

AMBER

LEVEL UP YOUR GAME

FROM PREMIUM TO
FREE-TO-PLAY

A complete guide on how to orchestrate a seamless transition to the **free to play business model**

Transitioning from a pay-to-play to a free-to-play model in the gaming industry can be challenging, but with the right strategy, it can have a positive impact on revenue. This white paper analyzes five games that have successfully made the transition and provides guidance for developers looking to do the same. Learn how to avoid common pitfalls and seamlessly orchestrate this conversion for a rewarding outcome.

The Lord of the Rings Online

Successfully transitioned from pay-to-play to free-to-play in 2010, which resulted in a significant increase in player base and revenue.

Wildstar

Transitioned to free-to-play in 2015, but failed to retain players and generate sustainable revenue.

The Sims 4

Smoothly transitioned to free-to-play in 2022, leveraging its existing DLC-centric business model.

Destiny 2

Transitioned to free-to-play in 2019, resulting in a significant increase in player base and revenue.

Evolve

Transitioned to free-to-play in 2016, but failed to attract new players and generate sustainable revenue. The game was eventually shut down in 2018.

All these games made the transition to F2P with the hopes of improving the product's profitability, but their specific reasons varied. For LotRO and Destiny 2, the transition was motivated by the desire to optimize the way their product was being monetized. The Sims 4, which had been on the market for eight years, likely made the transition to stay relevant and avoid splitting the player base with a future Sims 5 release. These three games were successful before the change. For the other two, Evolve and Wildstar, the move to free-to-play was seen as a last-ditch effort to revitalize their dwindling player base.



F2P isn't a cure-all for failing games. Evaluate the reasons and potential impact before making the leap.

Keeping your Player Base

A major vulnerability during the process of converting to F2P is keeping your existing player base retained and engaged. Effective communication is essential and the five games utilized various methods to communicate the upcoming changes. These included **blog posts**, **press-releases** and **social media announcements**.

The common thread is that developers used this opportunity to assure players that the transition was not a sign of discontinued support for the game and that regular updates and content would continue to be provided.

An excellent example of this was The Sims 4, which **announced its transition alongside a repeatable “Behind the Sims” summit**, demonstrating long-term commitment to the game.¹

Another common concern during the transition to free-to-play was how to handle players who had already purchased the game. These early adopters were valuable to the success of the game and needed to be treated with special care. Each game tackled this issue differently. Some, like The Lord of the Rings Online and Wildstar, offered loyalty rewards to players who had purchased the game before it became free-to-play. Others, like Destiny 2, refunded players who had recently purchased the game and gave them access to additional content as a token of appreciation.

By offering incentives and acknowledging the loyalty of early adopters, the developers were able to retain a significant portion of their player base during the transition.

Demonstrating long-term commitment to your users is essential.

Existing buyers are your golden cohort. Prioritize their experience and ensure they are compensated for early adoption.



¹<https://www.ea.com/games/the-sims/the-sims-4/news/play-the-sims-4-for-free-beginning-october-18>

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Content and Monetization

Perhaps the most important aspect all five games had to consider was how they would monetize their content post-transition. The common approach is to introduce new in-game currencies that players can use to purchase in-game items and content.

For example, Lord of the Rings Online introduced LotRO Points (LP) as a soft currency and Mithril Coins as a hard currency.²

Evolve introduced Golden Keys and Silver Keys, while Wildstar used Omnibits as a soft currency and Protobucks as a hard currency. Crafting a robust and balanced in-game economy is a complex task that requires the expertise of an economy design team.

If you're planning to introduce new currencies or need assistance in optimizing your game's economy, we invite you to contact us. Our team of experts can provide valuable insights and guidance throughout the process, ensuring a successful transition to the free-to-play model.

Destiny 2 introduced multiple new currencies since going free to play, but their hard currency preceded the conversion.³ Instead of being used to purchase items and content, their objective was to gate player progression and create new monetization opportunities through easily adjustable pinch points. The Sims 4, on the other hand, did not introduce a new in-game currency but instead opted to continue their tried and tested strategy of releasing expansion and stuff packs, game packs, and individual items as digital purchasable items outside of the game.



▶▶ The most common adaptation is the introduction of new currencies to support the F2P model.

² <https://www.lotro-europe.com/freetoplay/faq>

³ <https://www.gamespot.com/articles/destiny-2-guide-how-currency-works/1100-6453201/>

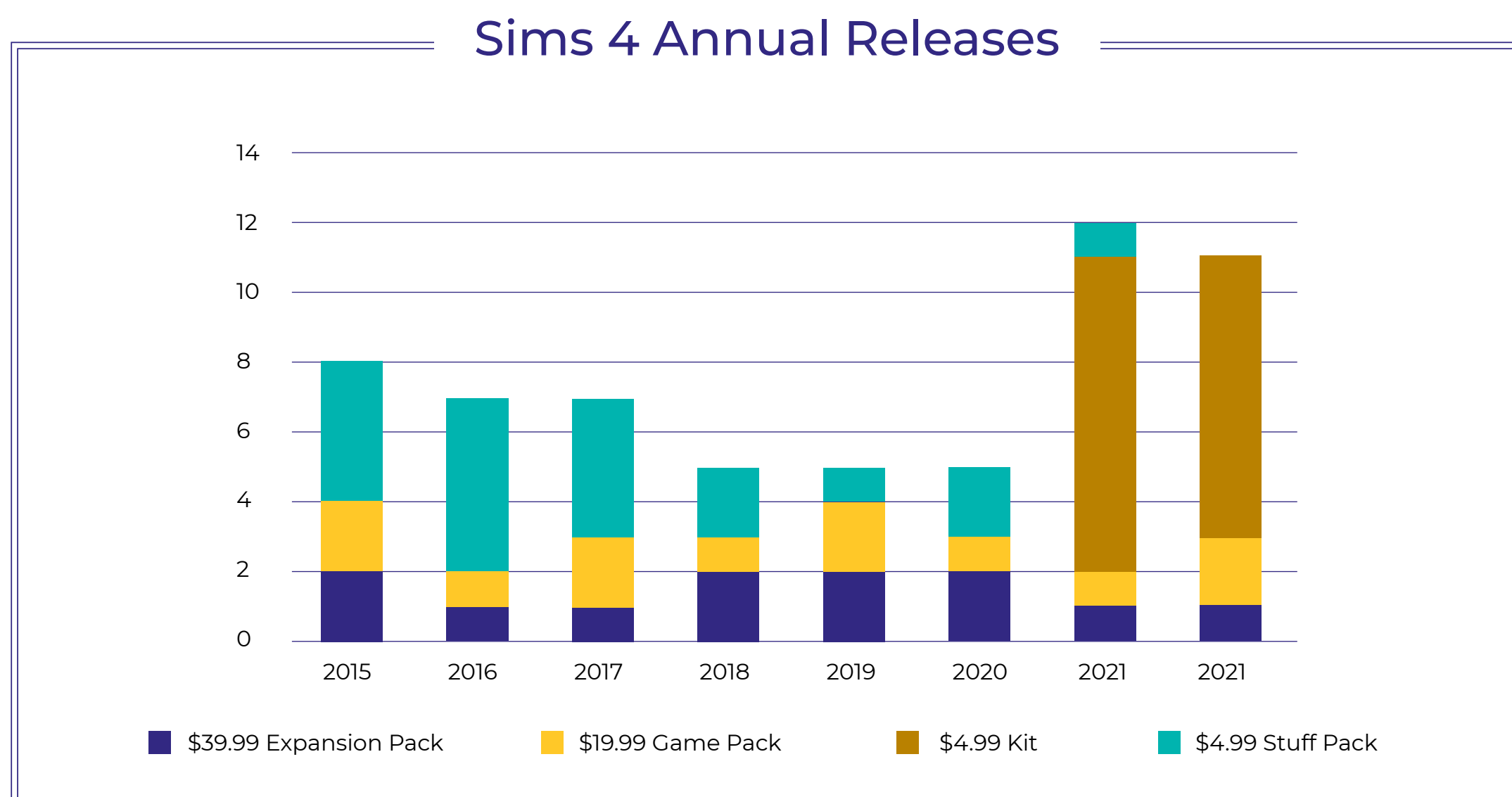
Transitioning to F2P required the developers to consider their game's content release strategy.

Lord of the Rings Online continued with their yearly expansion release schedule without any major changes. Wildstar and Evolve appeared to have planned to maintain their content release frequency but support for both games was discontinued quite quickly due to retention issues. Destiny 2 reduced the frequency of expansions but received slightly more major content patches to compensate.

The Sims 4, on the other hand, made a significant change in 2021 when they stopped releasing \$10 DLCs and opted to release two \$5 DLCs instead.

This strategy doubled the average number of yearly releases and allowed for cheaper and smaller content releases, which can be advantageous for a free-to-play game.

Adapting your content strategy to the demands of free-to-play requires careful evaluation and potential restructuring of your production team. If you're seeking assistance in navigating these changes, don't hesitate to reach out to Amber, your trusted game development agency.



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Impact

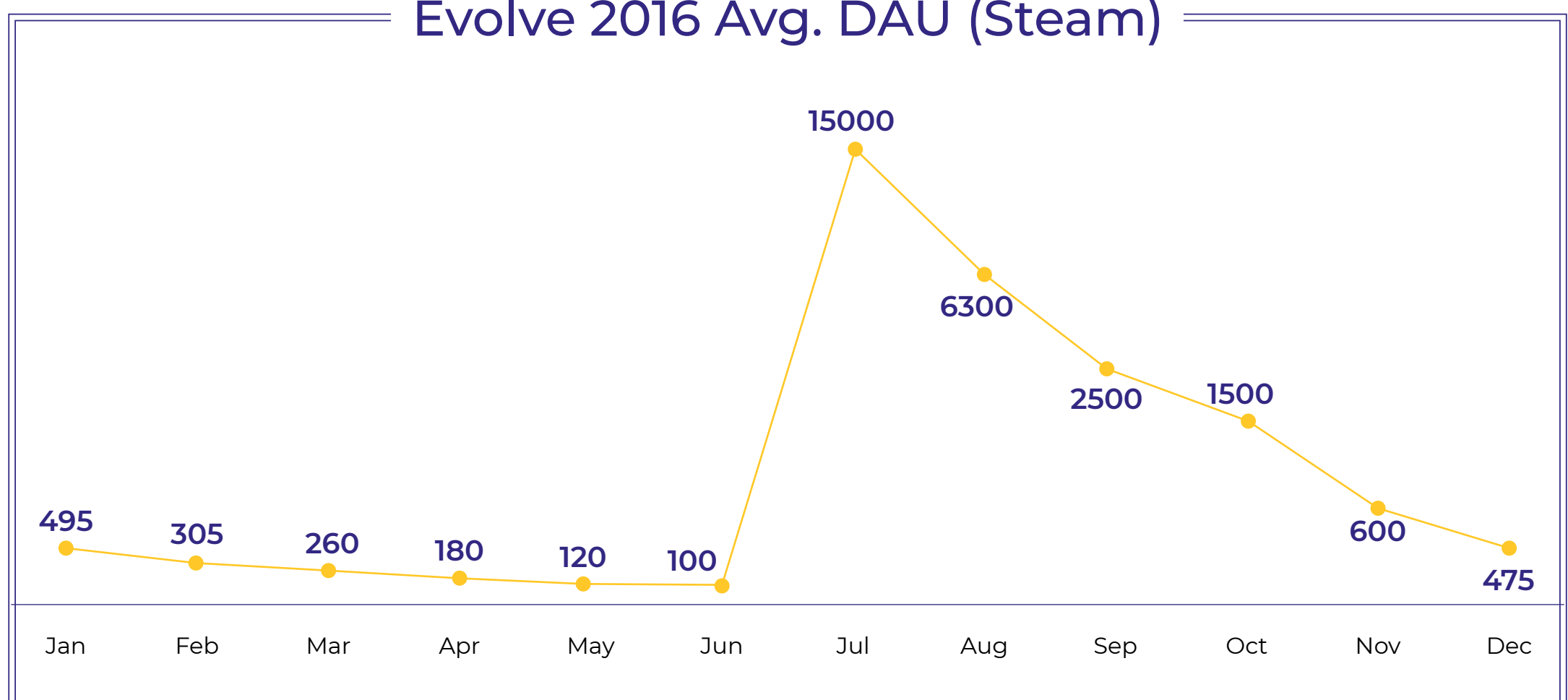
The impact of transitioning to free-to-play varies among the five games.

For LoTRO, the change was a resounding success. One month after the conversion, based on information from the developers, the game saw a 400% increase in active players and doubled its revenue.⁴ The game's longevity and continued support further prove that the change was the right choice and was executed properly.

Destiny 2's transition to free-to-play was not met with an immediate surge in daily active users. However, the game has seen steady growth in its player count over time. Despite the initial modest increase, Destiny 2 has successfully maintained an upward trajectory, with an estimated 1.6 million monthly active players in February 2023.

Converting a game with retention issues to a free-to-play model does not guarantee improved long-term profitability and may increase vulnerability to player churn.

Evolve 2016 Avg. DAU (Steam)



⁴ <https://venturebeat.com/games/lotro-revenue-doubles-f2p/>

The Sims 4's transition to a free-to-play model is showing promising signs of success. According to executive producer Phillip Ring, the latest expansion launch has been the most successful of any of the game's DLCs.⁵ This achievement indicates a positive response from players and suggests that the game's conversion to free-to-play has helped maintain its relevance and appeal in the market.

The conversions of Evolve and Wildstar to a free-to-play model, while initially generating a spike in player installations, did nothing to prevent the eventual failure of both games.^{6,7} Despite the promising short-term increase in player numbers, the products struggled to retain the newfound user base, and support for both was discontinued shortly after the transition.

These examples serve as cautionary tales about transitioning a game to a free-to-play model without addressing underlying retention issues. In fact, failing to address the core retention challenges when changing the business model is likely to result in increased churn, as there is no sunken cost to deter free installations from leaving. The success of a free-to-play model hinges on the ability to retain users, thereby heightening the product's vulnerability to low retention rates.

Wildstar Revenue

16 007

Q3 2014

5 491

Q4 2014

2 593

Q1 2015

2 075

Q2 2015

1 727

Q3 2015

F2P

2 668

Q4 2015

1 282

Q1 2016

2 203

Q2 2016

1 097

Q3 2016

*KRW MN

Based on NCSoft Financial Statements

⁵ <https://www.trueachievements.com/n53537/the-sims-4-70-million-players>

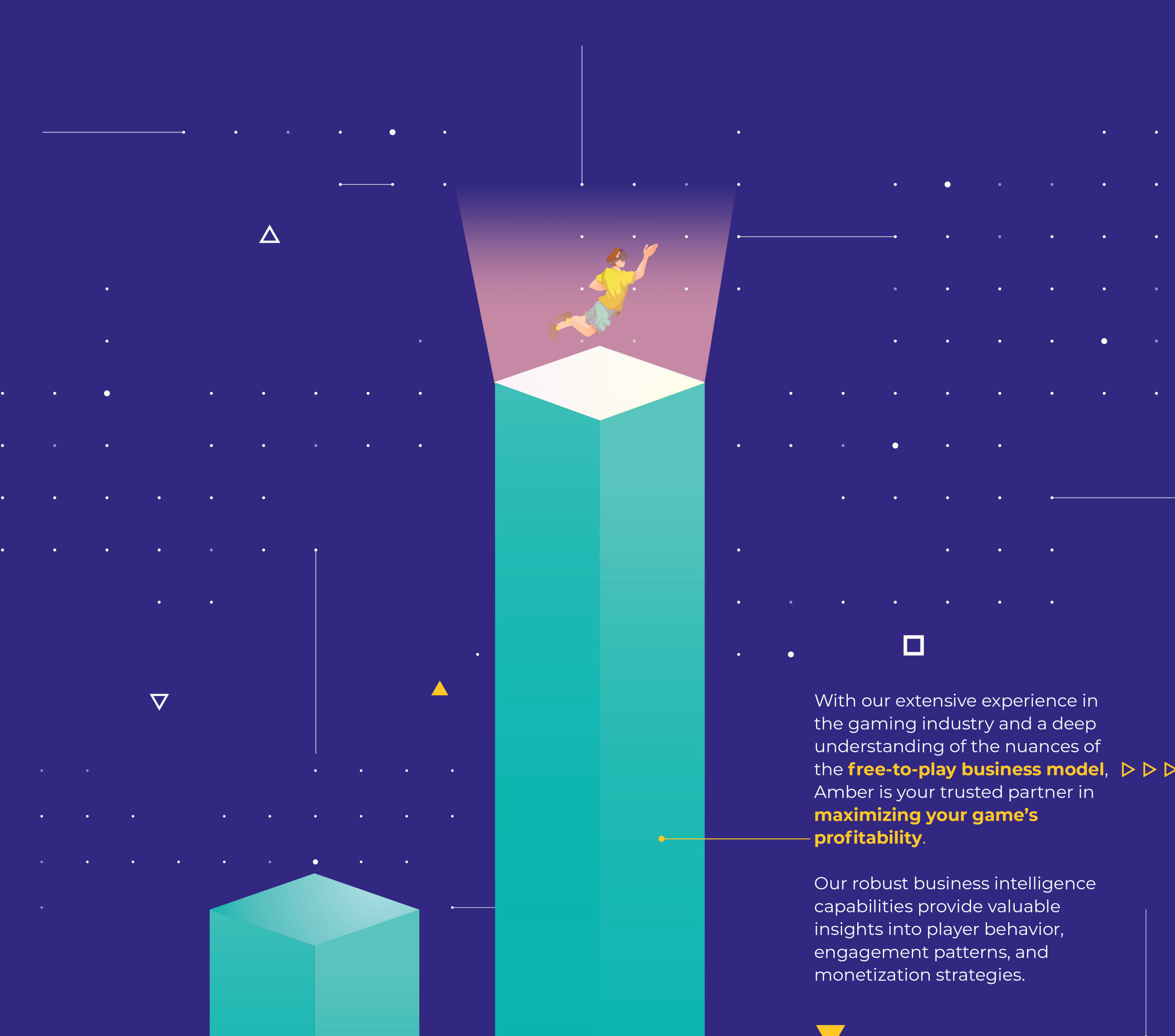
⁶ <https://www.gameskinny.com/news/evolve-player-count-increased-to-1-million-after-going-free-to-play/>

⁷ <https://kr.ncsoft.com/en/ir/irArchive/earningsRelease.do>

⁸ <https://steamcharts.com/app/273350#All>

Key Takeaways

- ▶▶ 1 Before anything else, carefully evaluate the motivations behind the transition to free-to-play. It's important to recognize that the F2P business model can increase vulnerability to churn, and games that already struggle to retain players may not benefit from converting.
- ▶▶ 2 Prioritize addressing and resolving underlying retention issues before implementing the free-to-play model.
- ▶▶ 3 Develop a comprehensive communication strategy to effectively convey the transition plans, emphasizing the continued commitment to game development and support.
- ▶▶ 4 Prioritize the needs of existing buyers, during the transition to ensure a smooth and seamless experience for them. They are your golden cohort and should be treated accordingly.
- ▶▶ 5 The free-to-play model is best served by smaller and more frequent content releases – if possible, adjust your content production strategy and pipeline in advance.
- ▶▶ 6 Continuously monitor and analyze player retention and engagement metrics post-transition to identify any potential issues and implement necessary adjustments.



With our extensive experience in the gaming industry and a deep understanding of the nuances of the **free-to-play business model**, Amber is your trusted partner in **maximizing your game's profitability**.

Our robust business intelligence capabilities provide valuable insights into player behavior, engagement patterns, and monetization strategies.

AMBER

Amber is a full-service, multi-platform, game development company built by a collective of artisans residing in ten locations and covering four different continents.

We are evolving the art and science of play by operating on a scaled-up, vertically integrated organizational model to achieve mastery in the full set of game development specializations.

Our global network of multidisciplinary studios functions like an integrated hub, offering a full range of turn-key product development solutions, including concept-to-delivery game production, live operations, co-development, art production and support services such as QA or localization.

We have deep expertise in product development, cross-platform deployment, parallel launch strategies, user experience optimization, free-to-play monetization systems, data science, live operations, and more.

Contact us

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