



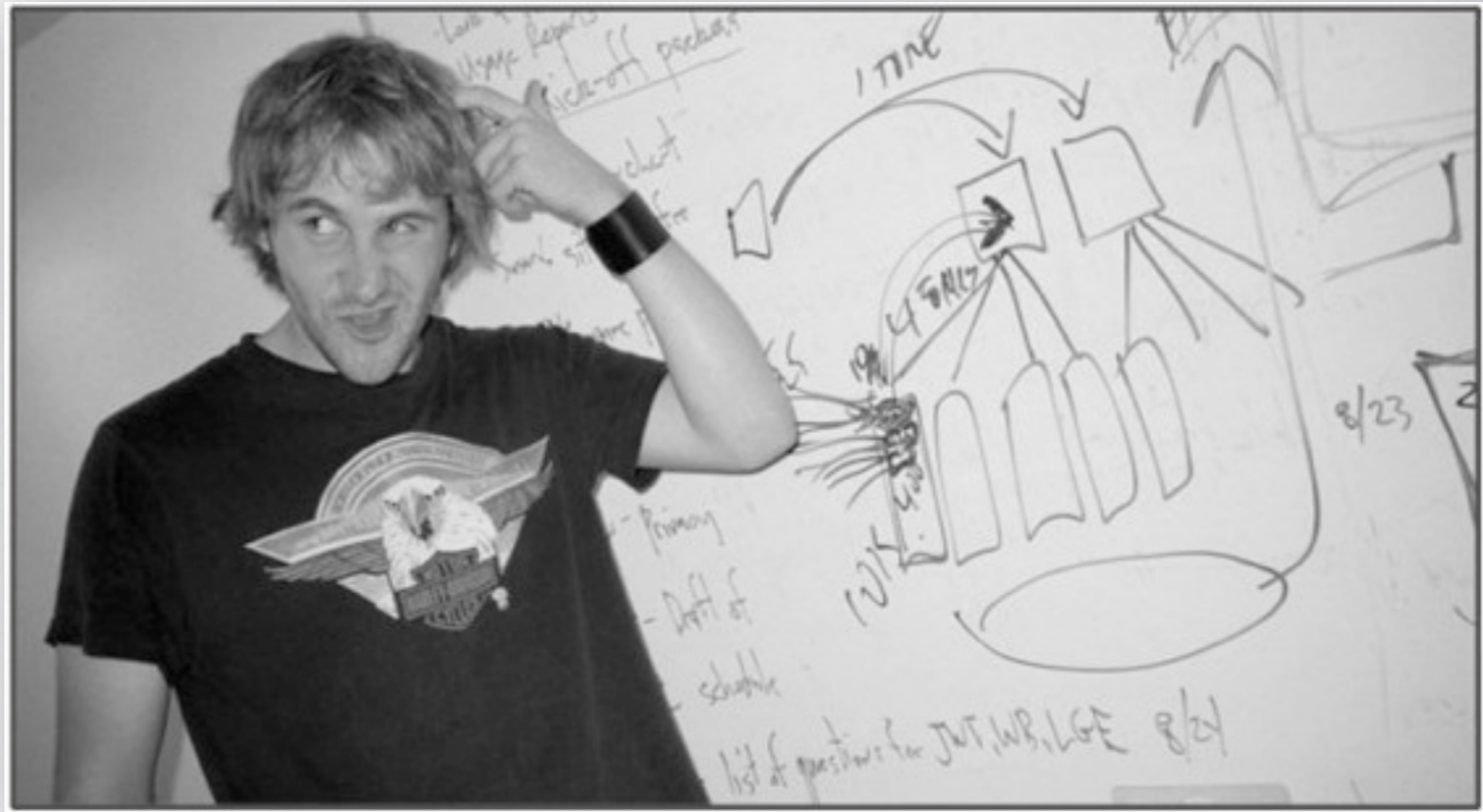
# **FIVE THINGS CORE DEVELOPERS SHOULD LEARN FROM SOCIAL GAMES.**

\*Even if you have to hold your nose.

# MY BACKGROUND

Currently an EIR with **Rick Thompson / Signia Ventures.**

- ▶ Started in the game industry in 1996.
- ▶ Creative Director on **You Don't Know Jack** series.
- ▶ Game Designer at **WMS Gaming.**
- ▶ Game Development Director, **Electronic Arts / Pogo.**
- ▶ General Manager at **Playfish.**
- ▶ VP of Publishing at **Gazillion Entertainment.**



*Portrait of the speaker as a thin, obviously brilliant young designer.*

**“IN ADDITION TO BEING BAD ART,  
SOCIAL GAMES ARE TROUBLING  
SPECIMENS OF HUMAN TRAGEDY.”**

\*Ian Bogost of Bogost.com

- ▶ Why pay attention?
- ▶ Things one through five.
- ▶ Questions, comments, and egg throwing.

# WHY PAY ATTENTION?

## CONSOLE GAMES

2007

2010



**\$6.6 Billion Revenue**

**\$7.7 Billion Revenue**

17% GROWTH

## SOCIAL GAMES

2007

2010



**\$0 Revenue**

**\$2.3 Billion Revenue**

HULKAMANIA!

\*Data from NPD, BMO Capitol, InStat

# WHY PAY ATTENTION?

## MUSIC INDUSTRY

1997

**RADIOHEAD**



2007

**RADIOHEAD**



DISTRIBUTION CHANGES,  
PRODUCT REMAINS

## GAME INDUSTRY

1999

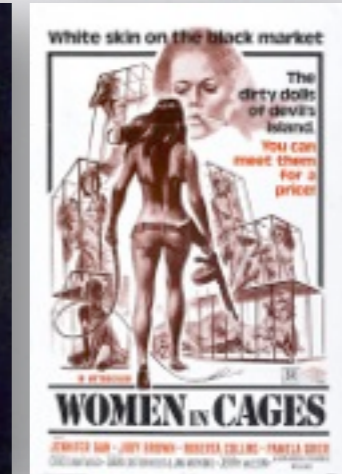
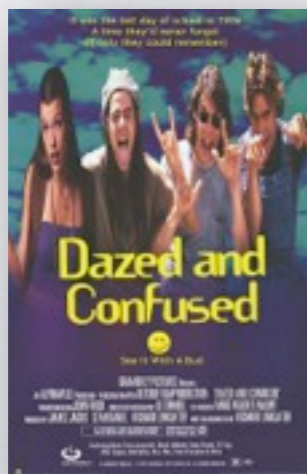


2009



DISTRIBUTION CHANGES,  
PRODUCT CHANGES

# WHY PAY ATTENTION?



**“IF YOU ARE TOO POOR TO PLAY A REAL VIDEO GAME, YOU SHOULD PROBABLY BE DEVOTING YOUR TIME TO TURNING IN THE STACK OF FAST FOOD JOB APPLICATIONS SITTING ON YOUR FUTON.”**

\*"Disappointed," [ihatemmorp.gs.com](http://ihatemmorp.gs.com)

# THING 1: FREE AT LAST

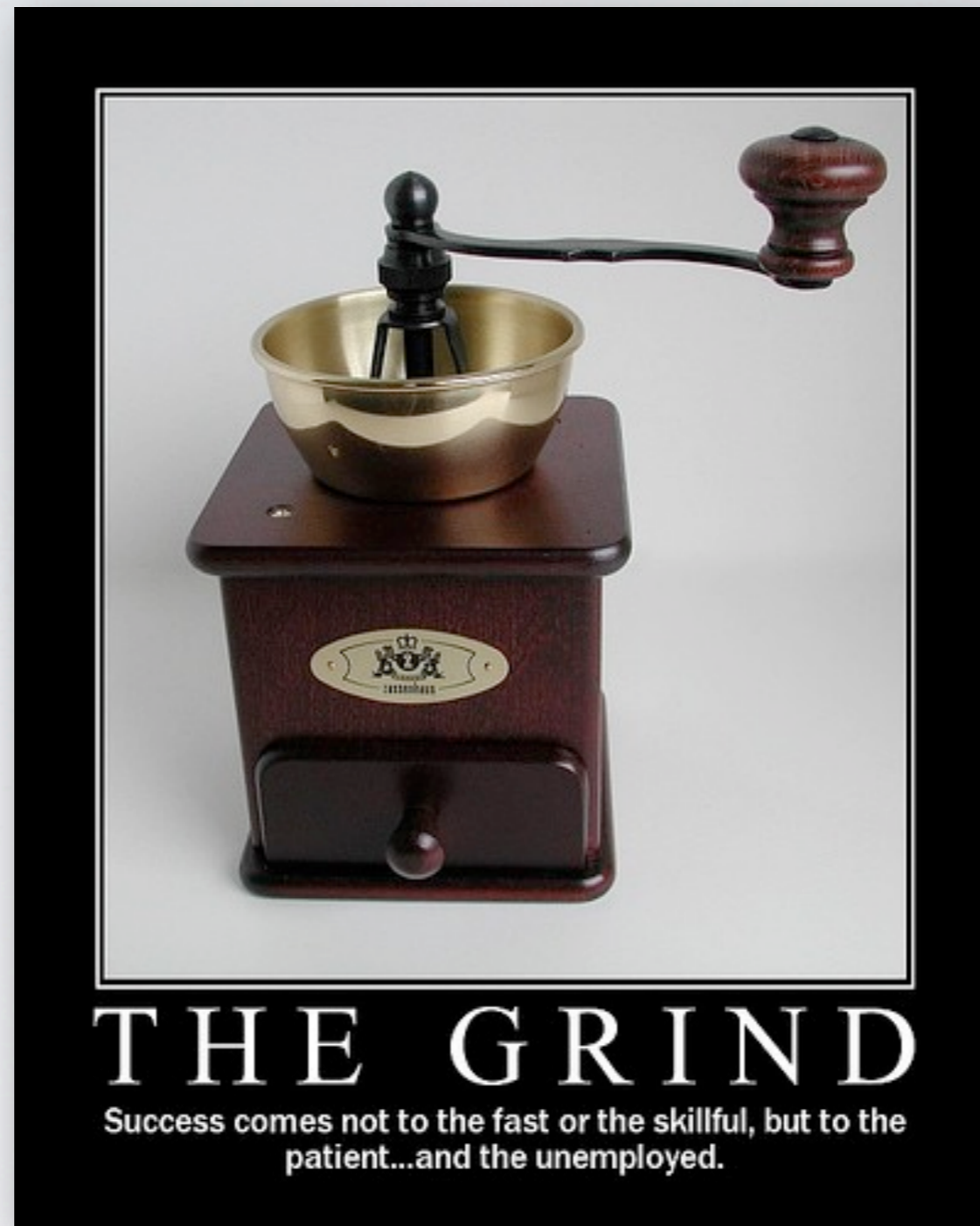


\*David Brevik, speaking at  
PAX East 2011

## **What Blizzard learned from the success of Battle.net:**

- ▶ Subscriptions solve ongoing cost problem...
- ▶ ...but now we need to justify the ongoing cost to customers with enough content to justify the subscription...
- ▶ ...which again balloons cost!

# THING 1: FREE AT LAST



\*If we assume companies tend to look for obvious ways to drive profit.

# THING 1: FREE AT LAST

SUBSCRIPTION

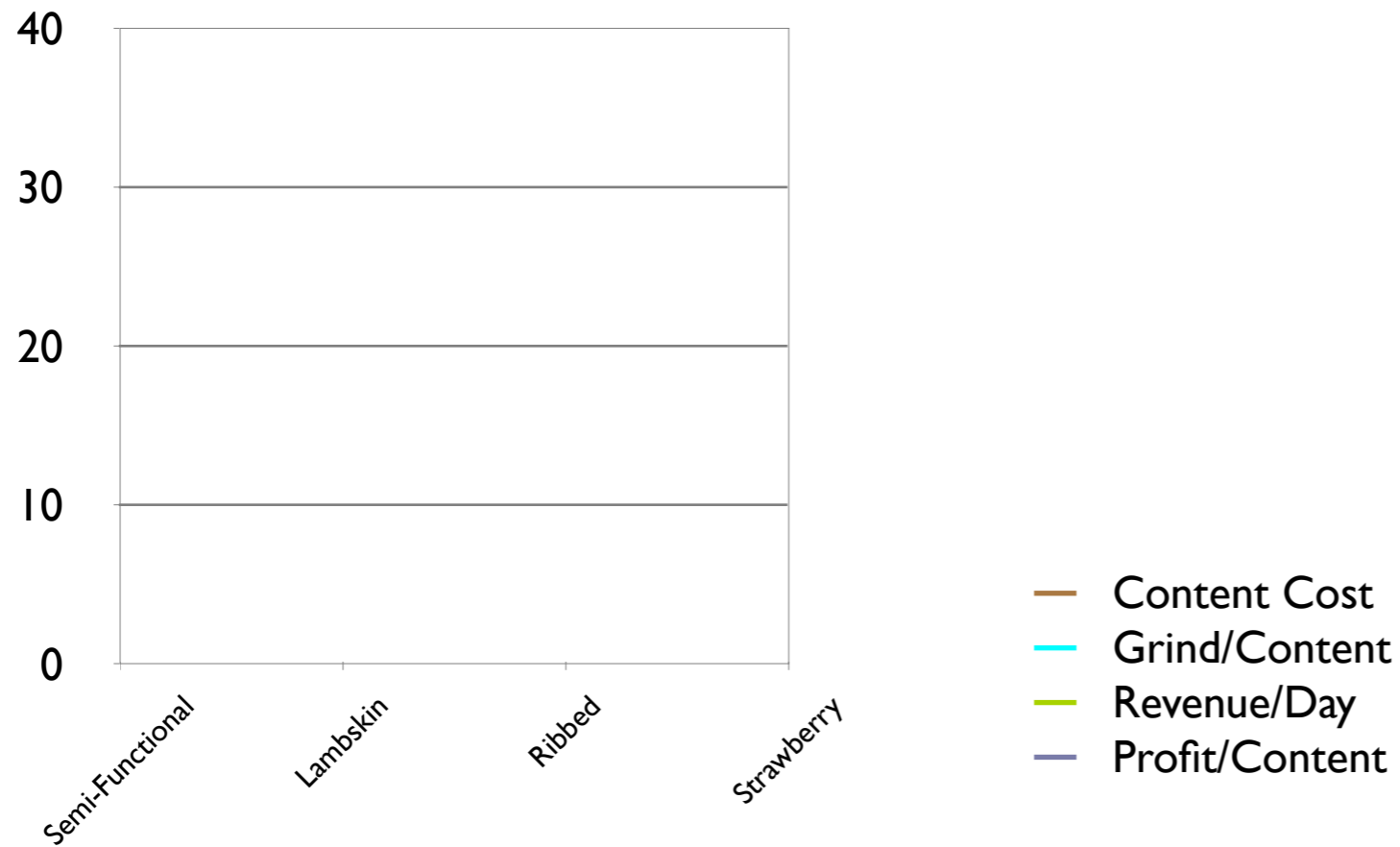
FREE TO PLAY

- Content Cost
- Grind/Content
- Revenue/Day
- Profit/Content

\*If we assume fixed content cost and game balance.

# THING 1: FREE AT LAST

## SUBSCRIPTION

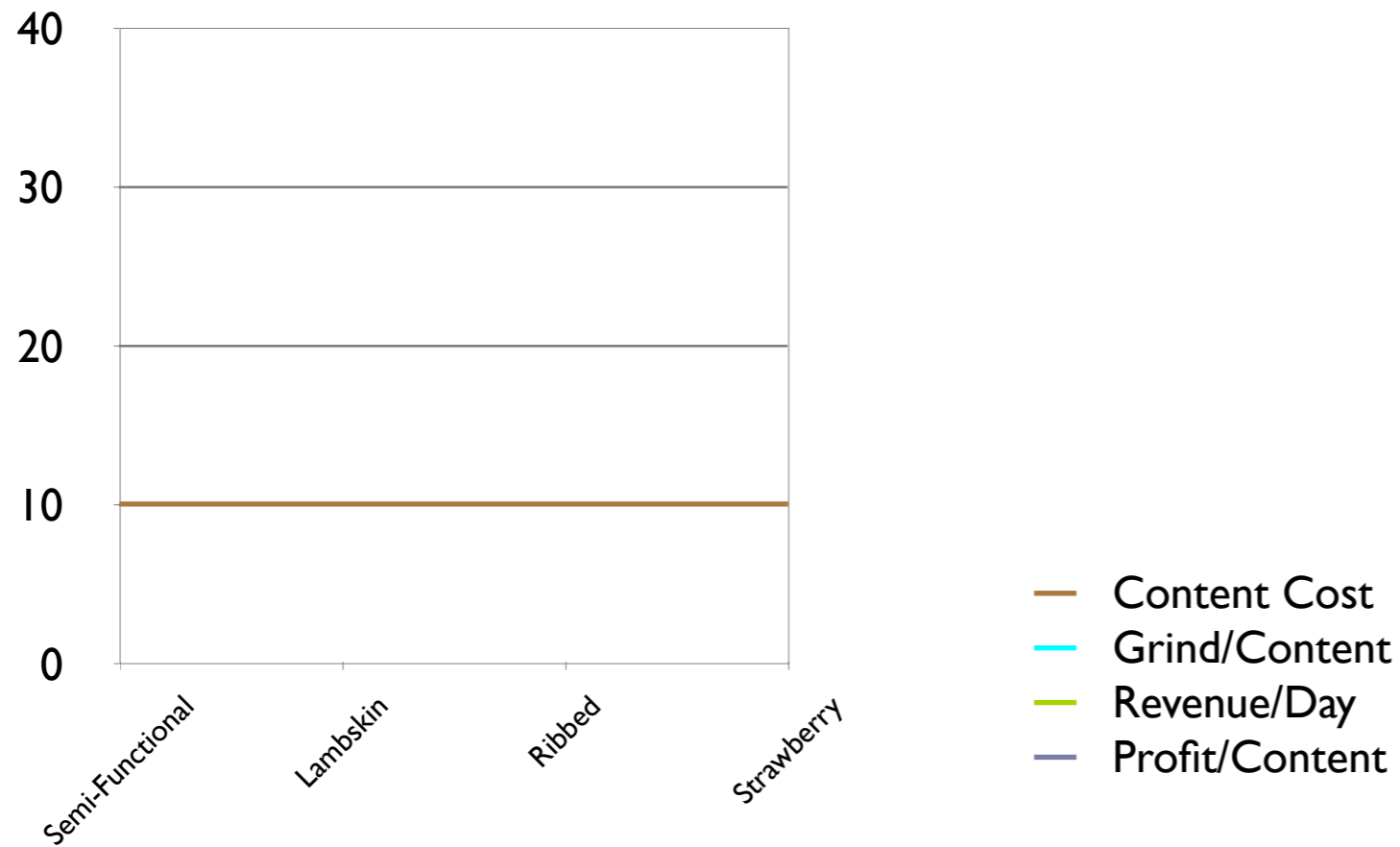


## FREE TO PLAY

\*If we assume fixed content cost and game balance.

# THING 1: FREE AT LAST

## SUBSCRIPTION

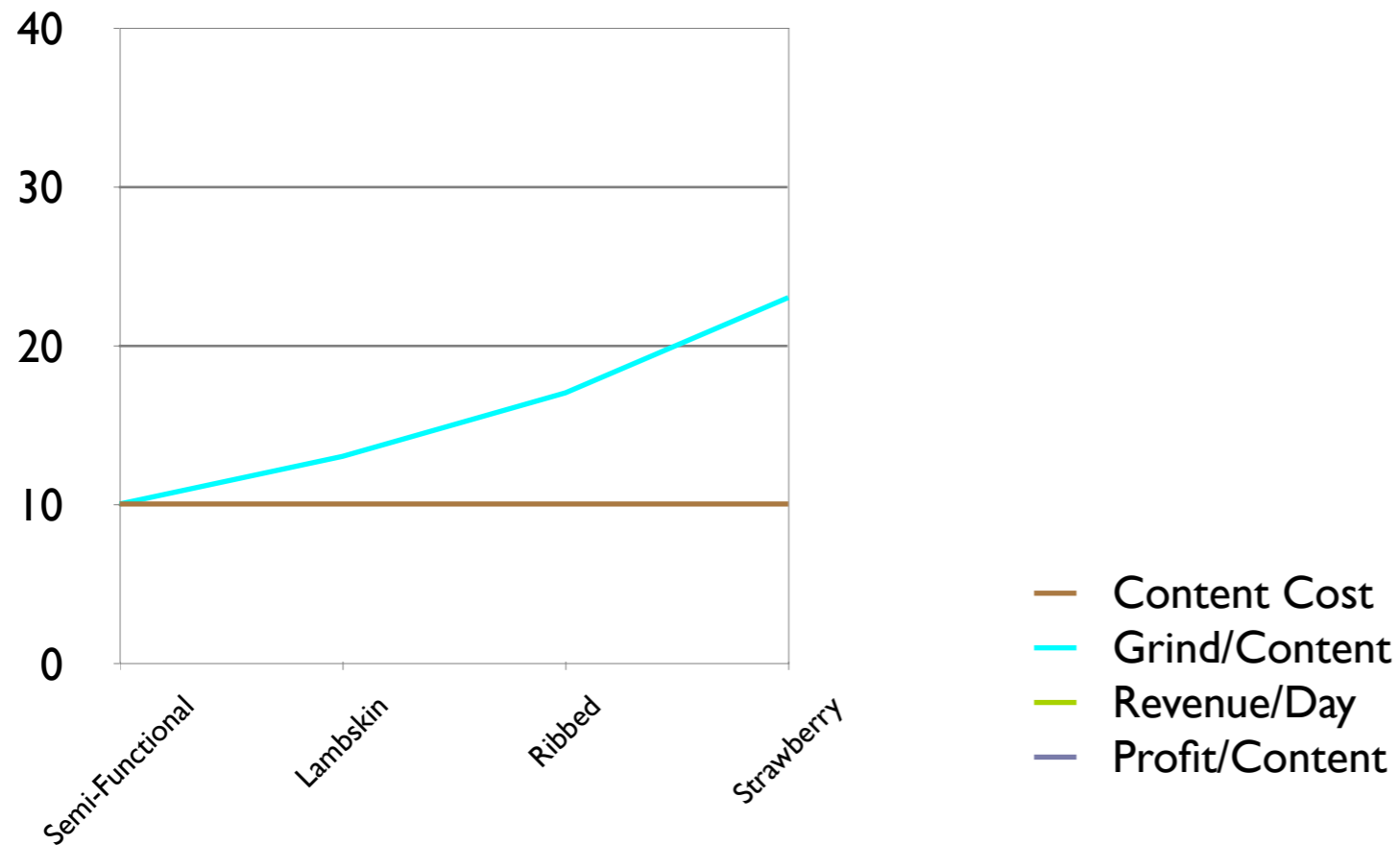


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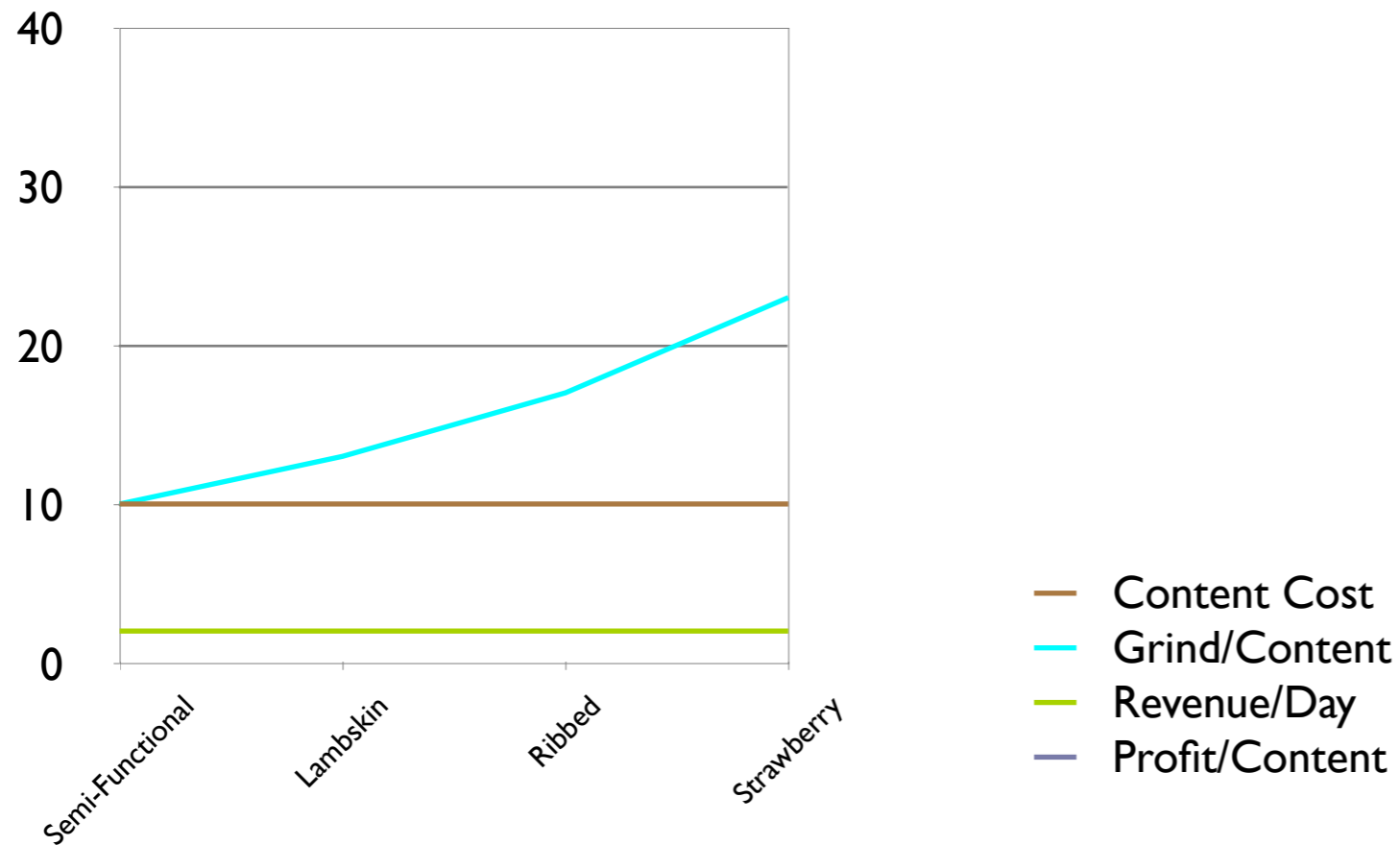


## FREE TO PLAY

\*If we assume fixed content cost and game balance.

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## SUBSCRIPTION

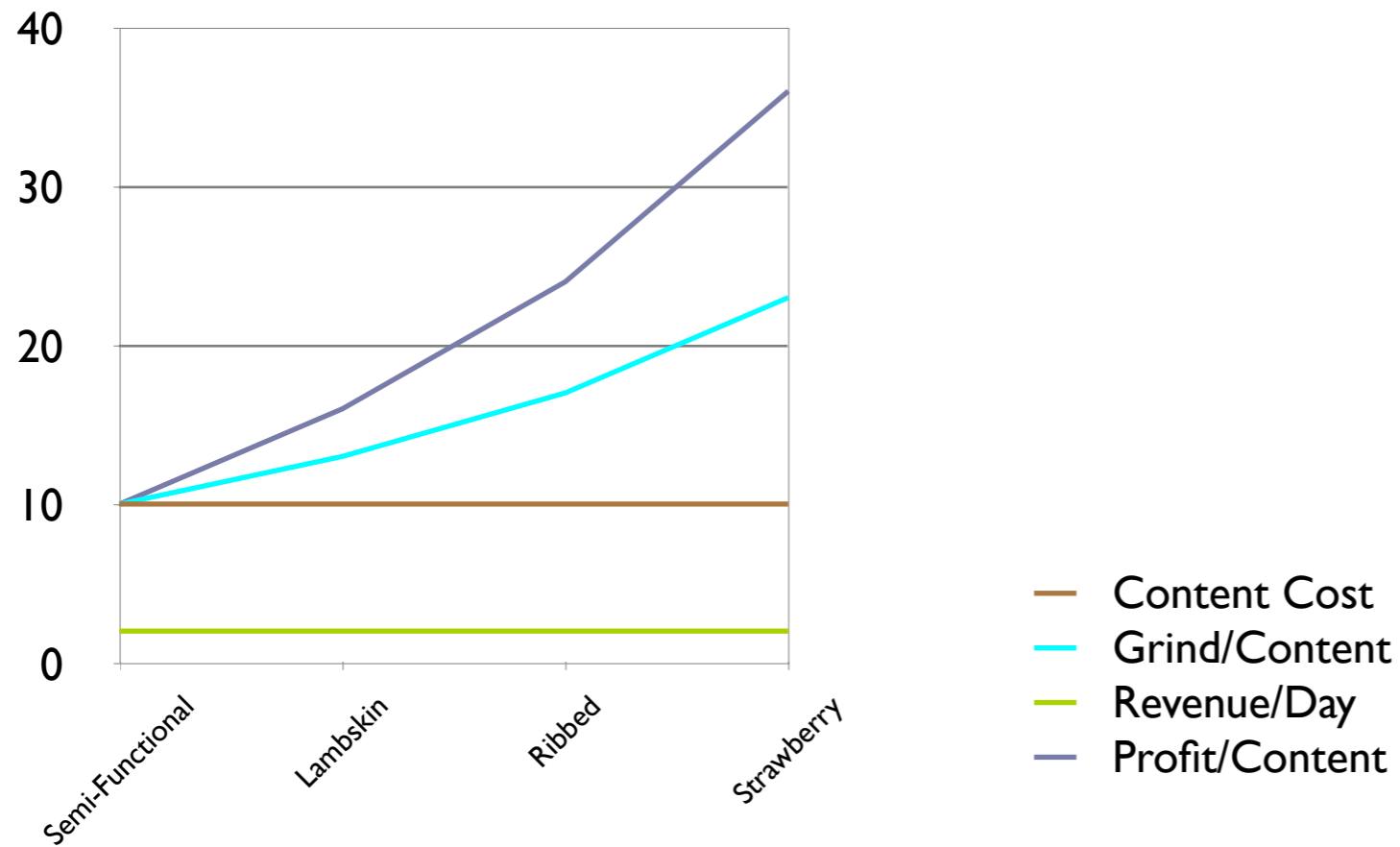


## FREE TO PLAY

\*If we assume fixed content cost and game balance.

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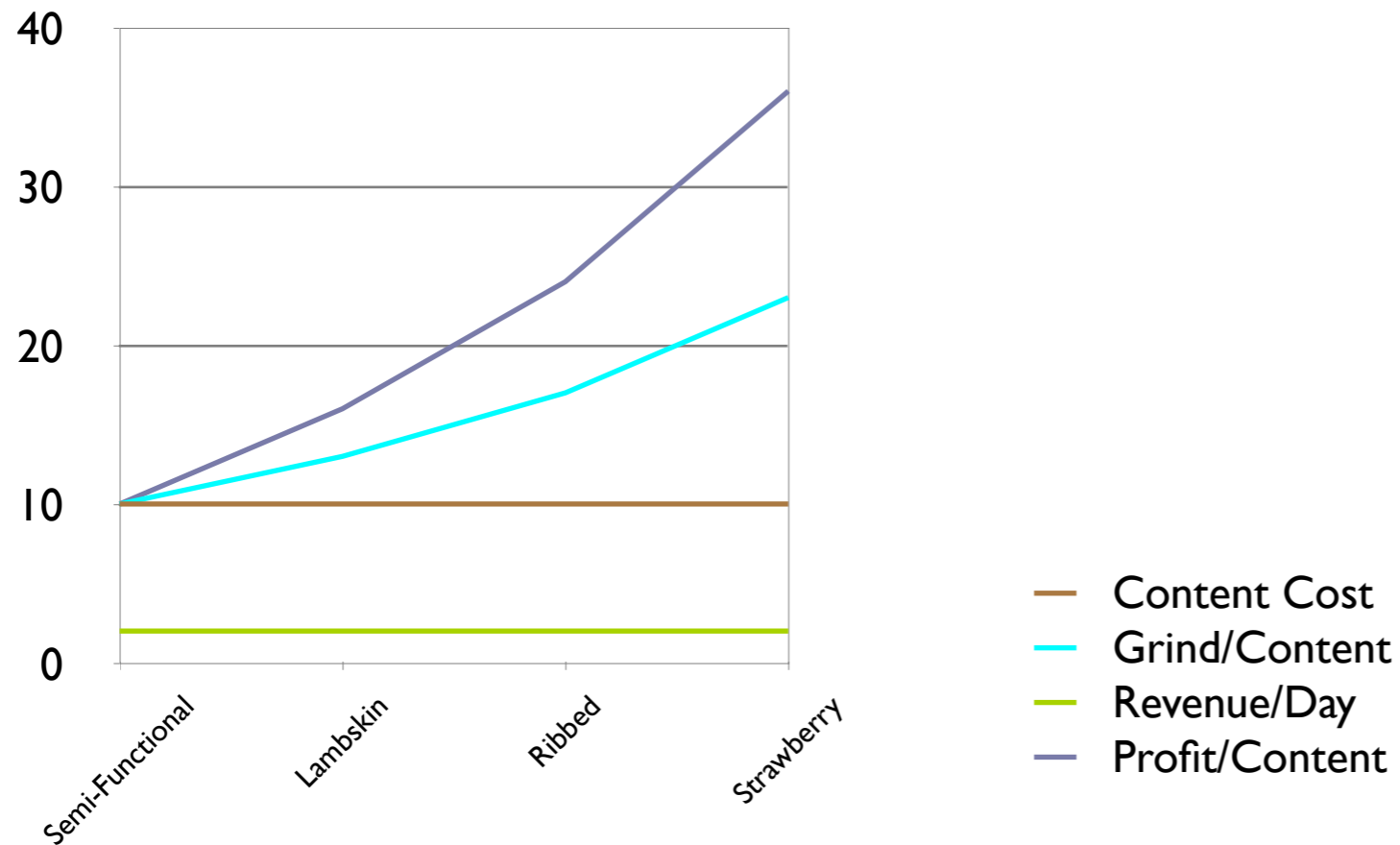


## FREE TO PLAY

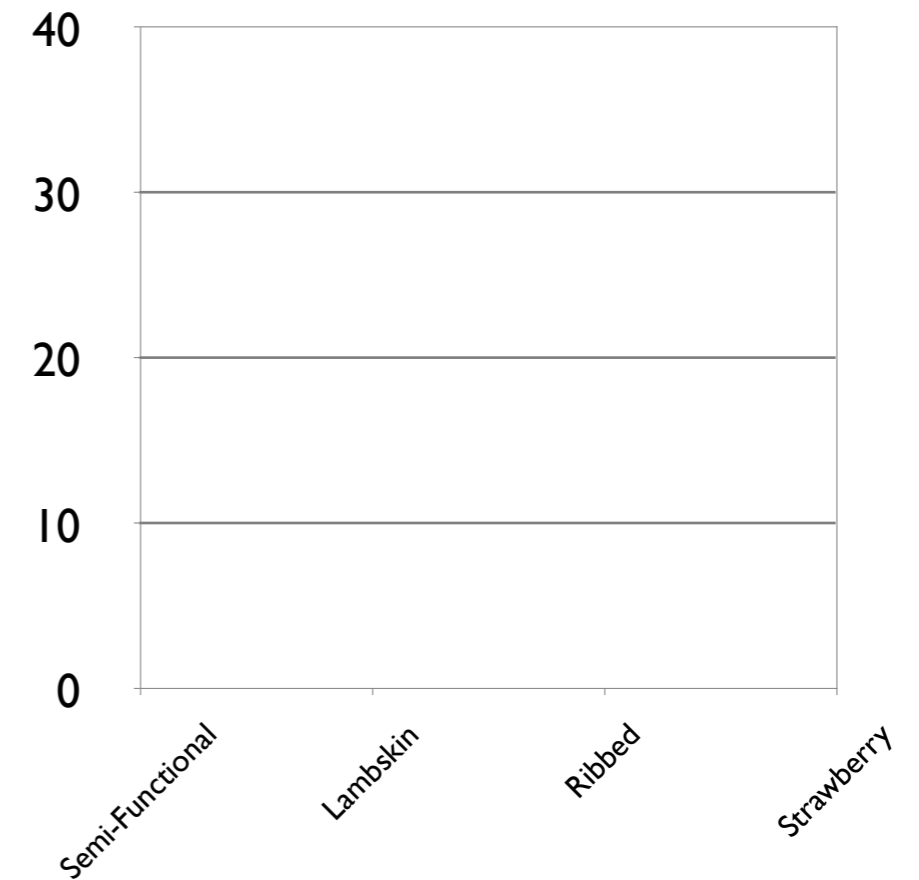
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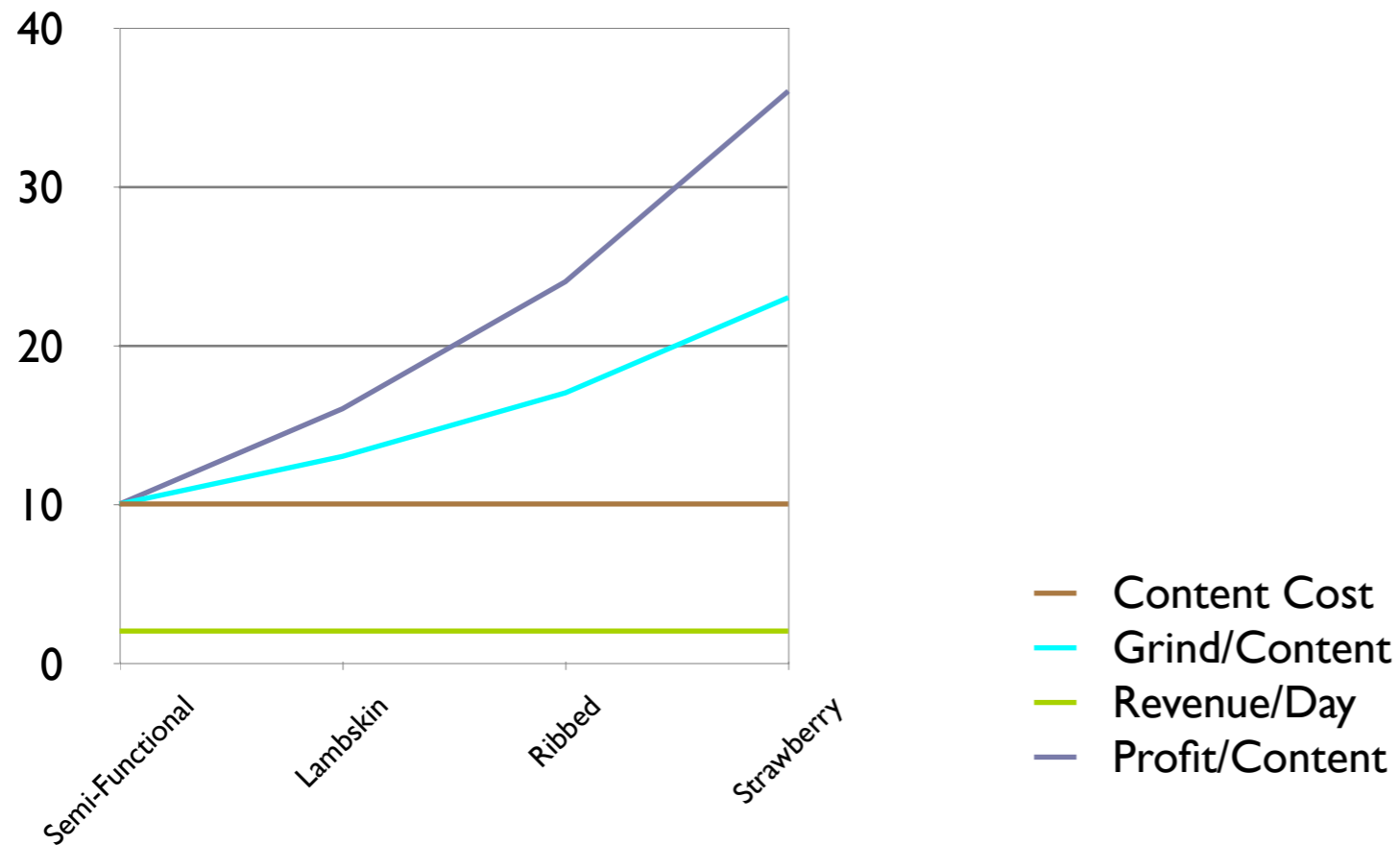
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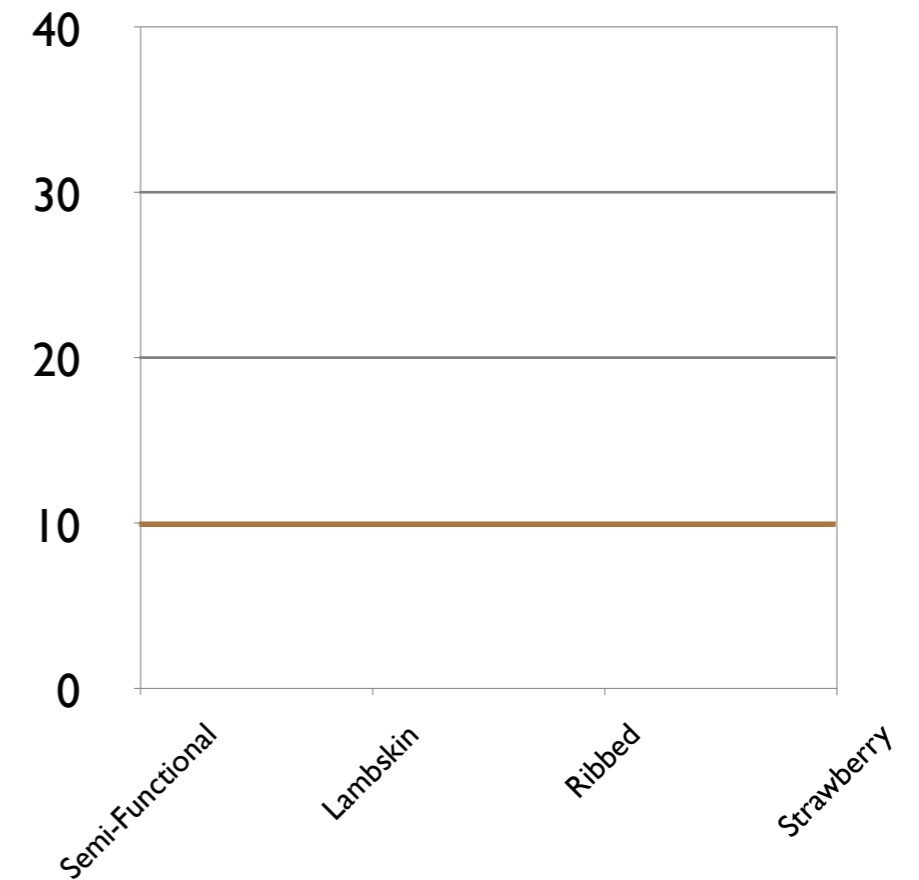
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## SUBSCRIPTION



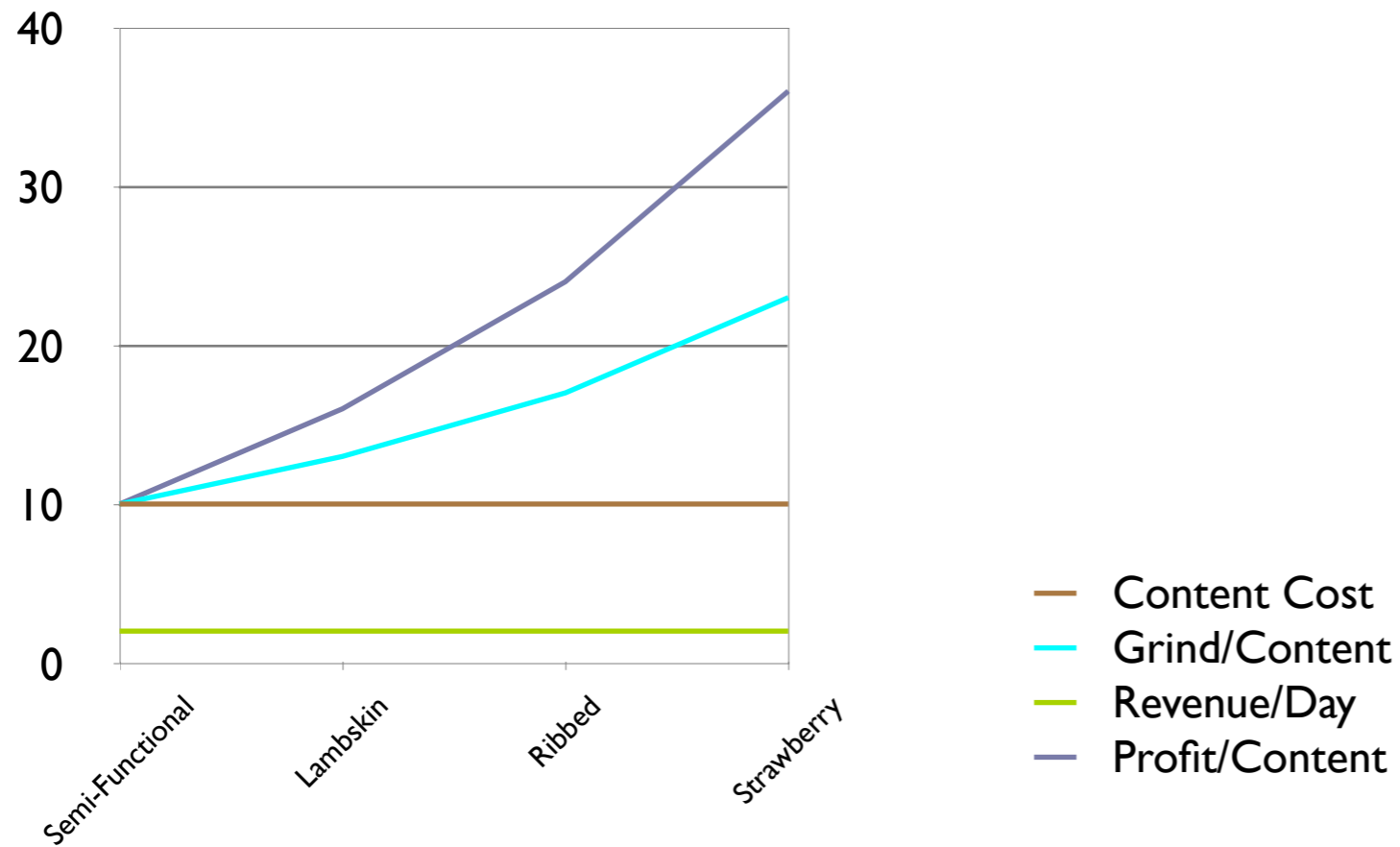
## FREE TO PLAY



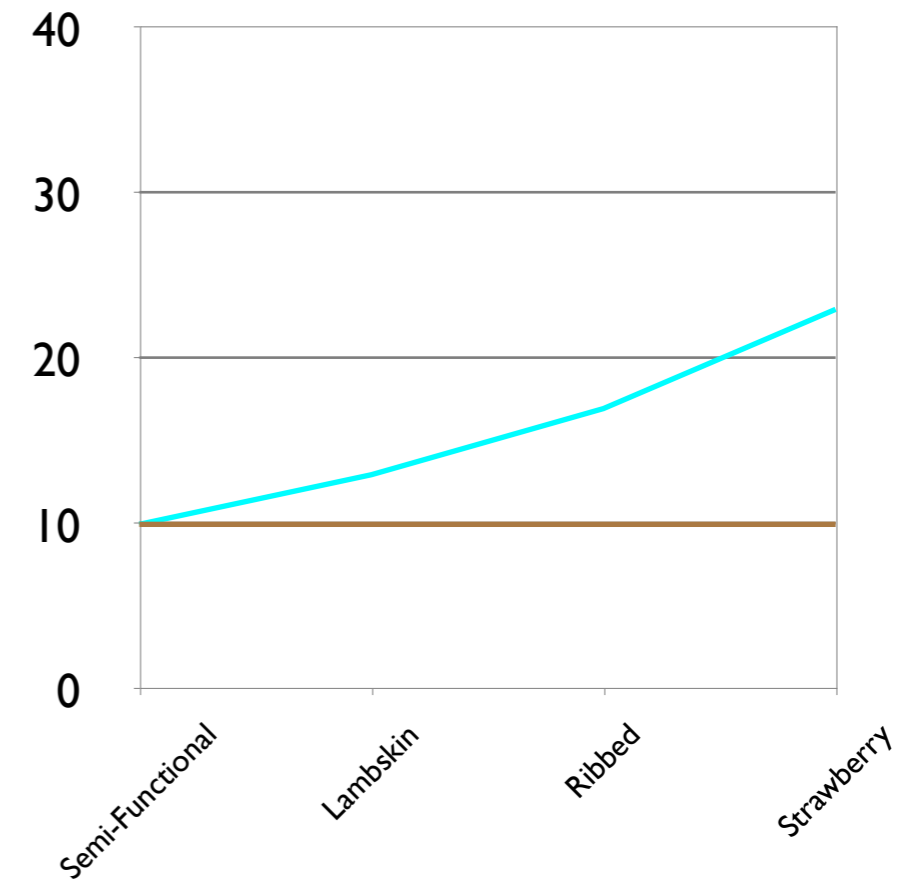
\*If we assume fixed content cost and game balance.

# THING 1: FREE AT LAST

## SUBSCRIPTION



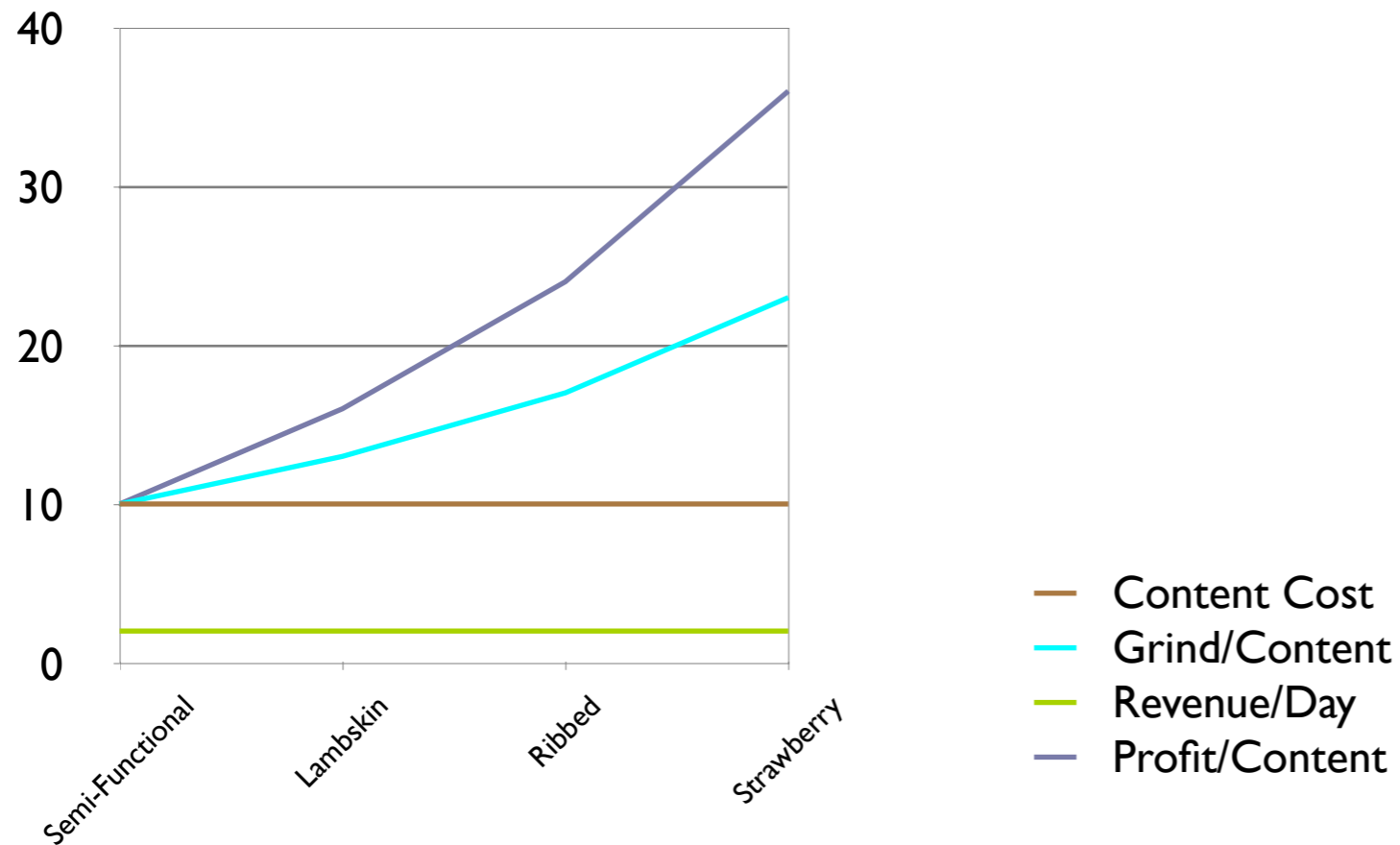
## FREE TO PLAY



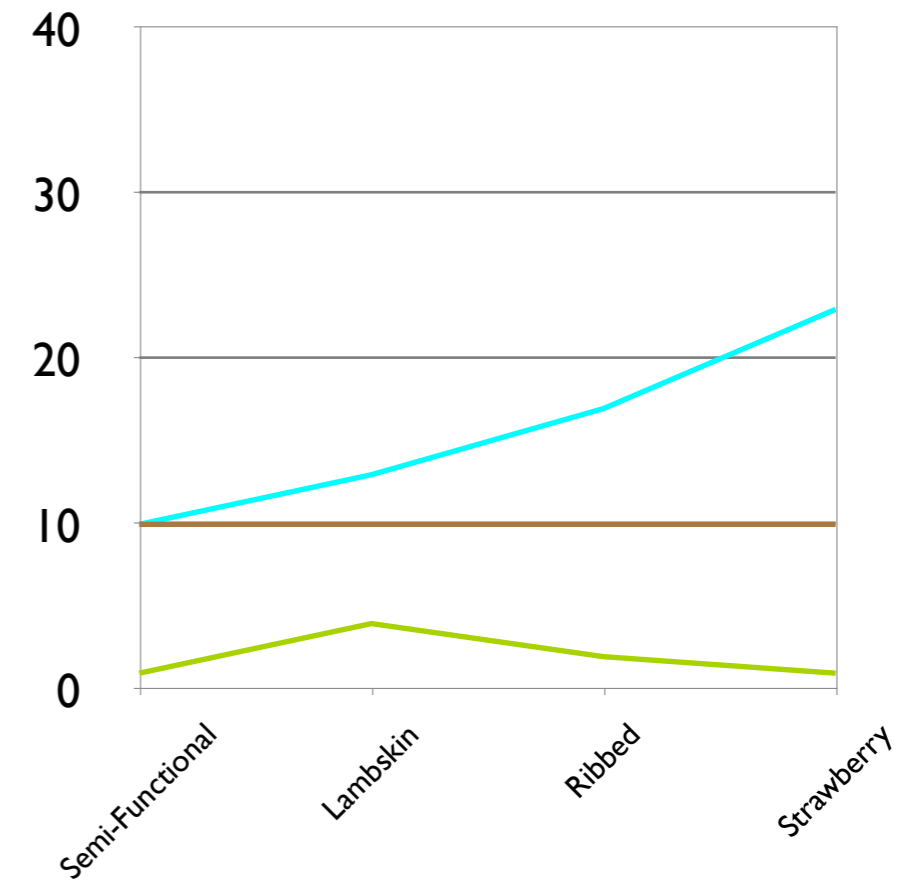
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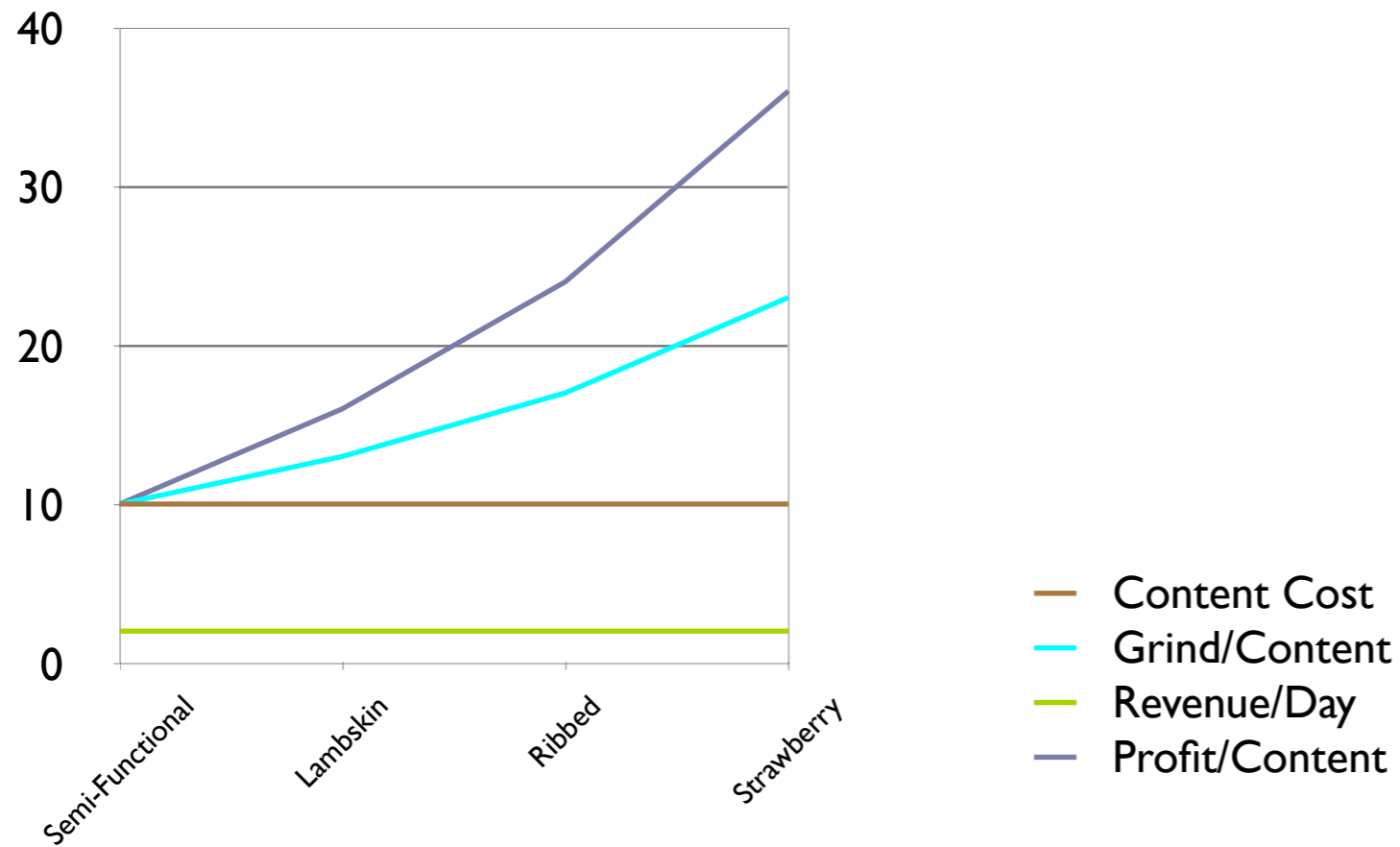
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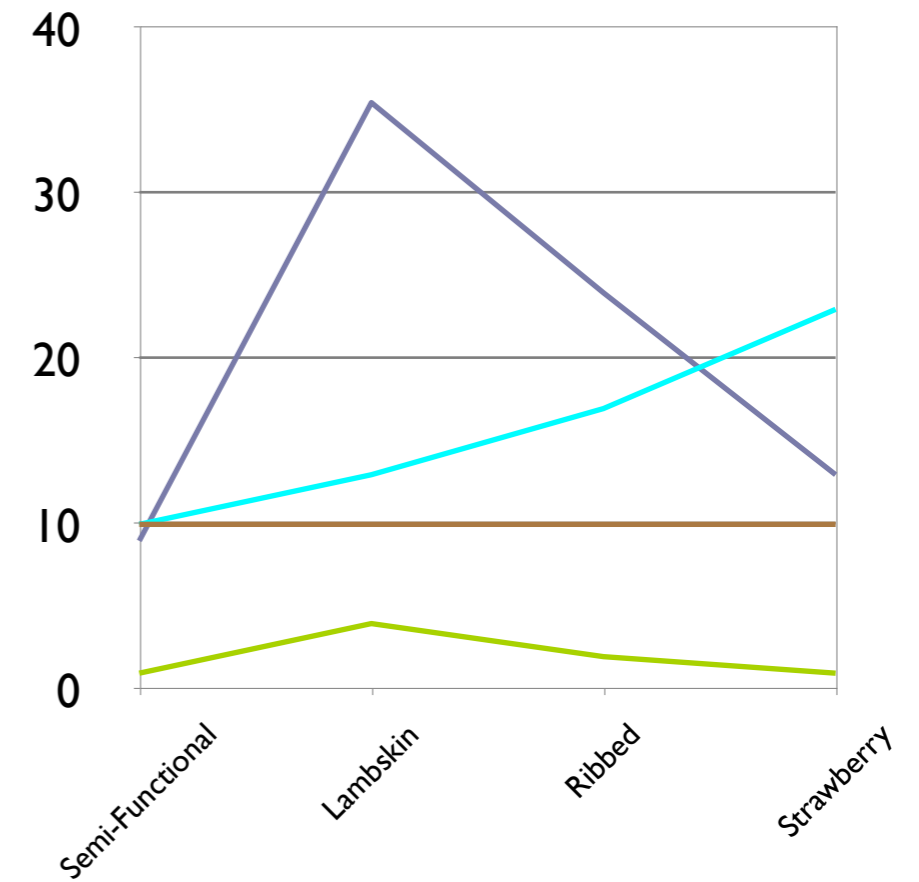
\*If we assume fixed content cost and game balance.

# THING 1: FREE AT LAST

## SUBSCRIPTION



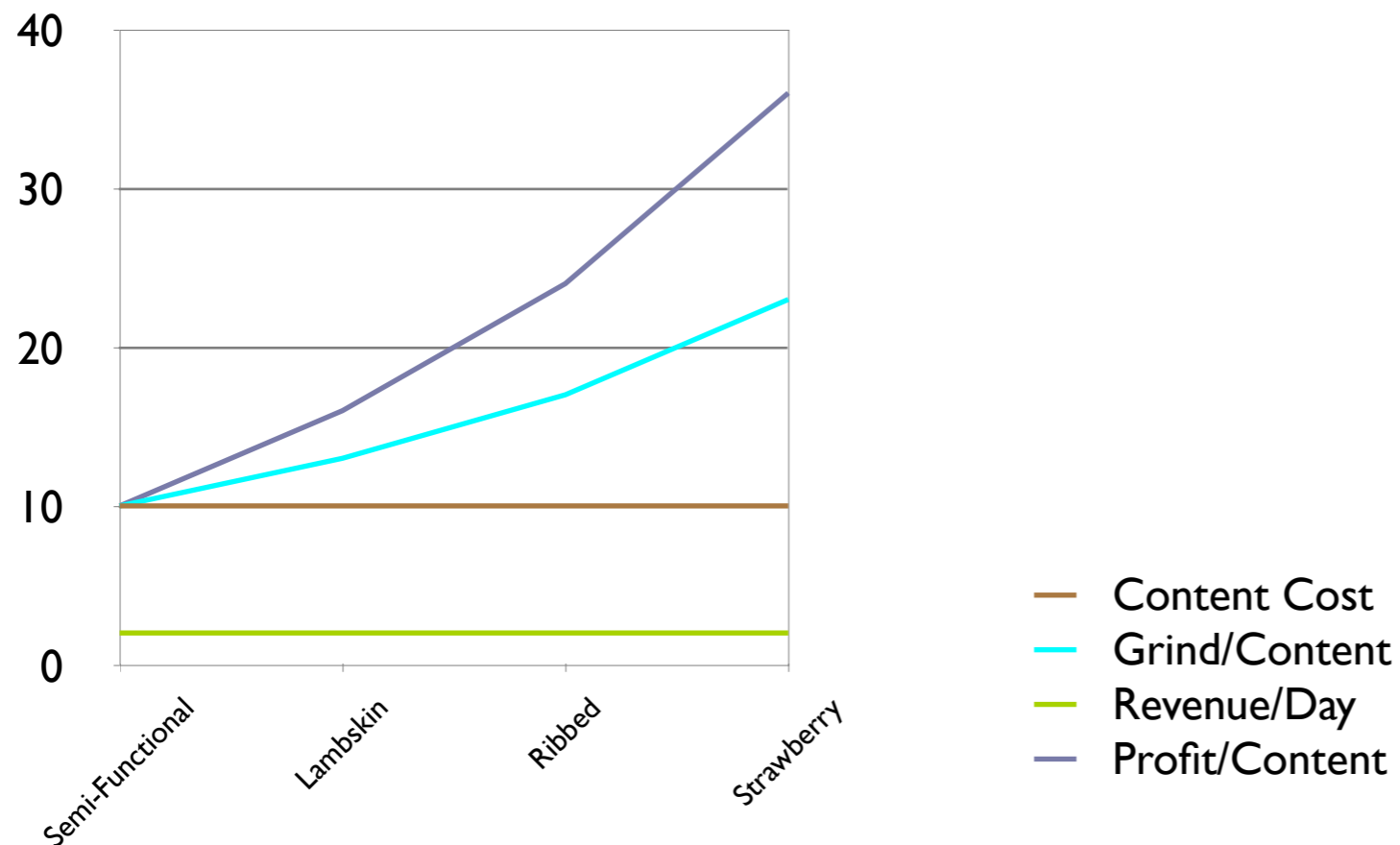
## FREE TO PLAY



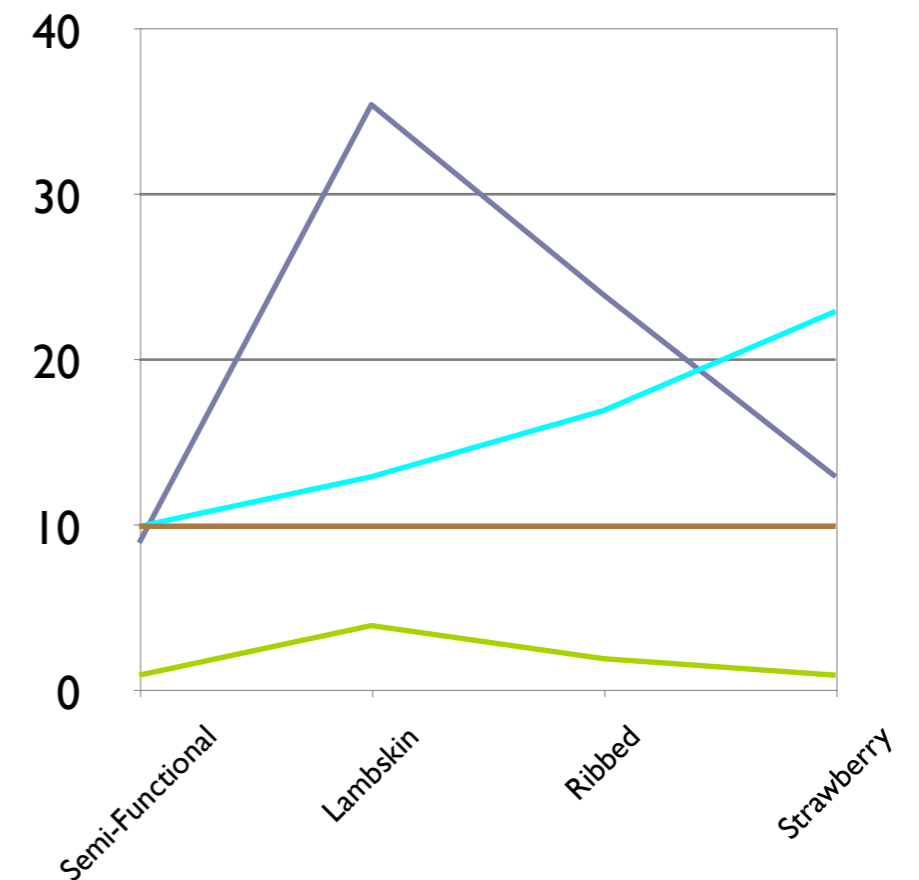
\*If we assume fixed content cost and game balance.

# THING 1: FREE AT LAST

## SUBSCRIPTION



## FREE TO PLAY

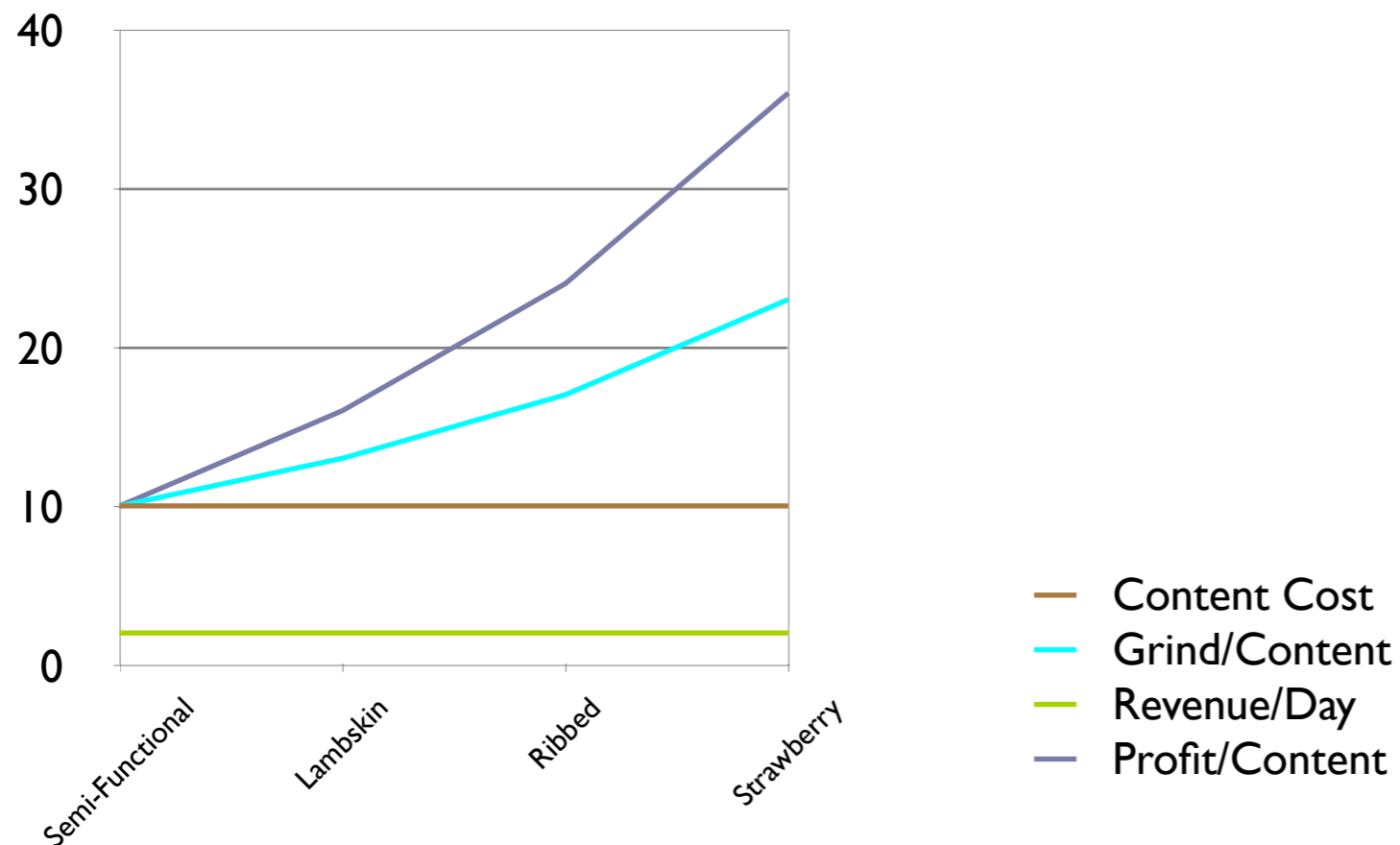


In subscriptions, grind time is the most visible driver of profit for an item of content.

\*If we assume fixed content cost and game balance.

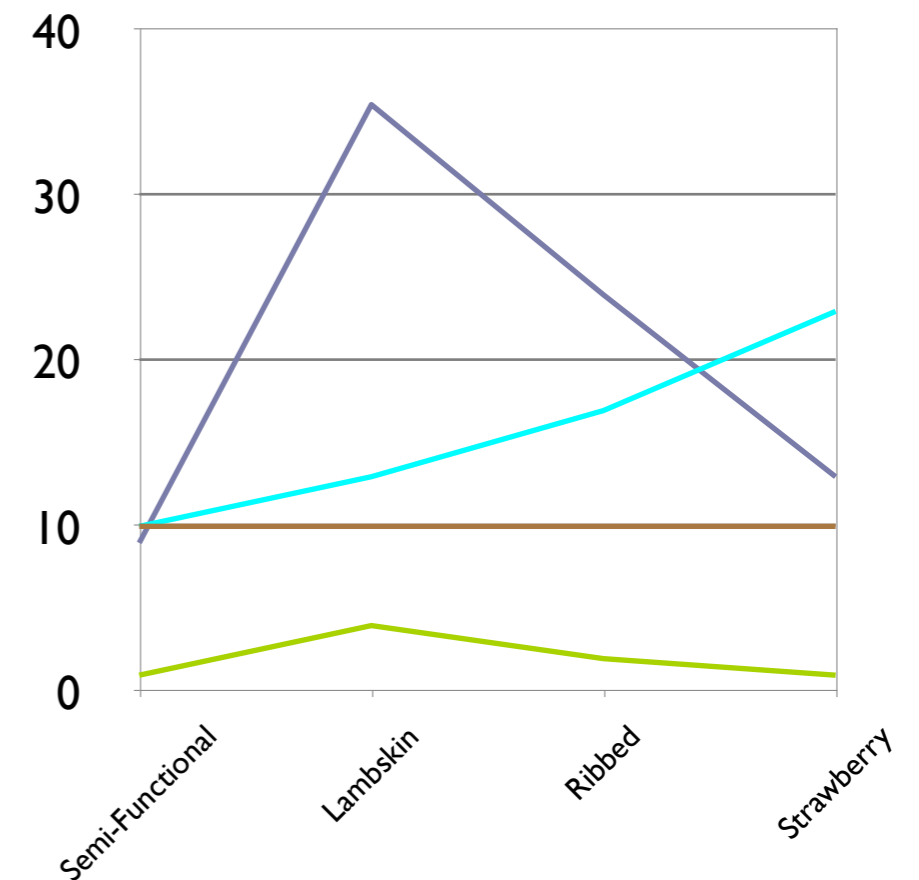
# THING 1: FREE AT LAST

## SUBSCRIPTION



In subscriptions, grind time is the most visible driver of profit for an item of content.

## FREE TO PLAY



In free to play, revenue is the most visible driver of profit for an item of content.

\*If we assume fixed content cost and game balance.

# THING I: FREE AT LAST



**“UNFORTUNATELY, OUTSIDE OF THE  
FIELD OF SOCIAL NETWORK GAMES, FEW  
MMO DEVELOPERS AND PUBLISHERS  
HAVE THE COURAGE TO PERFORM REAL-  
WORLD BILLABLE BETAS WITH  
INCREMENTAL DEVELOPMENT.”**

*\*Arnold Hendrick, [mmobits.com](http://mmobits.com)*

# THING 2: TIME IS NOT MONEY

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## THE PROBLEM

“[In the past] people paid a dollar an hour for games... WoW gets \$.19 an hour, Pogo and Facebook get a nickel an hour. We're headed to a \$.15 an hour media business. You can't charge \$200 for a video game, so you have to figure out how to monetize them differently.



\*Bing Gordon, speaking at Disrupt 2011

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## THE SOLUTION

*On average, online gamers should generate \$3 per hour in in-game value, regardless of the game they're playing.*



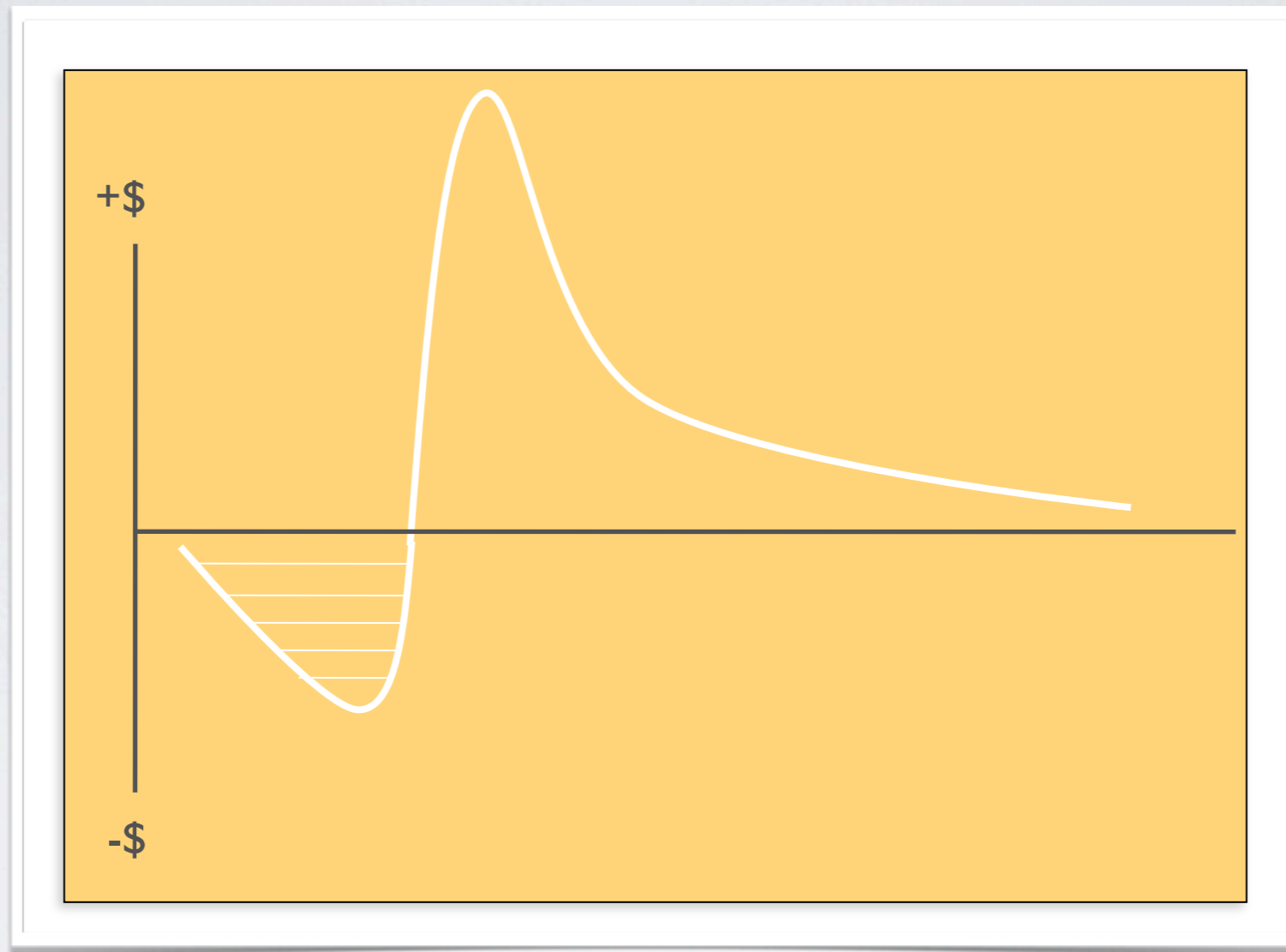
\*Bing Gordon, as reported in VentureBeat, 2011

# **THING 2: TIME IS NOT MONEY**

**DOES THAT MEAN WE SHOULD JUST PAY  
OUR PLAYERS \$2.85 AN HOUR  
AND CALL IT A DAY?**

\*WTF?

# THING 2: TIME IS NOT MONEY



\*The packaged goods invest / harvest paradigm.

# THING 2: TIME IS NOT MONEY

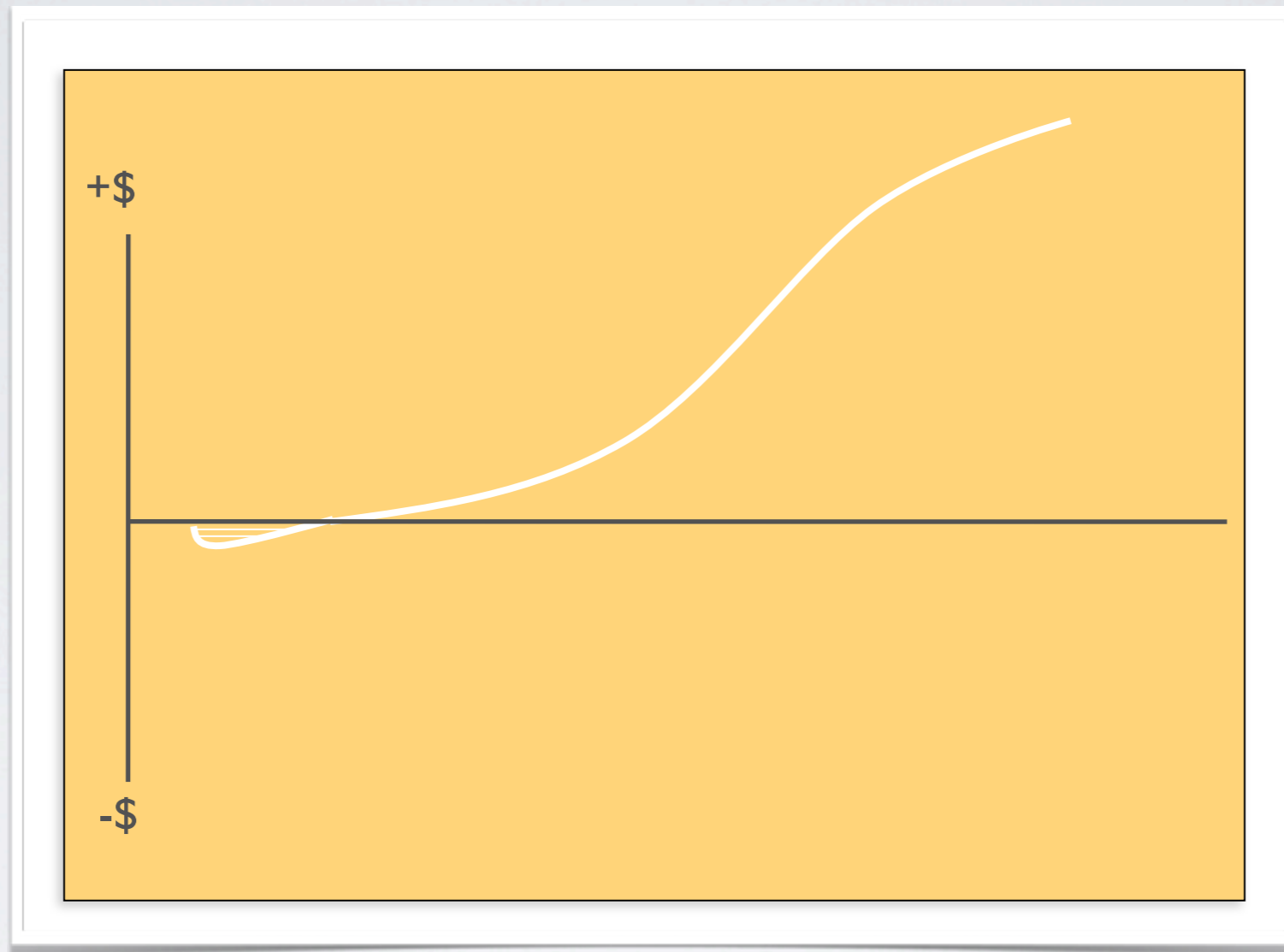
## THE CORE BUSINESS QUESTIONS

- ▶ How many hours do we need to ship?
- ▶ How quickly will customers consume the content?
- ▶ How small a team can we get away with post-launch?

\*But, this assumes...

- ▶ Every feature in the game is an equal part of retaining customers
- ▶ You can predict how quickly content is consumed without real data

# THING 2: TIME IS NOT MONEY



\*The service model of amplification of success.

# THING 2: TIME IS NOT MONEY

## THE SOCIAL BUSINESS QUESTIONS

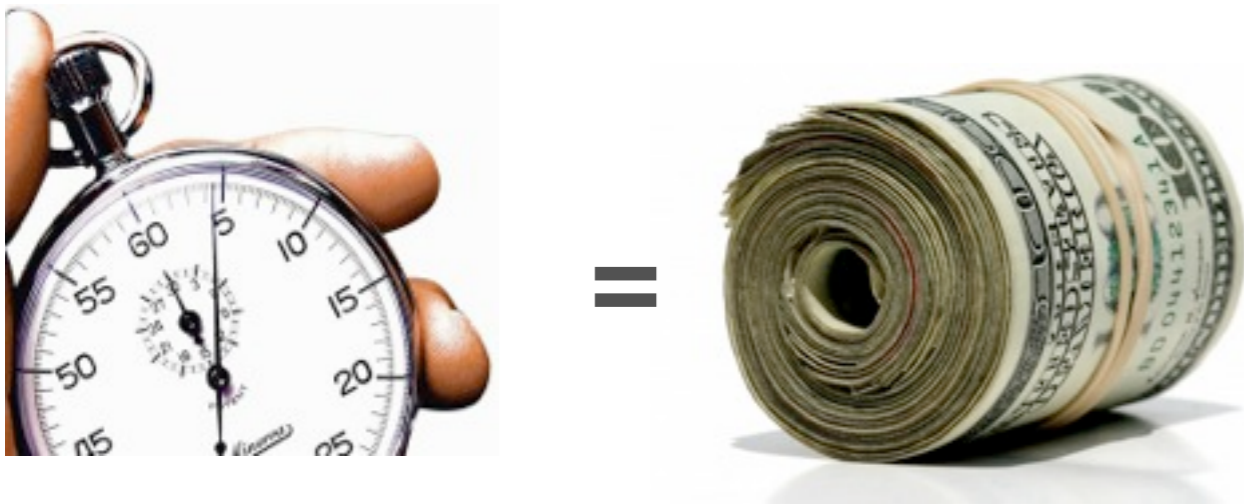
- ▶ What's the minimum amount of content / polish needed to test the concept?
- ▶ How much will a customer have paid to consume all of the content we're shipping?
- ▶ How many resources can the team absorb post-launch?

\*This assumes...

- ▶ Every feature in the game has measurable ROI

# THING 2: TIME IS NOT MONEY

## CORE GAMES



## SOCIAL GAMES



**“TODAY PEOPLE OFTEN TALK ABOUT  
SOCIAL NETWORK GAMES BUT SIMPLY  
DESCRIBE THEM AS SOCIAL GAMES. I  
BELIEVE THESE ARE REALLY TWO VERY  
DIFFERENT THINGS.”**

\*Satoru Iwata at GDC 2011

# THING 3: SOCIAL DISEASE

## TWO COMMON THREADS OF CRITICISM

Real identity ruins  
real multiplayer.



Synchronous  
multiplayer is social.



# THING 3: SOCIAL DISEASE

“University of Southern California researchers examined three social variables and found that socializing outside the club with people met at the club was the best predictor of exercise frequency, having friends at the club was the best predictor of the infrequency of skipped workouts, and exercising with a friend was the best predictor of exercise satisfaction.”



\*"Social Relationships and Physical Activity in Health Clubs," J. Unger @ USC

# THING 3: SOCIAL DISEASE

Asynchronous communication is natural.



# THING 3: SOCIAL DISEASE

All mass media are moving toward asynchronous consumption.



# THING 3: SOCIAL DISEASE




Asynchronous gameplay is a natural extension of Facebook, circa 2007.







**“...THESE CHALLENGE FREE GAMES  
REQUIRE LITTLE MORE THAN CLICKING  
ON FARMS AND RESTAURANTS AND  
CITIES AND THINGS AT REGULAR  
INTERVALS.”**

\*Ian Bogost of [Bogost.com](http://Bogost.com)





# THING 4: APPOINTMENT GAMING

			
Cost	20	70	40
Revenue	100	280	300
Time	4	7	10
Yumminess			

# THING 4: APPOINTMENT GAMING

			
Cost	20	70	40
Revenue	100	280	300
Time	4	7	10
Yumminess			
Profit	80	210	260

# THING 4: APPOINTMENT GAMING

			
Cost	20	70	40
Revenue	100	280	300
Time	4	7	10
Yumminess			
Profit	80	210	260
Profit/Time	20	30	26

# THING 4: APPOINTMENT GAMING

## THE MMO GRIND

- ▶ Clear, achievable goal and valuable reward for it.
- ▶ Longer play-sessions.

## APPOINTMENT MECHANICS

- ▶ Clear, achievable, goal and valuable reward for it.
- ▶ Habituates gameplay in an asynchronous world.
- ▶ Moderates content consumption for non-paying players.

\*It's like the grind, but without having to “be there.”

**“I HAVE A LIBERAL SENSE OF WHAT A GAME IS. I DO THINK, THOUGH, THAT THE KIND OF EXPERIENCES THAT [ZYNGA] ARE CREATING ARE MORE LIKE [SKINNER] BOXES, LIKE BEHAVIORIST EXPERIMENTS WITH RATS. THEY’RE RELYING ON CREATING THESE COMPULSIONS SO PEOPLE WILL WANT TO COME BACK AND CLICK ON THE BAR. AND SO, IN THAT RESPECT, I FEAR THOSE KINDS OF PRODUCTS.”**

*\*Ian Bogost of Bogost.com*

# THING 5: THINK INSIDE THE BOX

1981

## CASTLE WOLFENSTEIN

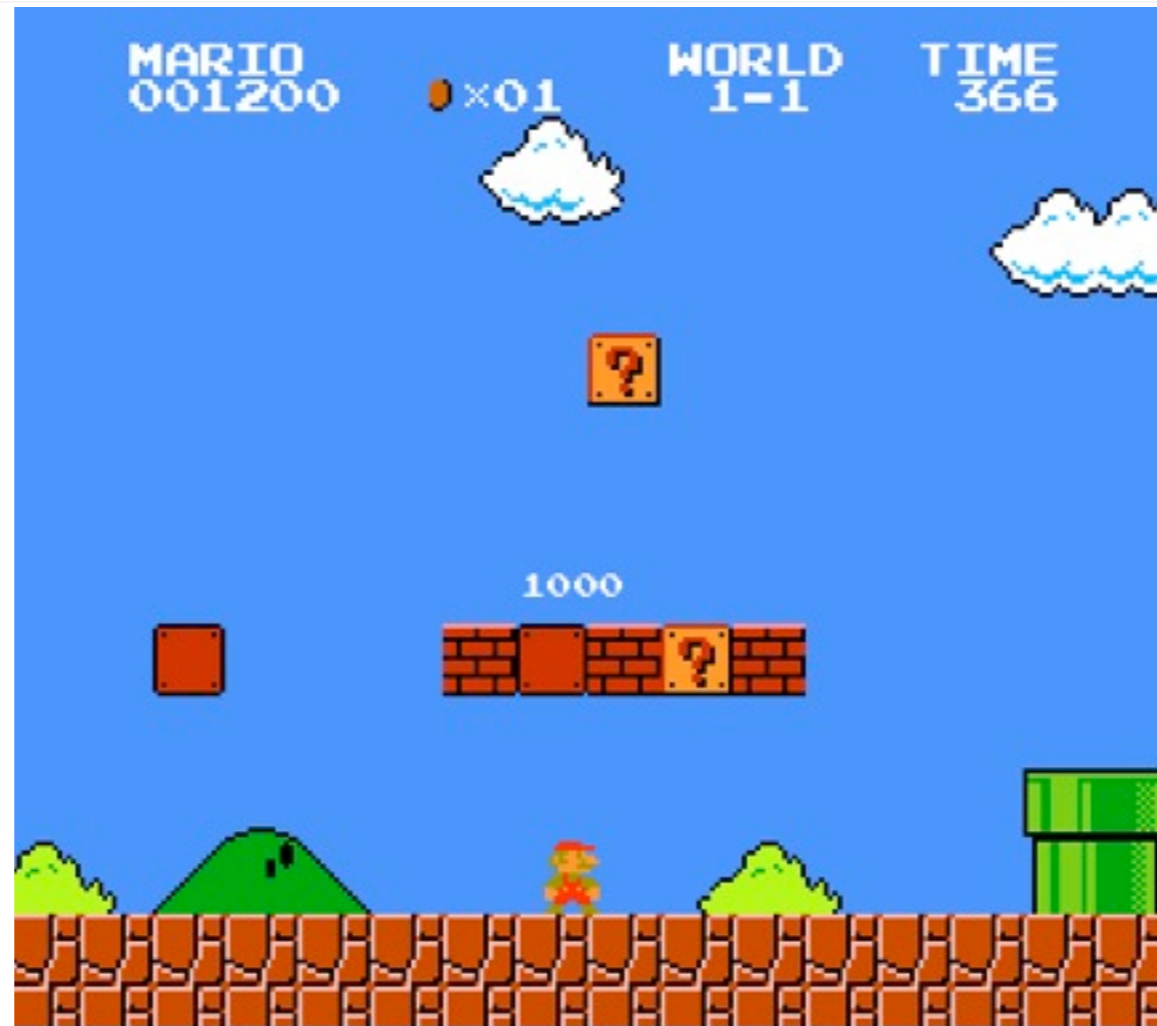


“Some rooms contain locked chests that can be picked and searched. Some are empty, but others contain useful items such as bullets, grenades, uniforms, bullet-proof vests and the war plans.”

\*Wikipedia

# THING 5: THINK INSIDE THE BOX

## 1985 SUPER MARIO BROS.



“The game world has coins scattered around it for Mario to collect, and special bricks marked with a question mark (“?”), which when hit from below by Mario, may reveal more coins or a special item. Other “secret” (often invisible) bricks may contain more coins or rare items.”

\*Wikipedia

# THING 5: THINK INSIDE THE BOX

1996  
DIABLO



“Diablo heavily relies on the need to get better items. Items are randomly generated and usually have many abilities assigned to them.”

\*Wikipedia

## **THING 1: FREE AT LAST**

\*It is the most direct incentive for making cool stuff. If you love your players, you should love free to play.

## **THING 2: TIME IS NOT MONEY**

\*Social game makers see revenue as the end, not play time. This frees you to accept and support game play that's convenient and preferable to some players.

## **THING 3: SOCIAL DISEASE**

\*Asynchronous gameplay and playing with real world friends are just as valid as other types of social play. They're something players like and want.

## **THING 4: APPOINTMENT GAMING**

\*Appointment mechanics habituate gameplay in an asynchronous world. When there's no cost to switch, you need to keep players engaged on their schedule.

## **THING 5: THINK INSIDE THE BOX**

\*I'll take what's behind door number two.

**“SHUT UP AND GIVE ME MY TEN BUCKS  
PER MONTH, LITTLE MAN. MY PORSCHE  
NEEDS SOME PERFORMANCE  
UPGRADES.”**

\*Milo

**“RELEASE EARLY, RELEASE OFTEN, AND  
LISTEN TO YOUR CUSTOMERS.”**

\*Eric Raymond, “The Cathedral and the Bazaar”

# BONUS THING: AGILE AS WE WANNA BE

## THE CORE MINIMUM SHIPPABLE QUESTIONS

- ▶ Is there any anything else we'd like this to do?
- ▶ Can we build a tool to automate this?
- ▶ Is this going to scale up to 100,000 PCU?

## THE SOCIAL MINIMUM SHIPPABLE QUESTIONS

- ▶ Do we have to include that functionality in order to test it?
- ▶ What metric are we trying to impact?
- ▶ If this works, how can we rewrite it to scale up to 1,000,000 PCU?

\*Core teams assume they'll have high class problems, social teams hope for them.



**THANK YOU.**

[\\*dfiden@mac.com](mailto:*dfiden@mac.com)