

Core Games, Real Numbers: Comparative Stats for MMOs & Social Games



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What is Kongregate?

- Open platform for games
- 50,000+ games, 1300 uploaded monthly
- 15M monthly uniques, male core gamers
- Rev share with developers
- Mix of ads & virtual goods
- Acquired by GameStop July 2010

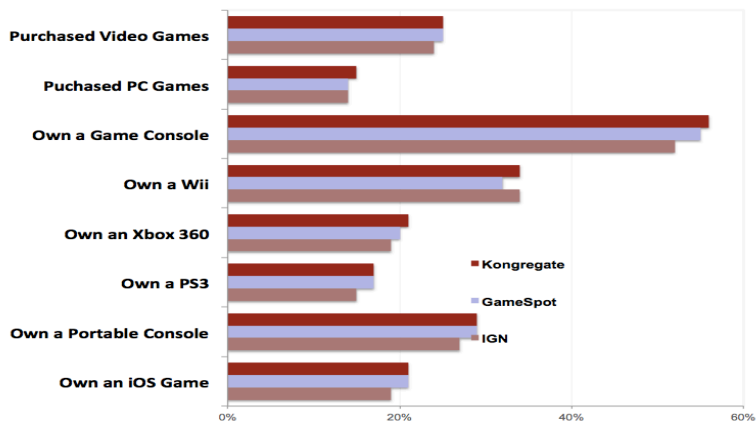
Our Players

Hardcore gaming audience:

- 85% Male, Average Age 21
- Index very high for console, PC gaming

Deep Engagement:

- Average user 40+ plays a month



Our Platform

Game discovery:

- Tons of content, ratings & recommendations to surface the best games

Deep community & social features:

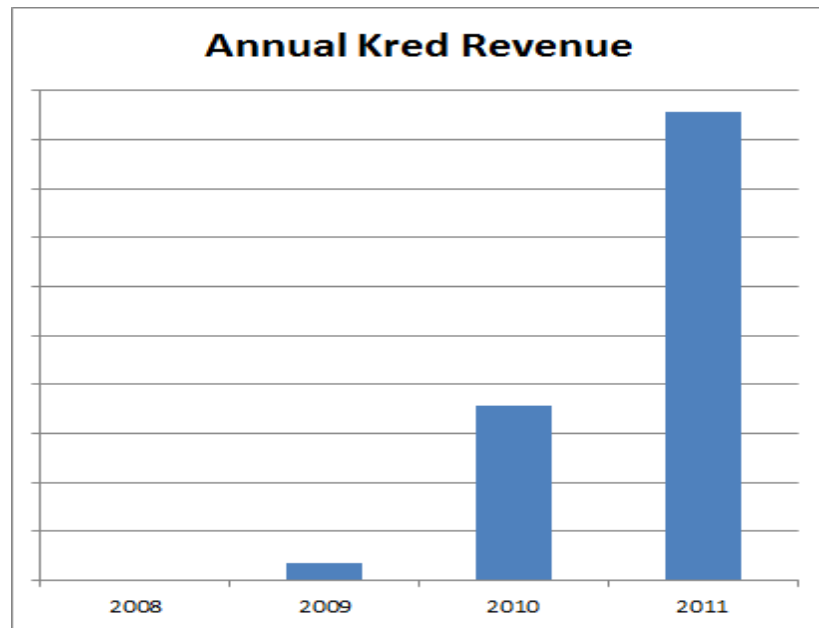
- Profiles, Points, Levels, Achievements
- Friends, Chat, Comments, Forums, etc.

Site-wide virtual currency, Kreds:

- Similar to Facebook Credits, APIs & integrations very similar

A Short History of Kreds

- Launched late 2008
- Took off in 2009 with MMOs & male-oriented social games
- Currently 100+ kreds games, majority of revenue



Brief Sales Pitch/Context

ARPUs generally 60-100% higher than on Facebook for games on both platforms

- Everyone is a core gamer
- Can pump a critical mass of socially-connected gamers into a game quickly
- Achievements incent players to get far enough into the game to get addicted

Select Developers and Games



BIGPOINT.COM



Successful Game Genres

Mostly multiplayer, some single-player

- RPGs
- Collectible Card Games
- Strategy / Empire Building
- Tower Defense
- Deathmatch / Live PvP
- Sim / Management

What makes a game successful?

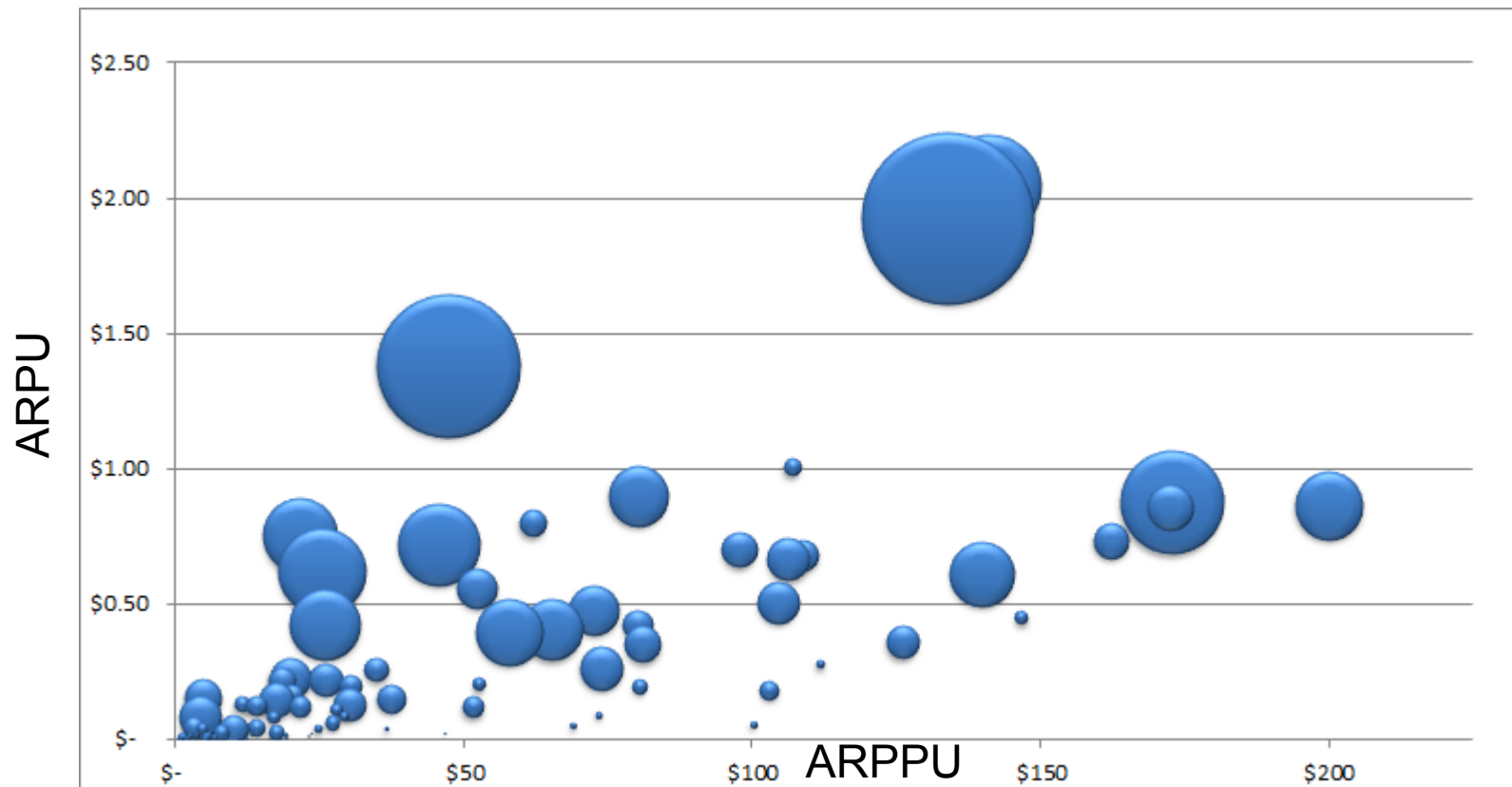
The advantage of having a platform is that we have comparative stats

Common themes emerge with the most successful games

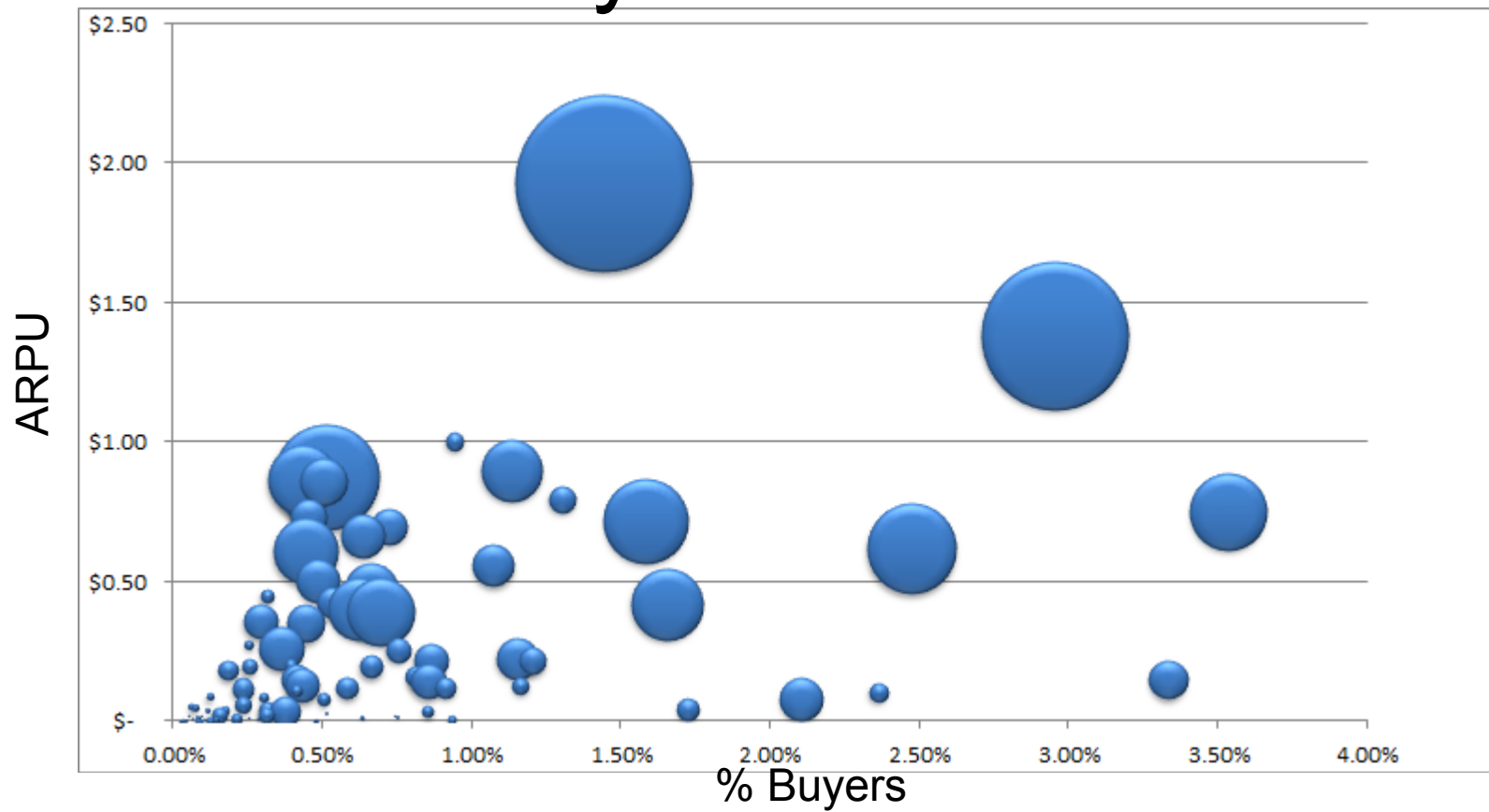
Background

- All stats are lifetime
- ARPU: average revenue per user
- ARPPU: average rev per paying user
- Player: a registered user who loaded the game at least once
- “Reg”: player with 10+ plays
- “Addict”: player with 50+ plays

ARPPU → ARPU



% Buyers → ARPU



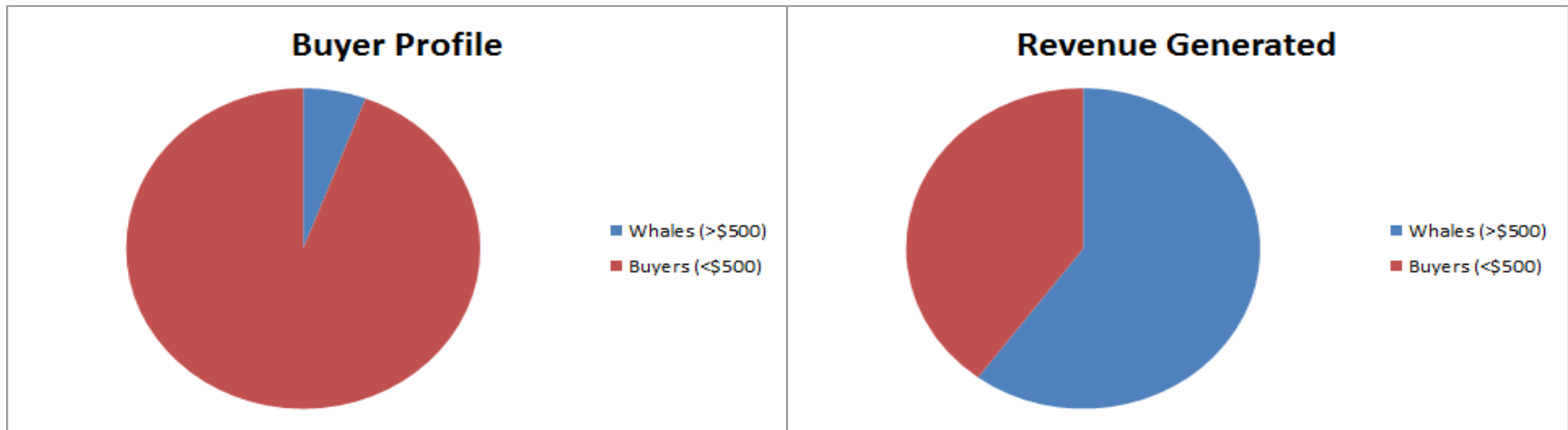
Buyer Percentage Implications

- Most games cluster around a 0.5% purchase rate
 - For those games ARPU & Revenue mostly a function of ARPPU
- High % Buyer above reflects a broadly passionate audience
 - Revenue always good (especially for multiplayer games) but size still a function of ARPPU

A Tale of Two ARPPUs

- Closer look at two games with similar ARPUs, # of players, and revenue but radically different ARPPUs
- High ARPPU game:
 - Average spend is \$119, median \$16
- Low ARPPU game
 - Average spend is \$24, median \$5

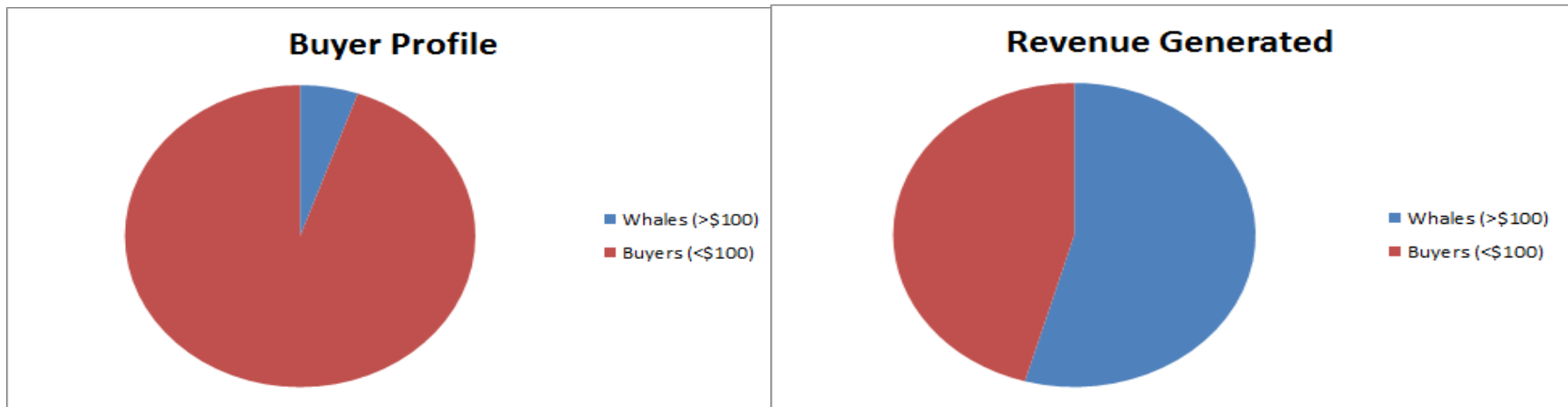
Whale of an ARPPU



High ARPPU game:

- 40% of revenue comes from 2% of players who spend >\$1,000
- 90% of revenue from players spending \$100+
- Top whale has spent \$6.7k

Still about the Whales



Low ARPPU game

- 54% of revenue from 5% of players spending \$100+ (but just 13% from players \$500+)
- Only 9% of revenue from the 65% of buyers who spent <\$10
- Top whale has spent \$1.3k
- Whale spend is smaller, but \$\$\$s still dominated by a few high-paying players

First Advice

#1 Make sure players can spend \$1,000+

- If you make a fun game someone will want to spend an infinite amount. Don't create a situation in which spending is capped by availability or utility.

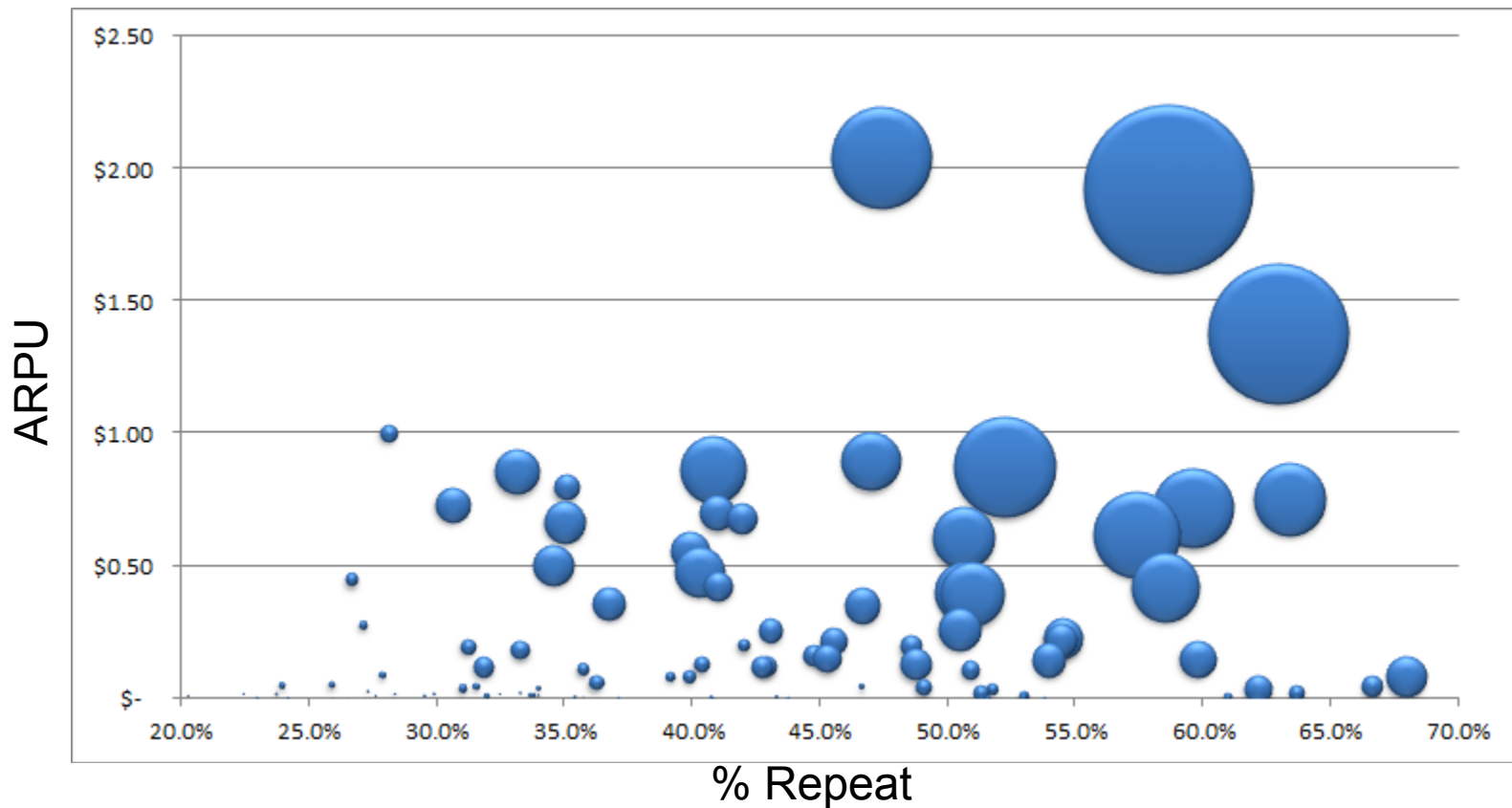
#2 Don't underprice

- There is very little price elasticity below \$5. It's an emotional decision to spend for progress and status, focus on that.
- Use intro paid currency, first time buyer packages & deals to get people into the habit of purchase
- Higher prices allow for sales & special events later

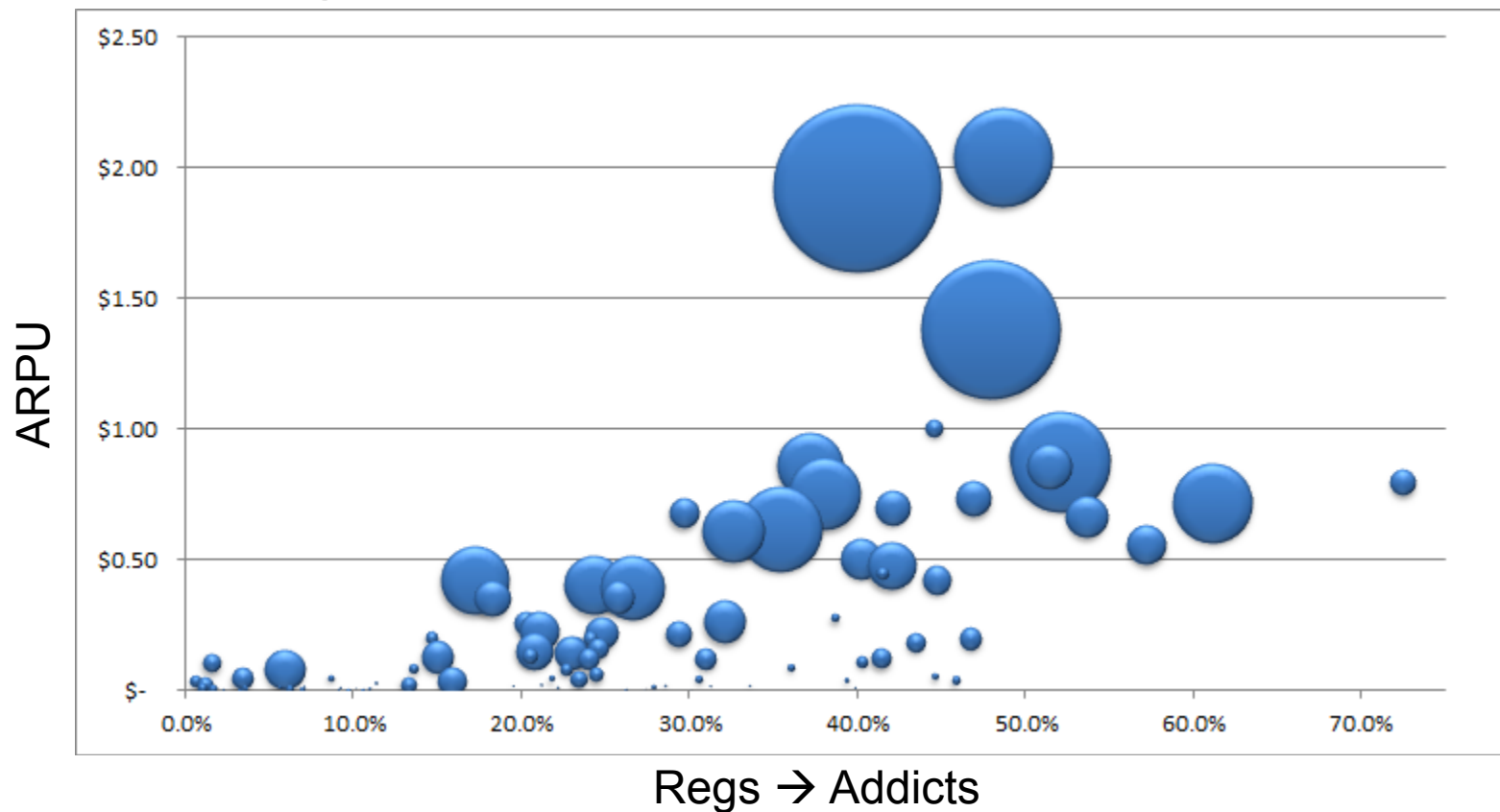
How We Look at Retention

- % Repeat
 - What % of players ever return
 - Shows initial impressions/interest in the game
- Repeat → Reg
 - What % of players who repeat become regulars?
 - How strongly is the player hooked in the early-middle parts of the game?
- Reg → Addict
 - What % of regulars become addicts?
 - Engagement of end-game content

% Repeat Does Not Correlate



Regs → Addicts However...



The Most Important Lesson

Lesson #3 – Look first to the end-game

- Every high ARPU and high revenue game on Kongregate has a strongly social and competitive end-game.
- Common features (mix and match)
 - Guilds/leagues
 - Guild warfare or leaderboards
 - PvP (either synchronous and asynchronous)
 - Visible status & character progression
 - Guilds/leagues (it bears repeating)

In Soviet Russia, CCGs Collect You!

Tyrant

- By Synapse Games
- Launched Feb 2011
- 4.33 rating
- 26M gameplays



Clash of the Dragons

- By 5th Planet Games
- Launched Nov 2011
- 3.89 rating
- 2.8M gameplays



CCG v CCG - Monetization

Tyrant

- Individual cards: \$1.5 - \$4
- Booster packs: \$0.75 - \$4
- 1st buyer: \$10 gets \$20
- Daily individual deals
- Tournament entry: \$0.75, or free with 4 packs
- Energy: \$1.50

Clash of the Dragons

- Rare cards: \$7.5 - \$10
- Boosters: \$1 - \$10
- Starter decks: \$10
- Weekly sales & specials
- PvP and Tournaments: free - \$3, plus packs
- Energy: \$1

CCG v CCG – Endgame

Tyrant

- Large-scale endgame
 - Guild vs. Guild warfare
 - Giant asynch raids
 - Regular world-wide tournaments w/ live PvP, leaderboards and prizes
- Minimal leveling benefits, no equipment

Clash of the Dragons

- Intimate social endgame
 - Guild co-op raids
 - Realtime small raids
 - Ad hoc mini tournaments, competitive live PvP, no leaderboards, has prizes
- Has RPG leveling, skills, and equipment

CCG v CCG – Guild Value

Guilds allow in-game communities to form and apply pressure both to return and to spend

- **Tyrant**

- 6% of users are in factions
- 41% of paying users are in factions
- ARPU for non-faction members is \$0.19, vs \$3.87 for faction members

- **Clash of the Dragons**

- 2.5% of users are in clans
- Reported approximately 10x purchase rate of clan members vs. non-clan members

CCG v CCG – Monthly Stats

Tyrant

- Reg → Addict: 59.4%
- MARPPU: \$33.08
- Whale rate: 1.34%
- % Buyers: 2.26%
- MARPU: \$0.74

Clash of the Dragons

- Reg → Addict: 66.8%
- MARPPU: \$59.65
- Whale rate: 3.28%
- % Buyers: 1.34%
- MARPU: \$0.81

Attack of the Tower Defense

- Defender's Quest (Demo)
 - by Level Up Labs (Jan '12)
- GemCraft: Labyrinth
 - by GameInABottle (Apr '11)



- Kingdom Rush
 - by Ironhide (Dec '11)
- Bloons Tower Defense 4
 - by Ninjakiwi (Jan '10)



Attack of the Tower Defense

- Defender's Quest (Demo)
 - Full version (Acts 3 – 7, 3 more unit types, etc.) (\$5)
 - 4.10 rating
- GemCraft: Labyrinth
 - “Premium” version with a few extra options, skills, and bonus skill points (\$5)
 - 4.38 rating
- Kingdom Rush
 - “Premium” version with 2 extra maps, skills, bonus skill points, costumes (\$3)
 - 4.63 rating
- Bloons Tower Defense 4
 - Additional maps (\$1.50, 10%)
 - Upgrades (\$0.40 - \$1.50, 83%)
 - Consumables (~\$0.25, 6%)
 - 4.46 rating

Attack of the Tower Defense

- Defender's Quest (Demo)
 - Purchase rate: 2.17%
 - ARPPU: \$5.00
 - ARPU: \$0.11
- GemCraft: Labyrinth
 - Purchase rate: 3.33%
 - ARPPU: \$5.00
 - ARPU: \$0.16
- Kingdom Rush
 - Purchase rate: 1.67%
 - ARPPU: \$3.00
 - ARPU: \$0.05
- Bloons Tower Defense 4
 - Purchase rate: 2.10%
 - ARPPU: \$4.35
 - ARPU: \$0.09

Tortoise vs. Hare, Business Sim Duel

Swords & Potions

- By Edgebee Studios
- Launched May 2011
- 3.88 rating
- 7M gameplays



Business Tycoon Online

- By Dovogame
- Launched Feb 2011
- 3.39 rating
- 0.5M gameplays



Tortoise vs. Hare - Retention

Swords & Potions

- Slick and accessible
- Effective tutorial
- Very compelling early-stage gameplay loop
- Cooperative-only guilds
- Endgame loses steam

Business Tycoon Online

- Dense, high learning curve
- Rough tutorial & localization
- Initial loop slow, progress is not as clear
- Competitive guilds
- Deep, nearly limitless endgame

Tortoise vs. Hare, Stats (Monthly)

Swords & Potions

- Repeat: 55.6%
- Repeat → Reg: 56.9%
- Reg → Addict: 51.9%

Business Tycoon Online

- Repeat rate: 25.8%
- Repeat → Reg: 20.9%
- Reg → Addict: 60.1%

Tortoise vs. Hare - Monetization

Swords & Potions

- Package prices: \$1 - \$50
- No bulk buying benefits
- Beginner packs: \$8 - \$20
- Nearly everything can be earned with soft currency
- Upgrades priced relatively low: \$0.50 - \$10
- Difficult to spend >\$100

Business Tycoon Online

- Package prices: \$1 - \$1000
- Bonuses for large purchases
- No beginner/intro package
- Lots of bonuses and items require hard currency
- Very confident prices in hard currency shop: \$0.05 - \$5000
- Difficult to spend <\$100

Tortoise vs. Hare, Stats (Monthly)

Swords & Potions

- % Buyers: 2.93%
- MARPPU: \$17.07
- MARPU: \$0.50

Business Tycoon Online

- % Buyers: 0.71%
- MARPPU: \$96.22
- MARPU: \$0.69

- Nearly identical lifetime ARPUs.
- Winner: The hare?! Initial retention and popularity break the tie.



Fantasy Online: A Coming of Age Tale

- By Pixelated Games (Jeromy Stroh)
- Launched May 2010
- 4.20 rating
- 5.7M gameplays



Fantasy Online: A Humble Start

- Popular and good retention, but couldn't monetize well. Only sold aesthetic equips.
- First month (Jun '10) Monthly ARPPU: \$5.50
- Added new zones for modest growth to \$8.50 in Sept. Minimal updates for a few months.
- Nov 2010 Monthly ARPPU: \$8.11

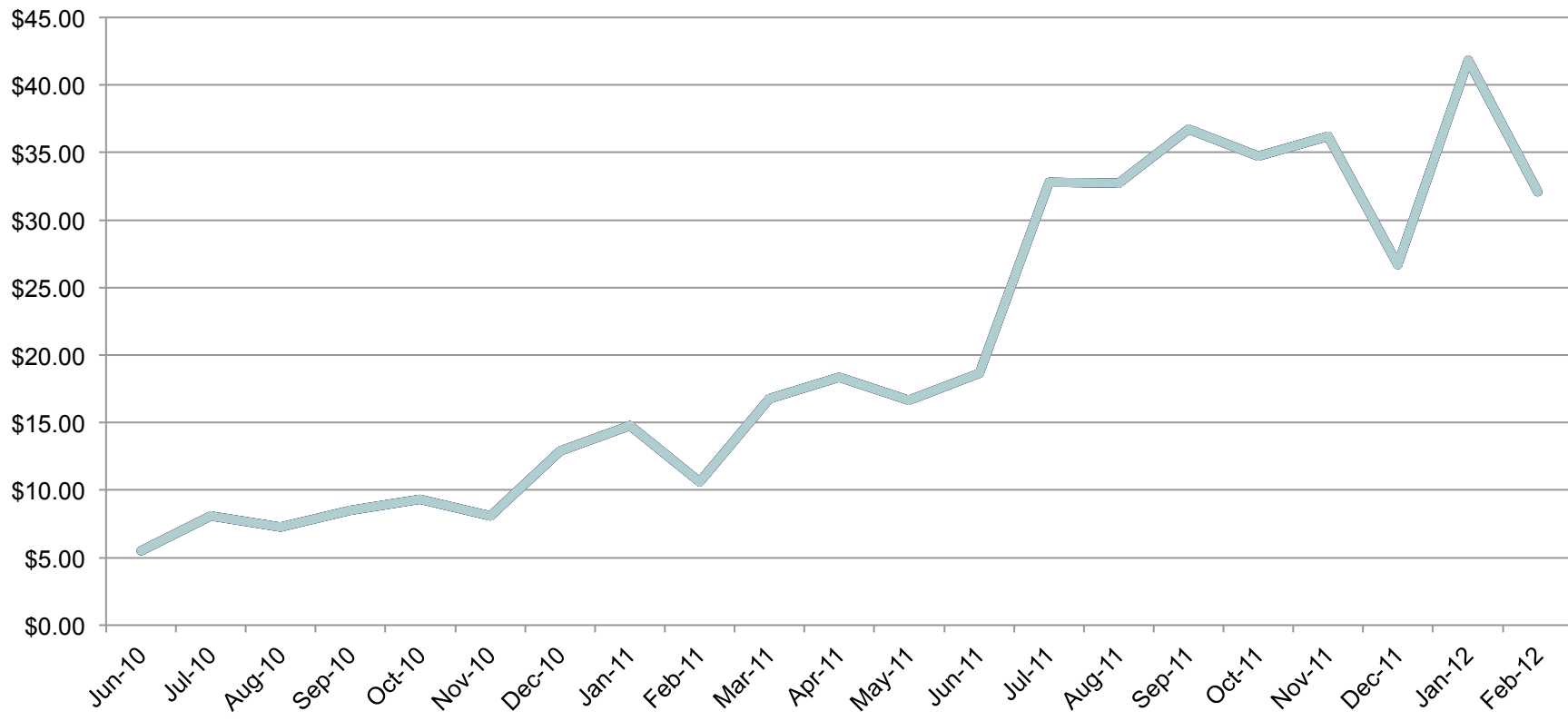
Fantasy Online: Release the Guilds!

- Guilds launched in Dec 2010
- Monthly ARPPU jumped to \$12.93
- Crafting, mining, XP potions, new zones added, kept Monthly ARPPU in that higher range, growing to \$18.66 by Jun 2011

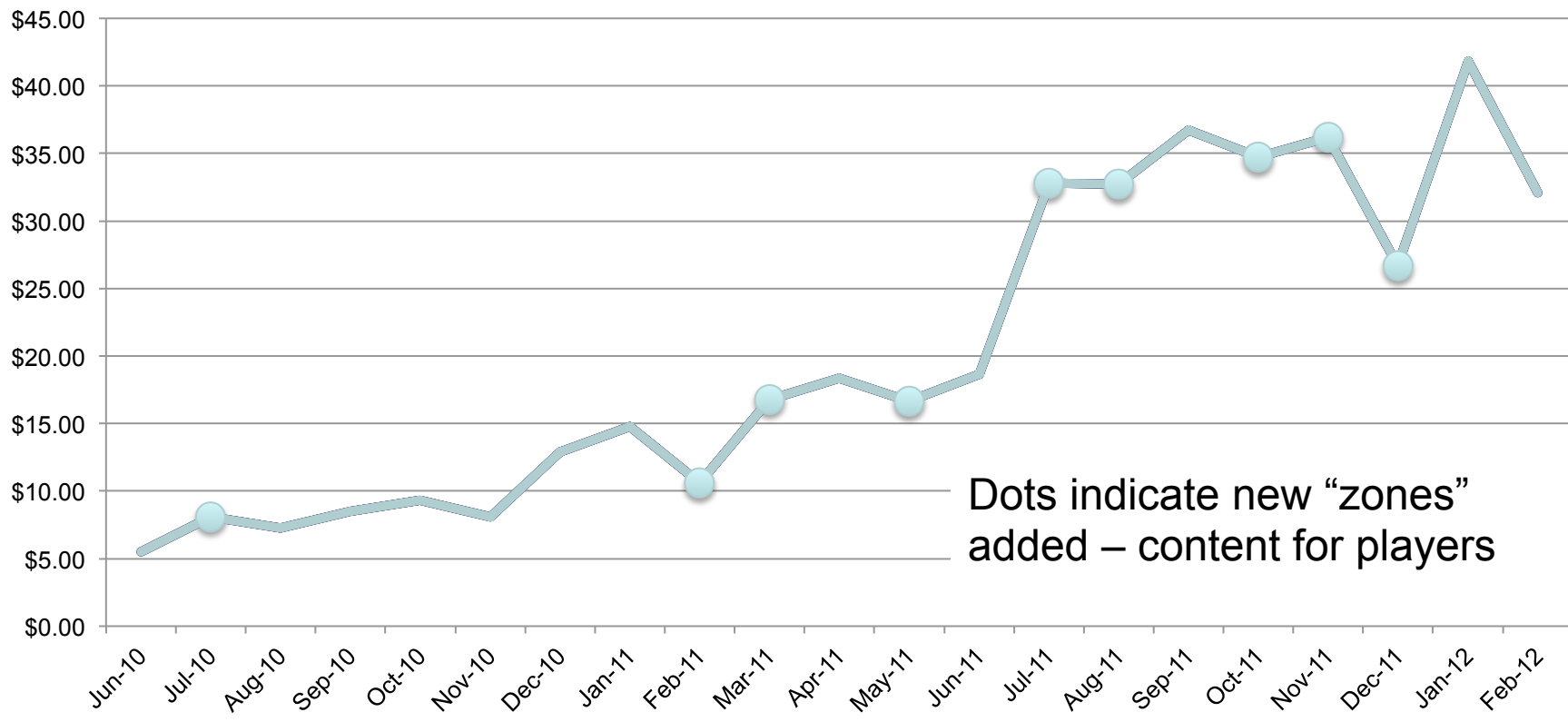
Fantasy Online: Whale Hunting

- Jul 2011, “Gem Packs”, expensive “uber” items (\$30+) were added to court whales
- Monthly ARPPU soared to \$32.80
- New content, new equipment slots, Halloween event, grew to \$36.23 in Nov 2011
- Jan 2012: Guild Warfare, peak of \$41.86

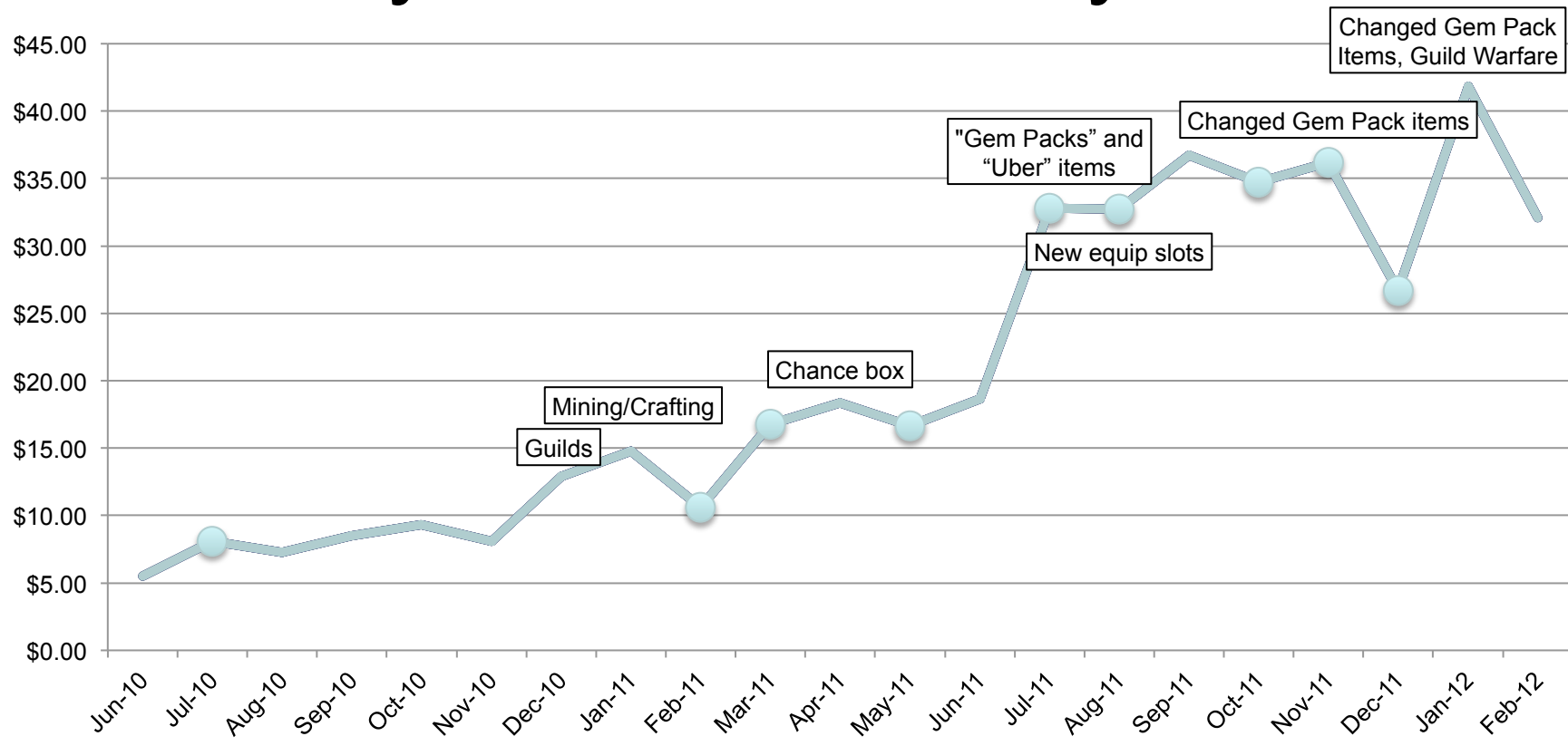
Fantasy Online: Monthly ARPPU



Fantasy Online: Monthly ARPPU



Fantasy Online: Monthly ARPPU



Fantasy Online: Summary Stats

- Traffic stayed strong through high rating and repeated Kongregate promotion
- % Buyers generally ~1.1% with promotion, ~1.5% without
- Monthly ARPPU grew from \$5.50 to \$41.86
- Monthly ARPU grew from \$0.04 to \$0.70

Fantasy Online: Takeaways

- Social elements like guilds drive monetization
- Incentivizing purchases leads to bigger spends
- Make sure you appeal to your whales
- Keep content fresh to keep players interested
- If a core game is fun, you can probably make it monetize. The converse isn't necessarily true.

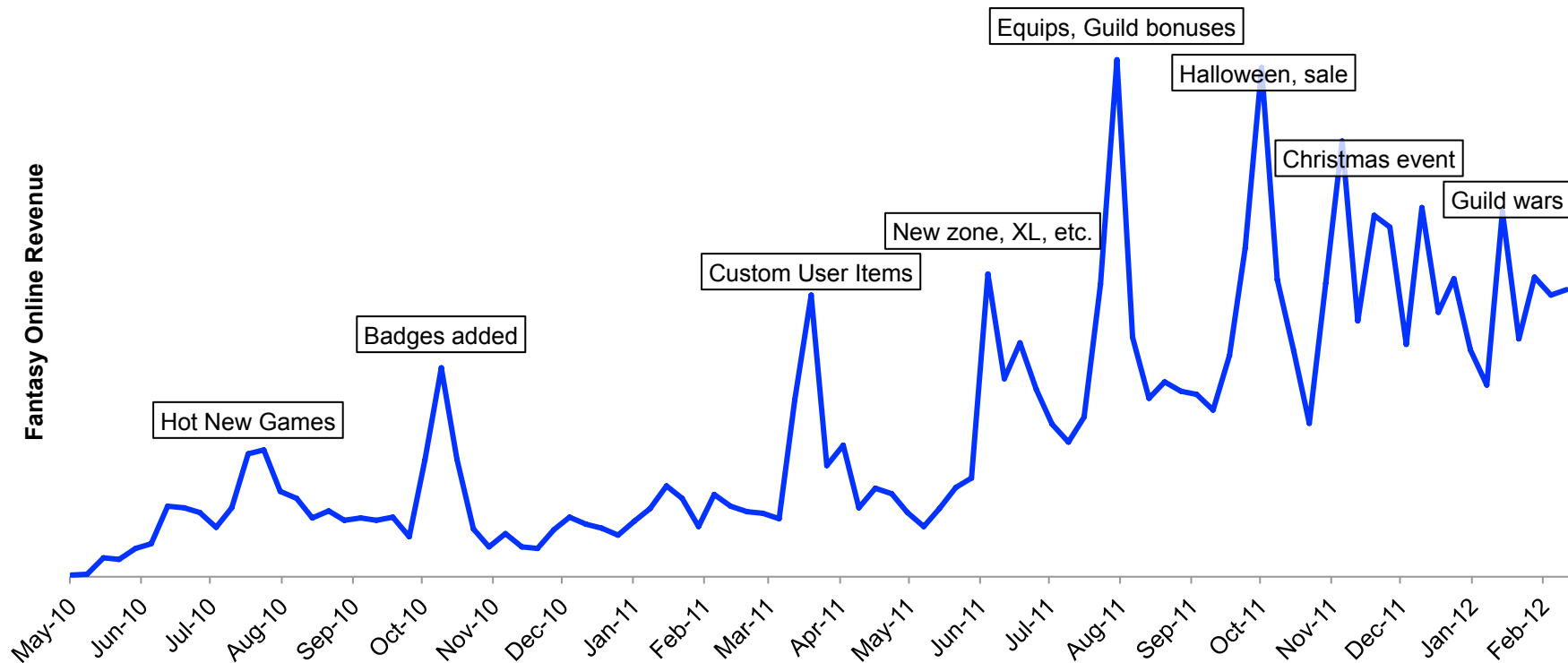
The Value of Developer Activity

Keep feeding your players

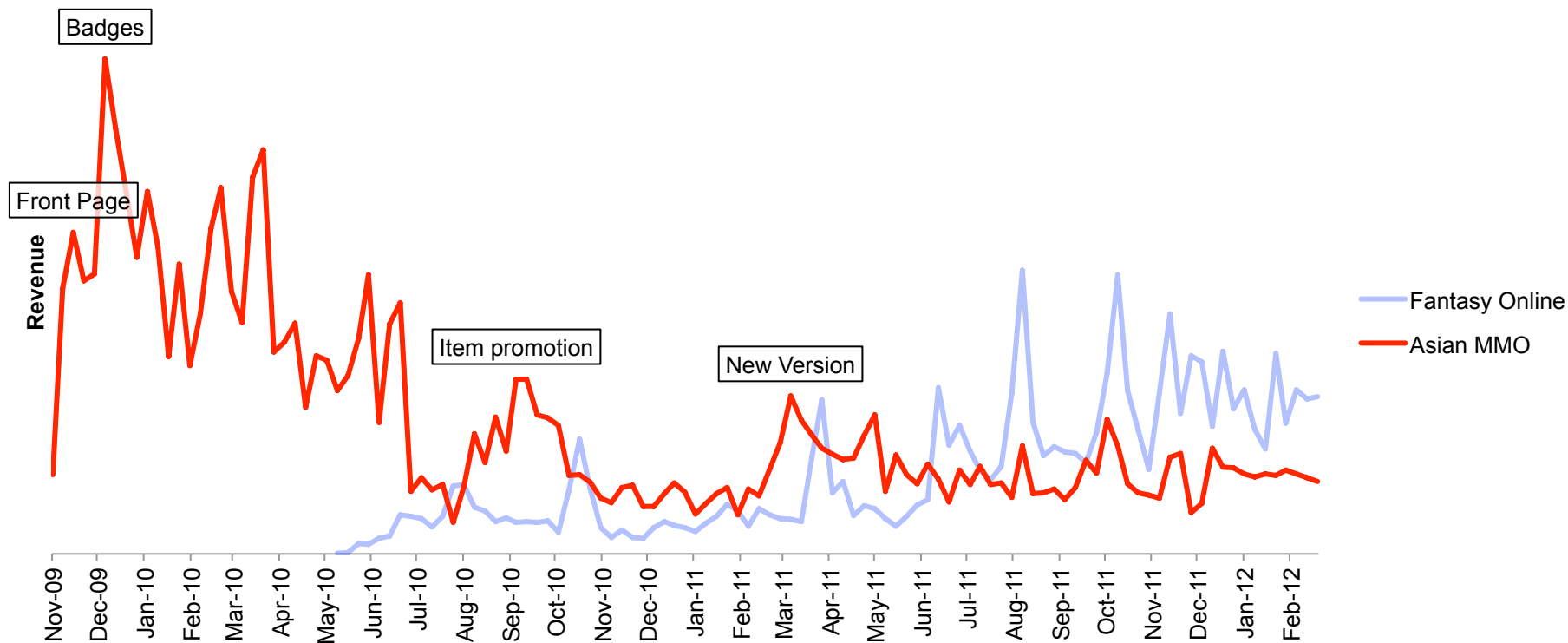
- Regular updates, new features, and events yield greater engagement and reduced fatigue.
- Sales and specials can offer significant jumps in revenue.



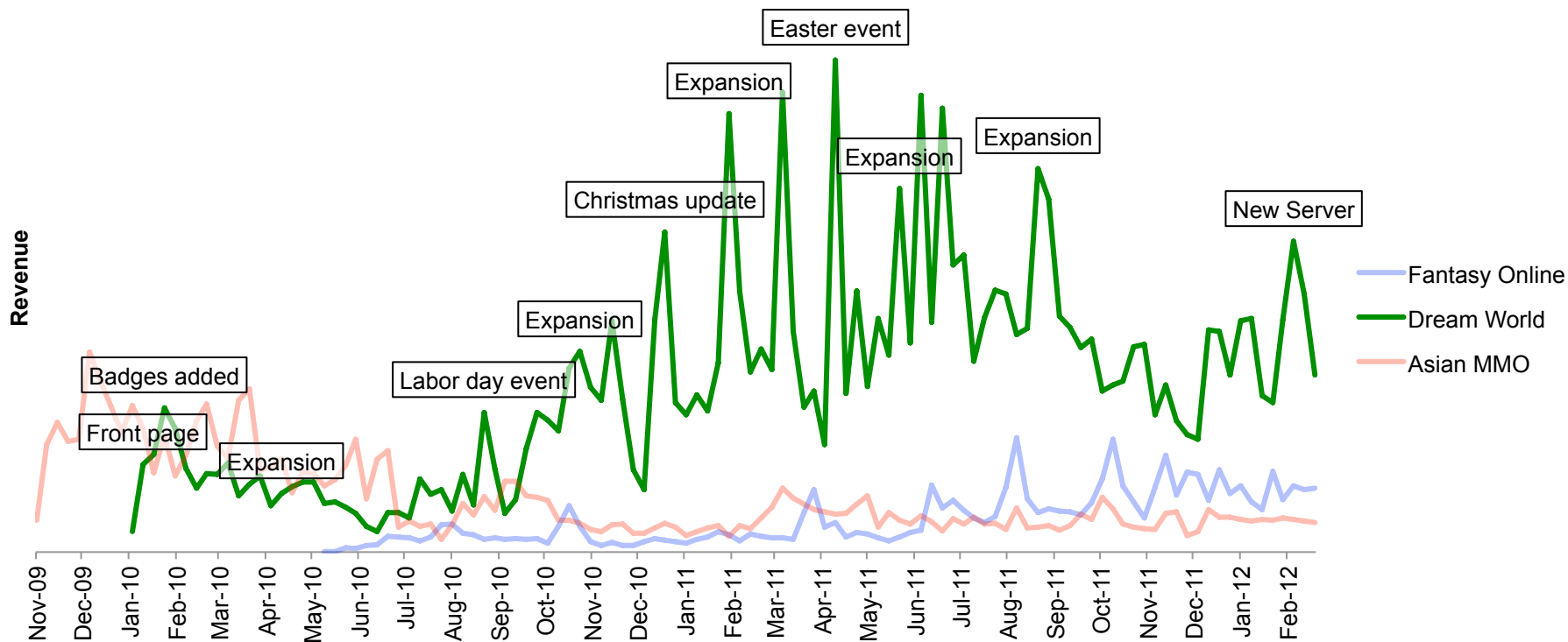
The Value of Developer Activity



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