Pricing Strategy of Games

Yu Zhan
Three types of pricing strategy:

* Pay to Win
* Pay to Play
* Pay for a better game (Free-to-play)
Pay to Win
* Pay to Win
All-star Heroes
All-star Heroes

* Opportunities of getting new heroes (stronger or with more strategies)
All-star Heroes

* Opportunities of getting new heroes (stronger or with more strategies)

* Better Equipments and more Golds
All-star Heroes

* Opportunities of getting new heroes (stronger or with more strategies)
* Better Equipments and more Golds
* Extra energy
All-star Heroes

* Opportunities of getting new heroes (stronger or with more strategies)
* Better Equipments and more Golds
* Extra energy

Win in PVP and rank higher
Pay to Play
Pay to Play

*Selling Sequels*
Pay to Play

DARK SOULS

DARK SOULS II
Pay to Play

* Selling Sequels
Pay to Play

- Selling Sequels
- Selling downloadable Contents (DLCs)
Selling Sequels

Selling Downloadable Contents (DLCs)

Pay to Play
Pay to Play

- Selling Sequels
- Selling Downloadable Contents (DLCs)
Pay to Play

- Selling Sequels
- Selling Downloadable Contents (DLCs)
- Selling Online versions
Selling Sequels

Selling Downloadable Contents (DLCs)

Selling Online versions

* Selling Online versions
Pay to Play

- Selling Sequels
- Selling Downloadable Contents (DLCs)
- Selling Online versions
Pay to Play

- Selling Sequels
- Selling Downloadable Contents (DLCs)
- Selling Online versions
- World of Warcraft
Pay to Play

* Selling Sequels
* Selling Downloadable Contents (DLCs)
* Selling Online versions
* World of Warcraft

“Pay for experiences”
Fast update strategy
Fast update strategy

- Update of storyline (DLCs and sequels)
Fast update strategy

* Update of storyline (DLCs and sequels)
* Update of graphics ("scholar of the first sin", sequels)
Fast update strategy

* Update of storyline (DLCs and sequels)

* Update of graphics (“scholar of the first sin”, sequels)

* Update of game play (new characters, online cooperation)
Free-to-play (F2P)
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“refers to video games which give players access to a significant portion of their content without paying.”
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“Freemium is a pricing strategy by which a product or service is provided free of charge, but money (premium) is charged for proprietary features, functionality, or virtual goods.”
Free-to-play (F2P) refers to video games which give players access to a significant portion of their content without paying.

Freemium is a pricing strategy by which a product or service is provided free of charge, but money (premium) is charged for proprietary features, functionality, or virtual goods.
Pricing Strategy of DOTA2
Pricing Strategy of DOTA2

- Match Tickets
Pricing Strategy of DOTA2

* Match Tickets
Pricing Strategy of DOTA2

- Match Tickets
- Workshop
Pricing Strategy of DOTA2

* Match Tickets
* Workshop
Pricing Strategy of DOTA2

* Match Tickets
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“Pay for a better game”
DOTA2 Championships as an unique update strategy
DOTA2 Championships as an unique update strategy

Peak Players:
DOTA2 Championships as an unique update strategy

Peak Players:

* TI1 (2011 August)
  less than 10 thousand
DOTA2 Championships as an unique update strategy

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* TI2 (2012 Aug & Sep) 118,724 players
DOTA2 Championships as an unique update strategy

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* TI3 (2013 August 7 to 11)  
  566,715 players
DOTA2 Championships as an unique update strategy

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  566,715 players

* TI4 (2014 July 8 to 21)  
  864,261 players
Peak Players:

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* TI2 (2012 Aug & Sep) 118,724 players

* TI3 (2013 August 7 to 11) 566,715 players

* TI4 (2014 July 8 to 21) 864,261 players

* DOTA2 Asia Championship (2015 Jan 6 to Feb 9) 1,262,612 players
Fast update strategy

DOTA2 vs All-star Heroes
Fast update strategy

DOTA2 vs All-star Heroes

Dota 2

All-star Heroes
Fast update strategy

**DOTA2 vs All-star Heroes**

Dota 2

* Update of storyline (hardly any story for MOBA game)

All-star Heroes
Fast update strategy

DOTA2 vs All-star Heroes

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All-star Heroes

* Update of storyline (no)
Fast update strategy

**DOTA2 vs All-star Heroes**

**Dota 2**

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* Update of graphics (workshop, vote for rebuild of heroes)

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Fast update strategy
DOTA2 vs All-star Heroes

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All-star Heroes

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Fast update strategy

DOTA2 vs All-star Heroes

**Dota 2**

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- Update of game play (new strategies by new heroes and items, adjusting the balance)

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## Fast update strategy
### DOTA2 vs All-star Heroes

**Dota 2**
- Update of storyline (hardly any story for MOBA game)
- Update of graphics (workshop, vote for rebuild of heroes)
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**All-star Heroes**
- Update of storyline (no)
- Update of graphics (hardly changed from beginning)
- Update of game play (following dota 2, more pricing strategies involved)
Comparison of success
DOTA2 vs All-star Heroes
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DOTA2 vs All-star Heroes

Players:
Comparison of success
DOTA2 vs All-star Heroes

Players:

* 42,900,000
dota2 accounts (till February 2015)
Comparison of success
DOTA2 vs All-star Heroes

Players:

* 42,900,000
dota2 accounts (till February 2015)

* 70,000,000
accounts (till December 2014)
Comparison of success
DOTA2 vs All-star Heroes

Players:

* 42,900,000
dota2 accounts (till February 2015)

* 1,262,612
Peak concurrent players

* 70,000,000
accounts (till December 2014)
Comparison of success
DOTA2 vs All-star Heroes

Players:

* 42,900,000
dota2 accounts (till February 2015)

* 1,262,612
Peak concurrent players

* 10,860,520
unique players in last month

* 70,000,000
accounts (till December 2014)
Comparison of success
DOTA2 vs All-star Heroes

Players:

* 42,900,000
dota2 accounts (till February 2015)

* 1,262,612
Peak concurrent players

* 10,860,520
unique players in last month

* 70,000,000
accounts (till December 2014)

* 3,850,000
Peak Daily Active User (DAU)
Comparison of success
DOTA2 vs All-star Heroes
Comparison of success
DOTA2 vs All-star Heroes

Revenues:
Comparison of success
DOTA2 vs All-star Heroes

Revenues:

* more than 43,695,920 USD
  revenue for TI4
  (10,924,897 USD in prize pool
  from 4,369,592 players)
Comparison of success
DOTA2 vs All-star Heroes

Revenues:

* more than 43,695,920 USD revenue for TI4
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* 136 million USD revenue of 2014 from Jan to Sep
  (right after ti4)
Comparison of success
DOTA2 vs All-star Heroes

Revenues:

* more than 43,695,920 USD revenue for TI4 (10,924,897 USD in prize pool from 4,369,592 players)

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* 3,228,000 USD peak revenue per day (till December 2015)
Comparison of success
DOTA2 vs All-star Heroes

Revenues:

* more than 43,695,920 USD revenue for TI4
  (10,924,897 USD in prize pool from 4,369,592 players)

* 136 million USD revenue of 2014 from Jan to Sep
  (right after ti4)

* 3,228,000 USD peak revenue per day (till December 2015)

* 43,578,000 USD peak revenue per month within China only (till December 2015)
<The Strategy and Tactics of Pricing>
Fairness Effect
– buyers are more sensitive to the price of a product when the price is outside the range they perceive as “fair” or “reasonable” given the purchase context.
Influence

🌟 *<The Strategy and Tactics of Pricing>*
Fairness Effect
– buyers are more sensitive to the price of a product when the price is outside the range they perceive as “fair” or “reasonable” given the purchase context.

🌟 Cancer of Game Industry
References

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All-star Heroes

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