

# **How the 'Free to Play' model changed game developers' perspective**

In 2023 the video game industry achieved \$184bn in revenue; which was a 900% increase from the \$18.5bn in 2010. This drastic increase in revenue resulted from a change in the revenue model. In 2010 the bestselling games were Call of Duty: Black Ops and Madden NFL 11 costing approximately \$70 up-front cost with no additional spending expectation. In comparison, in 2023 the most played games were Fortnite and Roblox both costing nothing initially. Instead, free games make money through micro-transactions inside the game for either progression in the game or cosmetics for the user's avatar. This change in the way games are created has led to a higher overall player base but this revenue model has come at the cost of quality, oversaturation of markets, pay to win mechanics and more addictive games; this has led to people spending more money than they anticipated. The change from pay to play games to free to play games has been good in the short term but it could be detrimental without improvement.

One of the Advantages of F2P (Free to Play) games is that they can get more exposure to more people. This is because some people are either unwilling or unable to dish out \$70 every 2 years for the latest blockbuster title. These people might also be willing to spend \$20 on in-game purchases. The people who don't like paying for games are what the F2P video game market is trying to capture as they have the potential to encourage more people to play and spend in the game. For example, as previously stated, the latest Call of Duty game; Modern Warfare 3 was released at \$70 up-front cost. In comparison, Fortnite, the most played game in 2023, is free, but the average player spends \$102.54 over the time they play the game. As we can see, more people play Fortnite because it is free, and they even end up spending more on the game than if they had offered an up-front purchase. For F2P multiplayer games like Rocket League where the meta (The playstyle which is the best at the time) is not designed by the developers but by the player, less work is required. Proving this, Rocket League has not had a major physics or gameplay update since just after the full game was released. It had a budget of \$2 Million 500x less than Call of Duty's \$1bn. With Rocket League making 80x of what was spent on it in revenue and Call of Duty only making 4.5x return on investment. Despite this Call of Duty made \$4.6bn in revenue. The F2P model also allows the creation of the F2P model allows smaller developers to make games when under the P2P model they wouldn't be able to make a game otherwise. This model can help developers keep games open for longer as they aren't reliant on initial sales and can make money over time.

Mainstream F2P games are often more regularly updated than large P2P games like Call of Duty and Elden Ring. This is good as regular updates help to keep players engaged with the game. However, there is an alternate way games can keep players engaged such as the way Activision does it with Call of Duty which is releasing new games yearly. There is a problem with this approach as on the developers' side it is much more work as releasing an entirely new game is much more expensive than updating an existing title, which is what Epic Games does with Fortnite. Another P2P game which uses this is Elden Ring. Their main way to keep players engaged is to have a long campaign but also releasing DLCs (Downloadable Content) to add extra content. In the case of the most recent DLC; Shadow of Erdtree it added over 40 more hours of content onto a game that already takes 130 hours to fully complete.

On the other hand, there are many problems with F2P games, namely the predatory monetization used by developers in order to make players spend more money inside their games. The monetization strategies include 'The First Spend' which is where the video game company or developer gives the player an amazing offer for a very cheap price. This is an icebreaker which makes the F2P player turn into a paying customer. Another psychological trick games use is 'Material Distortion'. This is where the developers of games make the player transfer their money between many currencies leaving the player questioning how much the purchase is worth. This also often leaves the player with excess currency, encouraging them to spend even more money on a free game. A third used by developers to scam players is 'Reward Randomization'. This is where developers use a weighted wheel to get players to feel so close to unlocking a reward when they could be spending hundreds of dollars to get an intangible in-game reward. Luckily these randomized loot boxes are now banned in the EU due to new laws. The final technique is overloading the player. This is where the in-game item shop is filled with limited time offers that make it, so the player feels a sense of urgency, when these items cost nothing for the developers to make and are just 1s and 0s in their server and these systems are also convoluted so you must have every single currency in order to progress. The worst part of this is that in multiplayer games there is often a system in place which puts you in matchmaking with people who are ahead of you in progression, so you feel like you must keep spending money to catch up to them.

Secondly, F2P games work differently than P2P games in the way they make money as seen above. This means that on the developer's side the profitability of their game is not dependent on the initial sale but how long the person plays the game for and how much they spend on it. This has the secondary effect of making free games often rushed and riddled with bugs (problems in the game that affect the user directly and can lead to a negative gameplay experience) as developers are more motivated to get the game out as if a game does not require a up-front cost people are more likely to get it later and trust that the bugs will get fixed. With the ease that this model gives the developer to create the game it can lead to markets filled with lack-luster games that are much lower quality than the P2P games of the same size such as Rain World and Mini-Motorways. This is bad as it leads to high-quality games that aren't from big budget AAA developers being swept up and not seen by players.

The Final problems with F2P games are hackers, cheaters and smurfs (people who are on an alternate account with a lower rank that does not reflect their skill level). Due to these games' F2P nature, it leads to people creating multiple accounts where they can get banned many times and still be able to create another account for free and continue playing or cheating indefinitely. This isn't as much of a problem in P2P games as it might cost anywhere between \$10 and \$80 to create a new account. This leads to less people being able to afford to hack and therefore less hackers overall.

For developers F2P video games require a different skill set than AAA games like Call of Duty. The F2P model has helped to make more video games available on mobile devices allowing even more people to play. P2P games like Call of Duty can be compared to Blockbuster movies where it's very high risk but has the potential to make a lot of money, but F2P games are a lot lower risk and are less expensive. On the other hand, F2P games are also generally lower quality and almost require a viral marketing campaign to get off the ground. For Players F2P games allow them to try the game out in its entirety before having to spend money on it. However, there is the huge disadvantage of predatory pricing and monetization which can be dangerous for the kids the games are aimed at since they don't know the value of money. Overall having Free games is good but for the business model to be sustainable there needs to be a change in how they make money or at least some laws to prevent these predatory marketing techniques from being allowed in a game played by children.

