
on Friday 10/5/12



1.4 MILLION

CALL OF DUTY MODERN
WARFARE 3 ON XBOX LIVE



7.5 Million

~~3 MILLION~~

LEAGUE OF LEGENDS

*AVERAGE NUMBER OF PLAYERS ONLINE
SIMULTANEOUSLY ON A TYPICAL DAY, MONTH OF JULY*



WHO PLAYS



OVER 90% of players
are male



85% of players are
between 16 and 30



60% are enrolled in or have
completed some college



BY HOURS PLAYED PER MONTH, LEAGUE OF LEGENDS IS

THE MOST PLAYED VIDEO GAME **IN THE WORLD.**

Sources

Activision // joystiq.com // forbes.com // vgchartz.com
prnewswire.com // statista.com // steamgraph.net // youtube.com
facebook.com // wsj.com // Riot Games



LEAGUE of LEGENDS

WORLD CHAMPIONSHIP

Season Two Regional Finals and Championship Locations

07/26
SHANGHAI, MAINLAND CHINA
at China Joy

09/21
SEOUL, SOUTH KOREA
at OGN esports Stadium

09/XX
SINGAPORE
at Gardens Carnival

09/22
TAIPEI, TAIWAN
at G

08/31
SEATTLE, WA
at PAX Prime

08/16
COLOGNE, GERMANY
at Gamescom

10/13 2012
SEASON TWO CHAMPIONSHIP
Los Angeles, CA

TOTAL UNIQUE VIEWERS VIA LIVE-STREAM

SEASON ONE CHAMPIONSHIP, 6/20/11:	1,690,000
ITEM GAMESCOM, 8/16/11:	1,602,000
ITEM KIEV, 1/19/12:	2,284,500
ITEM WORLD FINALS HANNOVER, 3/6/12:	2,200,000
IPL LAS VEGAS, 4/6/12:	2,164,000
Avg MLB Game Broadcast:	1,449,000*

*2011 Season Via ESPN

\$5 MILLION

SEASON TWO PRIZE POOL

\$3 MILLION CHAMPIONSHIP PRIZE POOL

Regional Finals and World Championship

FOR DETAILS AND UPDATES, VISIT

WWW.LEAGUEOFLEGENDS.COM

World Finals 2013: Watched by 32 million people

Tencent, owner of Riot Games: world's largest game company



AVERAGE REVENUE PER USER FOR MAJOR FREE-TO-PLAY MMO TITLES—WORLDWIDE

Rank	Title	Publisher	Average revenue per user
1	World of Tanks	Wargaming.net	\$4.51
2	Team Fortress 2	Valve Corporation	\$4.36
3	Guild Wars 2	ArenaNet	\$3.88
...			
8	DOTA 2	Valve Corporation	\$1.54
9	Heroes of Newerth	S2 Games	\$1.48
10	League of Legends	Riot Games	\$1.32

TOP 10 ONLINE GAMES, BASED ON FREE-TO-PLAY EARNINGS—WORLDWIDE

Rank	Title	Publisher	2013 Revenues (mil \$)
1	CrossFire	Tencent/SmileGate	\$957
2	League of Legends	Tencent/Riot Games	\$624
3	Dungeon Fighter Online	Nexon	\$426
4	World of Tanks	Wargaming.net	\$372
5	Maplestory	Nexon	\$326
6	Lineage I	NCSOFT	\$257
7	World of Warcraft	Activision/Blizzard	\$213
8	Star Wars: The Old Republic	Electronic Arts	\$139
9	Team Fortress 2	Valve	\$139
10	Counter-Strike Online	Valve/Nexon	\$121

Notes: Top 10 online PC titles based on estimated worldwide, free-to-play earnings for 2013. *World of Warcraft* (Activision/Blizzard) and *Star Wars: The Old Republic* (Electronic Arts) are primarily subscription-based titles, but also generate revenue through the sale of micro-transactions. All revenues based on data collected by SuperData Research, Inc. **Copyright © 2014 SuperData Research.**

Source: SuperData Research

Low ARPU \$1.32

So one of those is too low:

- Conversion?
- ARPPU?

Or both?

**User acquisition
with ARPU that low
is hard.**



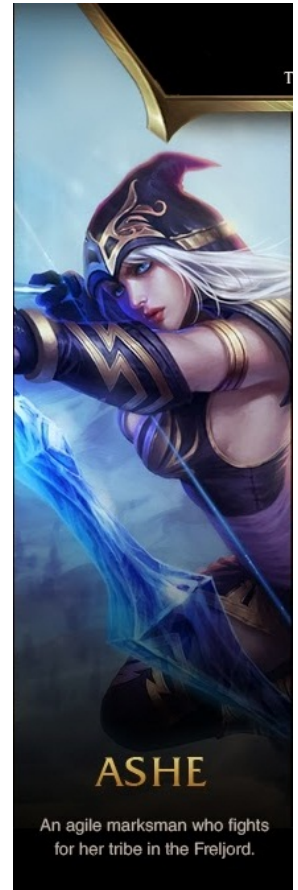


LEAGUE OF LEGENDS:

LoL (1)

- Developed & published by Riot 10/2009
- Acquired by Tencent (02/2011 for 230m) who already owned 22.34% in 2008
- MOBA (Multiplayer Online Battle Arena) GAME
- Team vs. Team Arena-PvP
- Came from a WC3 mod “Dota”

What a steal!



LoL (2)

- In eSports since 2010
- \$2m prize money in Season 2
- Most popular online game
- But: hard to learn, even harder to master



OVER 90% of players
are male



85% of players are
between 16 and 30

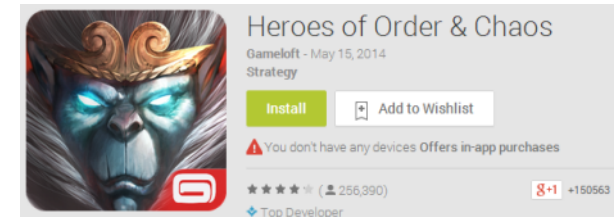


60% are enrolled in or have
completed some college

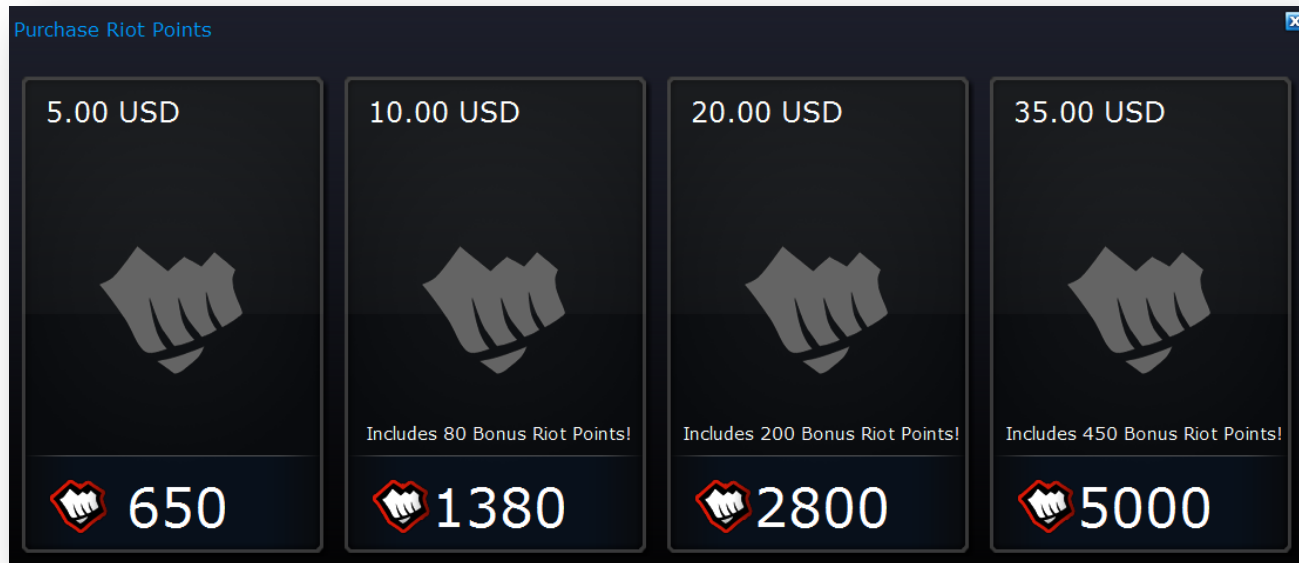
Some LoL Competitors



DOTA 2™



SOLSTICE™
ARENA

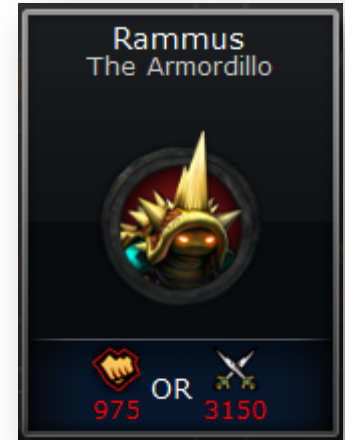


Monetization of

LEAGUE OF LEGENDS

Dual Currency

- Influence Points (IP) = Soft currency
- Riot Points (RP) = Hard currency
- IP/RP earned through matches
- Rewards for both winners and losers
- Most items sold with both IP and RP
- Selling: Champions, Runes, Rune Pages, Skins, Boosts, Name or Server change
- ~~Some RP given free by progress~~
- Riot reduced free RP since launch



Champions



- New Champions every couple of months
- All purchasable for either IP or RP
- Every week ten playable for free
- Due to counter-strategies
access to a minimum set of champions important

Champion Rotation

- Free champions > preview of purchases
- Older champions devalued by price drops
- New champions damaged by



Lucian

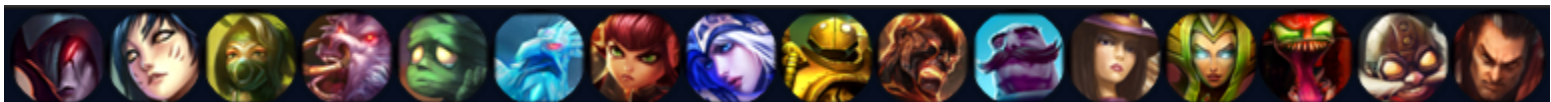
“We have no change for Lucian this patch but wanted to highlight that he's currently high on our list. Specifically in competitive play, Lucian is crowding out almost all other marksman choices (aside from maybe Kog'Maw) due to his high general strengths and lack of meaningful weaknesses (does this sound familiar?). We're currently very aware of Lucian's dominating performance but want to make sure we get the right changes in to give him said weaknesses!”

General

VERY STRONG : ~~Yes~~ ⇒ Still yes

Lifetime Problem

- 119+ champions to learn for beginners
- First champions hard to pick
- New champions overpowered
 - get nerfed after a few weeks, all the time
 - reduced by price quickly (weeks)
- Mastery is complex
 - Attractive to under 25-year-old males



Beginning Player Problem


60% Lol sessions PvE?* Why?

And this:



A screenshot of a League of Legends chat window with a black background and white text. The messages are as follows:

- Adanaaaa: i nekepe ics player r
- NiP nuke joined the room.
- NiP nuke: lhope
- NiP nuke: you
- Mamboox joined the room.
- Grand Marshal joined the room.
- Prince Discharge: BRONZE V
- Prince Discharge: omg
- NiP nuke: get cancer and die fucking trash jews, i will gass your famailies
- EPIK TROGLODYTAM joined the room.
- Xiaolaro: i think



A screenshot of a League of Legends chat window with a dark blue background and white text. The messages are as follows:

- infested999: saying noobs art the end of teh game is a bannable offence
- Skelrch: LOL
- Skelrch: HAHAAHHA
- infested999: its a new rule
- Skelrch: YEA ***** RIGHT IT IS
- Kojiro Kaji: REPORT ME NOWWI!
- Skelrch: UR ***** FUNNY
- Kojiro Kaji: SUCKERS
- Skelrch: HAHAAHAAHAAH
- Skelrch: ***** NOOB
- Skelrch: LOL
- Skelrch: WHATRE U GONNA DO ABOUT IT
- Kojiro Kaji: SUCKERS
- Skelrch: report me? go right ***** ahead
- Skelrch: we won no one gives a ****
- Skelrch: stop whining and grow up
- Kojiro Kaji: SURRENDER NOOBS

Update: Riot has closed public chat channels!

*Source: Riot

Skins



Customizing favorite champions

RP only!

Complete remodel & animations = high level customization

But no in-game preview of skins



Sort of camouflage against newer players

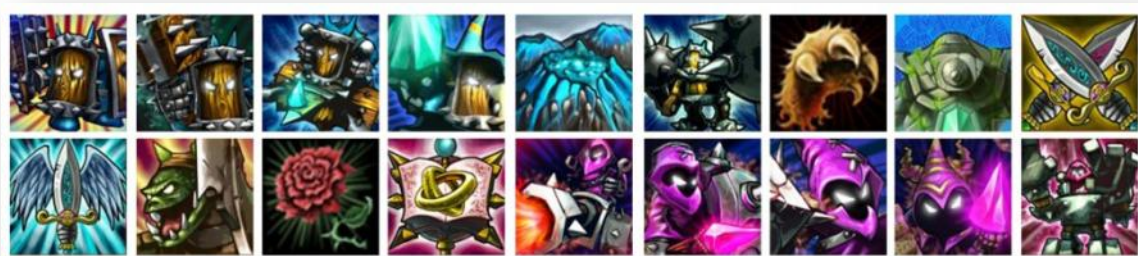
Runes

- 30 x 2 runes buyable with IP (expensive).
- Pages buyable with IP and RP
- Real advantage depending on selection
- Selection of page by Champions
- Player seduced to use RP for IP–boosts to buy more champions or Runes



Summoner

- The more gameplay, the more levels for the summoner
- Higher levels:
 - access to upgrades
 - more varied and more powerful spells
 - More mastery points unlocked
- All this part of retention.



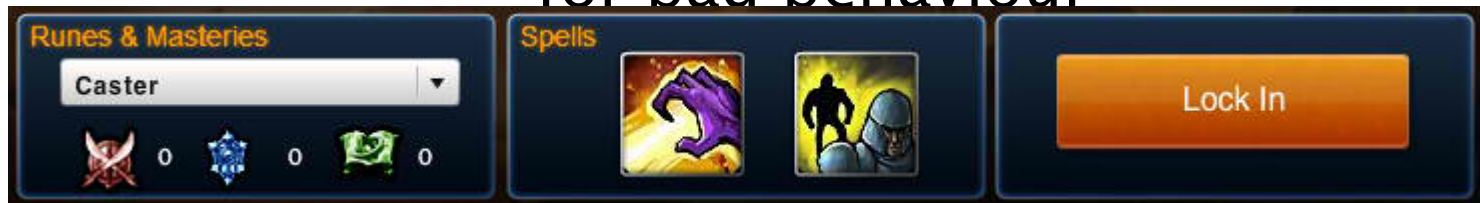
Engagement

- Not “pay to win”: purchases just cosmetic, only boosts to reach the highest level
- Constant challenge of PvP
- Wish to have as many Champions as possible
- Enjoyable teamplay
- Complexity in favor of retention



Social

- Multiplayer
- Friends referral system
- Lobby chat room before match to elaborate strategies
- Matchmaking based on player rank:
<http://leagueoflegends.wikia.com/wiki/Matchmaking>
- Forums
- Events / competitions / eSports
- Tribunal system : reporting other players
for bad behaviour





ARPPU or Conversion problem? Or both?

REVISITING KPIs

KPIs 2013

2013 data used for matching calculation

- 70 million registrations since 10/2009
- 32 million MAU end of year
- 12 million DAU end of the year
- 3 million PCU
- \$1.32 ARPU
- \$624 million revenue

Basic KPI Calculation (1)

32m MAU x \$1.32 ARPU ~ 42,24m monthly revenue

Assuming \$35 ARPPU

Industry average of games that monetize well

42,24m / \$35 = 1.2m payers
→ conversion rate: 3.75%

Basic KPI Calculation (2)

Conversion Rate for Client based games usually 15–25%

My inside sources confirm <5%

which leads to \$32,5 ARPPU or \$1,63 ARPU

League of Legends
has a conversion rate
problem

Conclusions (1)

- 5% conversion is not good enough
- LoL gives away too much for free
- Why don't they sell:
 - exclusive premium champions
 - tournament systems like Dota2

Conclusions (2)

- LoL only works due to its huge reach:
>67m monthly players
- If you don't have the reach
do not adapt their monetization
system
- But learn why it works,
their weaknesses, their strengths

Q & A?

Twitter: @Teut
Teut.blogspot.com

