



DISTRIBUTING
MONETIZING
GAMES

RAFTUR
GAMES

TABLE OF CONTENTS

| | |
|---|-----|
| DISTRIBUTION PLATFORMS..... | 6 |
| INTRODUCTION TO DISTRIBUTION..... | 7 |
| DIGITAL DISTRIBUTION ON PC..... | 8 |
| CONSOLE DISTRIBUTION..... | 29 |
| MOBILE DISTRIBUTION..... | 37 |
| DIGITAL DISTRIBUTION OVERVIEW..... | 45 |
| PHYSICAL DISTRIBUTION..... | 47 |
| WEB 3 DISTRIBUTION..... | 51 |
| UGC DISTRIBUTION..... | 54 |
| ADDITIONAL COSTS..... | 76 |
| REGIONAL VARIATIONS..... | 79 |
| EMERGING TRENDS..... | 86 |
| CHOOSING YOUR GAME'S BUSINESS MODEL..... | 89 |
| WHY IS THE BUSINESS MODEL SO IMPORTANT..... | 90 |
| BUSINESS MODELS..... | 92 |
| EXAMPLES OF MONETIZATION PRACTICES..... | 96 |
| FALLOUT 76..... | 99 |
| STAR WARS BATTLEFRONT 2..... | 101 |
| ASSASSIN'S CREED ODYSSEY..... | 103 |

ABOUT THIS EBOOK

This eBook is a free resource created by developers for developers. You are welcome to share it with others who may benefit from it. Feel free to distribute it on your own website or within your community, provided it is not hidden behind a paywall or subscription. We would love to hear your feedback to improve future editions and to create more resources to assist you. To do so, you can complete this survey [here](#). If you'd like to be notified about more resources available to you, [follow us on LinkedIn](#) (and click the bell to ensure you don't miss anything important). You can also join our community on Discord [here](#).

INTRODUCTION TO MONETIZATION AND DISTRIBUTION

Welcome to the world where creativity meets commerce, a place where your passion for game development transforms into a profitable venture. As a company who has guided countless developers through the transition from studio work to entrepreneurship, we've seen firsthand the obstacles and opportunities that lie ahead. This book is designed to demystify one of the most critical aspects of launching your own game: **monetization and distribution**. Whether you're crafting experiences for PC, console, or mobile, understanding how to effectively monetize and distribute your game is not just beneficial—it's essential.

Many developers step into the realm of independent game creation with a rich background in design and a portfolio full of engaging, innovative ideas. However, while it is mandatory for every self-respecting game to be composed of game mechanics that are fun to play, this is not sufficient on its own to ensure financial success. We've observed that many new entrepreneurs don't fully grasp the importance of a solid monetization and distribution strategy. They often view it as a secondary step rather than as a foundational element of game development. This oversight can lead to brilliant games that unfortunately never make enough to cover their development and marketing costs, much less turn a profit.

Setting a clear monetization system early on does more than just promise potential earnings; it also lays the groundwork for sustainable business operations. It's crucial for funding as well—investors are more likely to back a project that demonstrates a clear path to profitability. A well-established monetization model not only shows that you're serious about business, but it also reassures stakeholders that your game can generate the revenue needed to grow and compete in the bustling market.

This book aims to bridge the gap between your game development expertise and the often-intimidating world of business strategies. We'll explore different monetization and distribution models, discuss how to align them with your game's design, and ensure they enhance rather than detract from the player's experience. Remember, the heart of your game must be fun and engaging, but it also needs to bring a plate of food to the table.

Our love for games is undeniable, but our commitment extends beyond the games themselves to the incredibly talented people who create them. We want to empower you, the game developers stepping into entrepreneurship, to not only pursue your passion but also to achieve financial success through your projects. It's essential that the games you pour your heart and soul into can also provide a comfortable life for you and your families. This book aims to equip you with the knowledge and tools necessary to turn your creative endeavors into profitable ventures, ensuring that your professional journey in game development is both personally and financially rewarding.

DISTRIBUTION PLATFORMS

INTRODUCTION TO DISTRIBUTION

As you venture deeper and deeper into the realm of game development and entrepreneurship, it's crucial to recognize the role that distribution plays in your overall business strategy. Distribution, the bridge between your finished game and your players, encompasses everything from platform fees and server costs to digital storefronts and physical logistics, if applicable. These costs can be substantial, and failing to account for them early in the planning process can significantly impact the profitability of your game. Whether you are distributing your game on PC, consoles, or mobile platforms, each has its own set of challenges and expenses that must be considered as part of your monetization strategy.

The reality of game distribution is that while digital platforms have reduced some barriers to entry, they have also introduced new costs, such as revenue sharing models where platforms take a cut of each sale. This can vary significantly—from 15% to 30% or more—depending on the platform and the specifics of your agreement with them. For independent developers, these percentages can mean the difference between a profitable game and one that merely breaks even. Planning for these costs from the outset is not just prudent; it's a necessity for sustaining your business in the competitive gaming industry.

As we prepare to delve deeper into the specifics of distribution models in the following sections, keep in mind that each decision regarding where and how to distribute your game directly affects your monetization effectiveness. The choice of distribution channels should align with your business model and the habits of your target audience to ensure maximum reach and revenue. It's about finding a balance between accessibility for your players and economic viability for your project. By understanding and planning for these distribution costs, you can craft a more robust and realistic monetization strategy that sets your game up for success.

DIGITAL DISTRIBUTION ON PC

STEAM

Steam, developed by Valve Corporation, is the leading digital distribution platform for PC gaming. Launched in 2003, it hosts thousands of games from AAA titles to indie releases. Steam offers automatic updates, cloud saving, and robust community features like forums and user reviews. Known for its frequent sales events, Steam's user-friendly interface and extensive game catalog make it the top choice for PC gamers and developers globally.

Benefits

Large User Base: Steam boasts the largest PC gaming community, with millions of active users, which provides a vast market for new games. The most attractive thing about the platform under the perspective of users is that Steam is more than just a distribution platform -is a social media platform. Users are encouraged to interact with each other by creating reviews or communities around games. This strong point of the platform can be leveraged for marketing activities.

Comprehensive Services: Offers features like Steam Workshop, achievements, community forums, and extensive customer support, enhancing user engagement and retention.

Sales Events: Regular sales events can significantly boost visibility and sales volumes.

Disadvantages

High Competition: Due to its popularity, Steam has a vast number of games, making it challenging for new titles to stand out without substantial marketing efforts. Most of the purchase decisions are taken outside of Steam, meaning that when players launch Steam they already know what games to buy.

Each week 200 new games are released on Steam, and 80% of them don't even get 10 players. While not all of them deserve many more players, there are great games that don't get any traction due to the lack of marketing on the game.

Revenue Share: The standard 30% commission can be hefty, especially for indie developers, although this can decrease to 25% and 20% as revenues hit \$10 million and \$50 million thresholds, respectively.

Market Share

Steam dominates the PC gaming market, estimated to hold about 75% of the market share. This extensive reach makes it a go-to platform for most PC game developers, despite its higher competition and revenue cut.

Guidelines

Publishing a game on Steam involves several steps and adherence to specific guidelines provided by Valve, the company behind Steam. Here's a comprehensive overview of the process and key guidelines for developers looking to publish their games on Steam:

- **Steamworks Developer Account:** To start, developers must sign up for a Steamworks Developer Account. This process involves providing company information and agreeing to legal terms. There's no fee to create a Steamworks account, but developers must complete their company verification process.
- **Steam Direct:** Once the Steamworks account is set up, developers can use Steam Direct to submit their games to Steam. Steam Direct requires a fee of \$100 per game, which Valve introduced as a way to reduce the number of low-effort games submitted to the platform. This fee is recoupable after a game earns over \$1,000 in sales.
- **Game Submission and Requirements:** Developers must prepare their game for submission. This includes uploading builds of the game,

creating store presence with descriptions, screenshots, and videos, and setting up pricing. Valve provides detailed documentation on how to prepare these materials to meet their standards.

- **Rating and Content Guidelines:** Games on Steam must comply with legal and content guidelines. This includes obtaining appropriate age ratings for the regions where the game will be sold. Developers are responsible for accurately tagging their content (e.g., violence, adult content) so that it complies with Steam's content policies and helps users make informed purchasing decisions.
- **Quality Assurance:** While Valve does not enforce a strict quality assurance process, it recommends that developers extensively beta test their games to ensure stability and bug-free gameplay. Poorly received games (e.g., those with many negative reviews) can impact a developer's reputation and sales.
- **Release Preparation:** Developers choose a release date for their game and can set up a "Coming Soon" page on Steam to start gathering interest. Valve encourages developers to engage with the community through Steam forums and to gather feedback to refine the game prior to launch.
- **Steam Community and Features:** Leveraging Steam's community features can greatly enhance a game's visibility and player engagement. This includes setting up achievements, trading cards, and integrating with Steam Workshop for user-generated content, if applicable.
- **Marketing and Visibility:** Valve provides various tools for developers to promote their games, such as Steam Visibility Rounds, which are periods when a game is more prominently featured on the Steam Store. Developers are also encouraged to promote their Steam games through external marketing and social media.
- **Post-Launch Support:** After launching a game, developers should plan to support it by releasing updates and patches based on user feedback.

Maintaining a good relationship with players through active communication and updates can lead to better reviews and sustained sales.

GOG

GOG, initially known as **Good Old Games**, is a digital distribution platform operated by CD Projekt. Launched in 2008, GOG distinguishes itself by offering DRM-free video games, ensuring that users can own their purchased games outright, without any digital rights management restrictions. The platform specializes in classic games optimized for modern systems, along with a growing library of new indie and AAA titles. GOG also features a user-friendly interface, frequent sales, and a commitment to fair pricing and consumer rights, making it a favored choice for gamers who value ownership and accessibility in their digital game purchases.

Benefits

DRM-Free: GOG offers games without digital rights management (DRM), appealing to players who prefer owning games outright and to developers who support consumer-friendly policies.

Indie-Friendly: Known for its supportive stance towards indie developers, providing them with a platform that respects their creative and operational independence.

Curated Selection: Unlike Steam, GOG curates its game selection, which can increase visibility for selected titles.

Disadvantages

Smaller User Base: Compared to Steam, GOG has a smaller user base, which may result in lower sales volumes for games not hitting the mainstream gaming radar.

Limited Features: Lacks most of the community features and tools that platforms like Steam offer, which can affect player engagement and game support.

Market Share

GOG holds a smaller portion of the market, focusing on a niche audience interested in DRM-free content and indie games. This platform is best suited for developers whose games appeal to privacy-conscious consumers and those seeking less competition.

Guidelines

Here's an overview of the process and guidelines for developers looking to publish their games on GOG:

- **Developer Account and Submission:** Developers interested in publishing on GOG must first contact GOG directly through their developer portal. The process begins with submitting information about the game for GOG's review. This submission should include a detailed description of the game, why it would be a good fit for GOG, and any press kits or promotional materials that could assist in the evaluation.
- **Curatorial Evaluation:** Unlike platforms with automatic or very broad acceptance criteria, GOG prides itself on a curatorial approach. Each game submitted to GOG is evaluated by the team to ensure that it meets their standards of quality and uniqueness. This evaluation looks at aspects such as gameplay depth, visual style, stability, and overall fit with the GOG community's interests.
- **DRM-Free Requirement:** One of the core tenets of GOG is offering games without digital rights management (DRM). Developers must be willing and able to provide a version of their game that does not require DRM. This is a key selling point for GOG's user base, which values the ability to own and control their purchased games fully.

- **Technical Integration:** If a game is accepted, developers will work with GOG's technical team to integrate the game onto the platform. This includes ensuring that the game runs smoothly on various operating systems supported by GOG, such as Windows, macOS, and Linux, depending on the game's compatibility.
- **Quality Assurance:** GOG conducts its own quality assurance process to ensure that every game meets their standards before going live. This includes thorough testing for bugs and compatibility issues across different systems. Developers might need to make adjustments based on feedback from GOG's QA team.
- **Pricing and Regional Adjustments:** Developers have control over their pricing strategy but should work with GOG to ensure that the pricing is appropriate for different regions. GOG offers advice on competitive and fair pricing to fit the global market.
- **Release and Marketing:** GOG works closely with developers to plan the release strategy. GOG supports game launches with marketing efforts, which can include featuring games on the GOG homepage, in newsletters, and on social media. Developers are encouraged to actively participate in promotional activities and engage with the GOG community.
- **Post-Release Support:** Like other platforms, maintaining and updating the game post-release is important. Developers should plan to address any post-launch issues and may also consider releasing additional content or updates to keep the game relevant and engaging for players.

EPIC GAMES STORE

The Epic Games Store, launched by Epic Games in 2018, quickly emerged as a significant player in digital game distribution. It offers a developer-friendly 88/12 revenue split and waives the 5% Unreal Engine royalty for sales made on its platform. Known for its mix of indie and AAA titles and weekly free games,

the Epic Games Store attracts a broad user base with its generous incentives for both developers and gamers.

Benefits

Developer-Friendly Revenue Share: The 88/12 revenue split in favor of developers is one of the most attractive in the industry, especially beneficial for indie developers or smaller studios.

Unreal Engine Benefit: If your game is developed using Unreal Engine, Epic waives the 5% royalty fee, which can significantly reduce costs for developers.

Selective Curation and Funding: Epic provides funding opportunities and selective curation, which can help with development costs and ensure better visibility upon release.

Disadvantages

Growing (but small) User Base: While rapidly growing, Epic Games Store's user base is still smaller than Steam's, which might affect initial exposure and sales.

Limited Social Features: Currently offers fewer social and community features compared to Steam, which could impact user engagement.

Market Share

Epic Games Store is quickly gaining ground, especially with exclusive deals and free game offerings attracting new users. It's estimated to have captured about 15% of the market share, making it a significant player but still second to Steam.

Guidelines

Publishing a game on the Epic Games Store involves a process that's designed to be developer-friendly, emphasizing favorable revenue splits and support for

game creators. Here's an overview of the process and guidelines for developers interested in launching their games on the Epic Games Store:

- **Developer Application:** To start, developers need to apply to become a creator through the Epic Games Store's Developer Portal. This involves submitting basic company information and details about the game they wish to publish. Epic Games reviews these applications to ensure that the developer and the game meet their standards.
- **Revenue Share and Costs:** One of the most attractive features of the Epic Games Store is its revenue split policy. Epic takes only a 12% cut of the revenue, which is significantly lower than the industry standard of 30%. This allows developers to retain more of their earnings. Additionally, if the game is built using Unreal Engine, Epic waives the usual 5% royalty fee for using their engine.
- **Content Guidelines and Approval:** Epic Games does not have as stringent a curation policy as some other platforms like GOG, but they still review games to ensure they meet basic quality and content standards. Games must not contain illegal content, and they should adhere to general standards of professionalism and polish.
- **Technical Integration:** Once a game is approved, developers will work with Epic to integrate their game into the Epic Games Store. This includes setting up the game's product page, implementing Epic's payment systems, and ensuring that the game installs and launches correctly through their client.
- **Quality Assurance:** Developers are expected to conduct their own thorough quality assurance testing before submission, but Epic also conducts a review to ensure the game meets their technical requirements for performance and stability.
- **Marketing and Promotion:** Epic Games Store offers various promotional tools and opportunities to help developers succeed. This can include featuring games on the storefront's main page or in other promotional

spots within the store. Epic has also been known to make deals for timed exclusivity, providing developers with additional financial incentives in exchange for temporarily launching their games exclusively on the Epic Games Store.

- **Support for Developers:** Epic provides support for developers through various stages of the launch process. This includes access to their developer forums, direct support for resolving technical issues, and guidance on best practices for maximizing sales and visibility on the platform.
- **Continuous Updates and Player Engagement:** Post-launch, developers are encouraged to update their games regularly with new content and patches. This not only helps maintain player interest but also ensures compatibility with the latest system updates and hardware.

ITCH.IO

Itch.io, launched in 2013, is a digital marketplace renowned for its indie-centric approach. It empowers creators with flexible pricing and revenue share options, allowing them to choose how much itch.io retains from sales. The platform fosters a vibrant community that supports diverse, experimental game projects. Itch.io's commitment to creative freedom and developer control makes it a popular choice for independent developers looking to publish and promote their unique games.

Benefits

Flexible Pricing: Developers can set their own prices and even choose a “pay what you want” model.

Community-Focused: The platform has a strong community focus, making it ideal for developers looking to build a following.

Developer-Friendly Revenue Share: Developers can choose the cut that itch.io takes, with options starting as low as 0%.

Disadvantages

Smaller Reach: While it has a dedicated community, itch.io's user base is smaller than larger platforms, potentially leading to fewer sales.

Best for: Indie developers looking for maximum control over their sales and community engagement, particularly those just starting out or experimenting with niche markets.

Guidelines

Publishing a game on itch.io is known for being exceptionally open and creator-friendly, making it a popular choice for independent developers and small studios. Itch.io offers a platform that is relatively easy to navigate, with minimal barriers to entry, and provides developers with a great deal of flexibility in how they distribute and monetize their games. Here's an overview of the key guidelines and processes for publishing a game on itch.io:

- **Account Setup:** To begin, developers need to create an account on itch.io. This process is straightforward and free. Once the account is set up, developers can immediately start setting up their project pages.
- **Project Page Creation:** Developers can create a project page for each game, where they can upload game files, write descriptions, add images, and even embed videos. The platform allows customization of the project page layout, enabling developers to align it with their game's branding and aesthetic.
- **Pricing and Monetization:** Itch.io provides significant flexibility in terms of monetization. Developers can choose to offer their games for free, set a fixed price, or use a pay-what-you-want model. Itch.io allows creators to keep 100% of their sales revenue, though there is an option to share a percentage of earnings with itch.io as a way to support the platform.
- **Upload and File Management:** Developers can upload various types of files, including executables, assets, and patches. Itch.io supports multiple

platforms (Windows, macOS, Linux, Android, and others), and developers can upload different builds for each platform under the same game project.

- **DRM Policies:** Itch.io encourages DRM-free content, aligning with its ethos of trust and respect for the gaming community. This approach is highly appreciated by users who prefer non-restrictive, easily accessible games.
- **Community Interaction:** Developers can interact with their audience directly through itch.io's community features. They can set up forums, post development logs, and receive feedback directly on their game pages. This helps in building a community around their games and getting valuable player input.
- **Analytics and Tools:** Itch.io provides developers with access to analytics tools that track page views, downloads, and sales. These tools are helpful for understanding audience behavior and adjusting marketing and development strategies accordingly.
- **Updates and Version Control:** Developers can easily update their games and manage different versions on itch.io. This makes it simple to push out fixes, updates, or new content, keeping the player base engaged.
- **Discoverability:** While itch.io offers great freedom, the platform can be quite saturated with content, which can make discoverability a challenge. Developers are encouraged to actively promote their games outside the platform to drive traffic to their itch.io pages.

HUMBLE STORE

The Humble Store, part of Humble Bundle, offers a unique approach to digital game sales by contributing a portion of every purchase to charity. Launched in 2010, it features a wide selection of games from various developers and publishers, often at discounted prices. The store is known for its Humble Bundles, which allow customers to pay what they want for a collection of

games, further emphasizing its commitment to charitable giving and great deals.

Benefits

Charitable Contributions: A part of all sales goes to charity, appealing to consumers looking to support good causes.

Bundle Sales: Participation in Humble Bundles can significantly increase exposure and sales. It also increases brand recognition as the game will be associated with charitable work.

Fair Revenue Share: Humble offers a decent revenue split, generally better than many larger platforms: 75% for developers, 15% to charity, and 10% to Humble Bundle itself.

Disadvantages

Variable Exposure: While bundles can increase exposure, individual game visibility might be lower outside of bundle offers.

Best for: Developers interested in charitable aspects and those who want to benefit from increased exposure through bundle sales.

Guidelines

Here's how you can publish your game on the Humble Store:

- **Developer Application:** First, you'll need to contact Humble Bundle directly through their official website to express interest in publishing your game. There is no public application form; instead, potential publishers are usually required to send an email or fill out a contact form provided on the Humble website.
- **Game Review:** Humble Bundle staff will review your game to see if it fits their catalog and ethos. They tend to select games that they believe will appeal to their customer base and align with their promotional strategies.

This might include considerations of game quality, genre, and compatibility with existing or planned Humble Bundle themes.

- **Charity Component:** One of the distinctive features of the Humble Store is its charity component. You will need to agree to Humble Bundle's business model, which includes donating a portion of the revenue from each sale to charity. The specific percentage can vary and is often part of the negotiation process.
- **Revenue Split:** Apart from the charity portion, revenue from sales on the Humble Store is split between the developer/publisher and Humble Bundle. The typical split is favorable to developers, with a large percentage of the net revenue going to them after charity deductions and any applicable taxes or fees.
- **Pricing and Promotions:** Developers have some input on pricing but should be flexible as Humble Bundle often runs promotions and discounts. You might also have the opportunity to include your game in one of Humble Bundle's famous pay-what-you-want bundles, which can significantly increase exposure but might affect how much you earn per sale.
- **Distribution and Keys:** The Humble Store distributes games through digital keys, usually Steam keys. Developers are responsible for generating and providing these keys, which must be approved and verified by Humble Bundle to ensure they are valid and functional.
- **Marketing and Visibility:** While the Humble Store provides a platform and customer base, successful marketing often requires additional effort from the developer. Promoting your game through social media, content creators, and other marketing channels can help maximize sales and exposure on the platform.
- **Contract and Terms:** Like any distribution agreement, you'll need to review and sign a contract with Humble Bundle that outlines all terms of

the deal, including revenue sharing, rights, obligations, and other legal details.

- **Support and Updates:** Developers are expected to support their games with updates and customer service. This includes managing key activations, handling customer inquiries related to game downloads and functionality, and providing updates or patches as needed.

GREEN MAN GAMING

Green Man Gaming, established in 2010, is a UK-based digital video game retailer known for offering competitive discounts on game keys. Green Man Gaming is not a publishing platform by itself, it distributes keys from other platforms like Steam. It provides a loyalty rewards program that incentivizes repeat customers with points redeemable for price reductions. Green Man Gaming's dynamic pricing model adjusts to market demands, ensuring attractive deals for consumers while maintaining a strong presence in the global gaming market, especially appealing to budget-conscious gamers.

Benefits

Loyalty Rewards: Green Man Gaming offers a loyalty rewards program that benefits frequent shoppers by providing them with credits or points for each purchase made on the platform. These points can then be redeemed for discounts on future purchases, essentially rewarding customers for their continued patronage. The loyalty program is designed to encourage repeat business by offering tangible incentives, making it more attractive for gamers to return to Green Man Gaming for their digital game purchases. This system not only enhances customer satisfaction but also fosters a loyal community of gamers around the platform.

Global Reach: Strong market presence in Europe and competitive pricing models.

Negotiable Share: Green Man Gaming primarily operates on a retail model where it sells digital keys for games. For developers, the platform can be an attractive place to distribute games due to its competitive and dynamic pricing strategies, which include discounts, VIP deals, and publisher promotions. However, the specific financial terms, including any fees or revenue shares that developers need to pay to have their games published on Green Man Gaming, are typically negotiated on a case-by-case basis and can vary based on the game and the agreement reached with the platform.

Best for: Developers looking for a broader reach, particularly in European markets, and those who can compete on pricing.

Disadvantages

Competitive Discounting: Frequent discounts might necessitate competitive pricing, potentially lowering profit margins.

It's not a publishing platform: Although game keys can be distributed, the game is not hosted and published on Green Man Gaming, and different platforms (Steam, Epic Games Store, etc) have different guidelines when it comes to the redistribution of game keys.

Guidelines

Publishing a game on Green Man Gaming involves several steps similar to other digital distribution platforms but tailored to their specific business model, which focuses on game keys and a customer loyalty program. Green Man Gaming is known for its dynamic pricing and wide variety of games, ranging from AAA to indie titles. Here's how developers can publish their games on Green Man Gaming:

- **Developer or Publisher Account Setup:** To get started, developers and publishers must first establish a partnership with Green Man Gaming. This typically begins by contacting Green Man Gaming directly through their website, where you can fill out a form to express interest in selling your game on their platform.

- **Review and Approval Process:** After initial contact, Green Man Gaming will review your submission to determine if your game fits their catalog and meets their quality standards. This process may involve assessing your game's content, genre, potential market appeal, and any other factors they consider important.
- **Agreement on Terms:** If your game is approved, you'll need to negotiate and agree on terms with Green Man Gaming. This includes details on the revenue share, pricing, and any promotional strategies. Green Man Gaming typically offers a standard revenue split but the specifics can vary based on negotiation and the potential perceived value of the game.
- **Supplying Game Keys:** Green Man Gaming operates primarily by selling game keys. Developers are responsible for supplying these keys, which Green Man Gaming will then sell through their platform. It's important that these keys are valid and generated in a secure manner to prevent unauthorized distribution.
- **Pricing and Promotions:** Developers have input on the initial pricing but should be prepared for Green Man Gaming's dynamic pricing model, which can adjust the price based on demand, sales performance, and promotional activities. Developers can work with Green Man Gaming on specific sales or discounts, which are often used to boost visibility and sales volume.
- **Integration with Green Man Gaming's Systems:** You will need to integrate certain aspects of your game's operation with Green Man Gaming's systems, primarily related to key distribution and activation. This ensures that customers can successfully redeem and activate the keys purchased through Green Man Gaming.
- **Marketing and Exposure:** Green Man Gaming provides various promotional opportunities to increase a game's visibility on their platform. This includes placement in featured slots, inclusion in sales events, and marketing through newsletters and other customer

communications. Developers are encouraged to actively participate in these promotions to maximize their game's exposure.

- **Customer Support and Service:** While Green Man Gaming handles customer transactions and basic inquiries related to purchases, developers are expected to provide support for the game itself, including addressing any technical issues or bugs that players may encounter.
- **Post-Launch Monitoring and Updates:** Developers should monitor their game's performance and customer feedback after launch to make necessary updates or adjustments. Green Man Gaming values a good ongoing relationship with their publishers and developers, which includes maintaining a high standard of customer satisfaction.

Steam's philosophy regarding the distribution of Steam keys on platforms like Green Man Gaming centers on expanding the reach of games while maintaining the integrity of the Steam ecosystem. Steam provides developers with the flexibility to distribute their game keys through third-party retailers, enabling them to tap into different customer bases and increase exposure. However, Steam emphasizes the importance of safeguarding the value of games, advising developers to avoid practices that could devalue their products, such as **excessive key generation**. By partnering with reputable platforms like Green Man Gaming, developers can enhance game visibility and engage more players while upholding the quality and reputation of their games.

ORIGIN (BY ELECTRONIC ARTS)

Origin is a digital distribution platform developed and managed by EA. Launched in 2011, Origin serves as a hub for purchasing, downloading, and playing video games directly from EA and its partner developers. It offers a range of both new and classic titles from EA's extensive catalog, including popular franchises such as FIFA, The Sims, and Battlefield. The platform features functionality for cloud saves, profile management, game library sharing, and social connectivity, enhancing user engagement. Origin also

provides exclusive content, early access to new releases, and membership services through its Origin Access program, which offers further benefits such as access to a vast library of games for a monthly or annual fee. This makes Origin a key player in the gaming industry, particularly for fans of EA's games.

Benefits

Brand Association: Being associated with a major publisher can boost visibility. On the other hand, EA is not one of the most loved publishers.

Access to EA's Audience: Leverages EA's large user base. They didn't disclose exact figures on how large, but the company's more than \$7B in revenue in 2023 signals that is not exactly small.

Disadvantages

Limited to Certain Titles: Mostly known for AAA and popular titles, which may not be ideal for all indie developers.

Best for: Developers whose games align with the mainstream gaming audience and who can benefit from the association with a major publisher.

Guidelines

Publishing a game on EA's Origin platform involves a series of steps tailored to align with Electronic Arts' focus on maintaining a curated catalog of games. Origin is known for its robust selection of AAA titles and strong integration with EA's own game franchises, but it also hosts games from other developers. Here's a breakdown of the process and guidelines for developers looking to publish their games on Origin:

- **Developer Registration:** To begin the process, developers must first register with EA Partners if they are not already an Electronic Arts affiliated developer. This involves submitting details about your company and the game you wish to publish. You can initiate this process by contacting EA directly through their official EA Partners website.

- **Game Evaluation:** EA reviews all submissions to ensure they meet specific criteria such as quality, potential market appeal, and alignment with EA's brand values. The evaluation process is rigorous, as EA aims to maintain a high standard for games offered on Origin.
- **Negotiating Terms:** If your game is approved, the next step involves negotiating the terms of the publishing agreement. This includes discussions on revenue sharing, pricing, marketing commitments, and other contractual details. EA generally offers industry-standard terms but may negotiate specific deals based on the game's expected performance and strategic importance.
- **Technical Integration:** Games on Origin must integrate with the Origin SDK, which provides services like authentication, in-game overlay, transactions, and social features. EA provides technical support to help developers integrate these services smoothly.
- **Quality Assurance and Testing:** EA requires that all games go through a comprehensive quality assurance process. This ensures that games are free of bugs and meet performance standards for a smooth user experience. The developer is responsible for initial testing, followed by additional testing from EA's QA team.
- **Marketing and Promotion:** EA works with developers to plan and execute marketing strategies. This includes placement on the Origin store, featured promotions, possible inclusion in EA's marketing campaigns, and access to EA's vast user base. Developers are encouraged to collaborate closely with EA's marketing teams to maximize the game's visibility.
- **Launch and Release:** The release of the game on Origin is planned in coordination with EA. Launch dates are strategically chosen to avoid conflicts with major EA title releases unless there is a promotional advantage to doing so.

- **Post-Release Support and Updates:** After launch, developers must continue to support the game by providing updates, patches, and customer support. EA expects a commitment to maintaining the game, which includes addressing any technical issues and updating the game based on user feedback.
- **Analytics and Performance Tracking:** EA provides developers with access to sales and performance analytics, allowing them to understand how their game is performing on Origin. This data is crucial for making informed decisions about future updates or sequels.

Each of these platforms has its unique strengths and market niches. Your choice should align with your game's style, your business goals, and where your intended audience likes to shop for games. These platforms can be used in conjunction with the major players like Steam, GOG, and Epic Games Store, or as part of a broader distribution strategy to maximize your game's reach and profitability.

CONSOLE DISTRIBUTION

PlayStation

PlayStation, a flagship gaming console developed by Sony, is a titan in the gaming industry with a vast global reach. I may be biased when writing this, as I always had technical issues with Xbox consoles that were never solved by the poor-functioning customer support of Microsoft in my region, but the truth is Sony has the largest market share of consoles, with 52%.

Sony's consoles are renowned for high-performance gaming and a diverse library of games ranging from blockbuster AAA titles to innovative indie hits, all enhanced by state-of-the-art technology and exclusive releases.

Benefits

Broad Market Access: The PlayStation network offers developers access to millions of gamers worldwide, providing a significant market for new games.

Enhanced Visibility: Games released on PlayStation benefit from the console's prestige and extensive marketing channels, increasing their visibility to potential buyers.

Supportive Developer Programs: Sony supports game developers through various programs that offer tools, SDKs, and promotional help, particularly beneficial for games showcased on their platform.

Disadvantages

Intense Market Competition: The high profile of the platform means that new games are up against significant competition, both from within Sony's catalog and from other major publishers.

Rigorous Certification Process: Sony's certification process can be stringent and time-consuming, potentially delaying game releases and adding to development costs.

Cost

Entry and Maintenance Fees: Sony does not publicly list a specific fee for creating a developer account for PlayStation. However, developers looking to publish games on PlayStation platforms typically need to become licensed PlayStation developers, which involves an application process. This process may include background checks and other verifications, but there isn't a publicly disclosed fee just for the application or account setup.

Revenue Split: Sony takes a standard 30% cut of all game sales, which is an important consideration for revenue planning.

Development Kits: The cost for PlayStation development kits can be several thousand dollars, which may be a barrier for smaller or independent developers. This initial investment is crucial for testing and development on the PlayStation hardware.

Guidelines

PlayStation's certification process, also known as **Technical Requirement Checklist (TRC) testing**, is an essential part of ensuring that games meet Sony's high standards for quality, functionality, and compliance before they are released on its platforms. This process is designed to maintain a consistent and reliable gaming experience across all PlayStation devices and includes a comprehensive set of criteria that games must meet. The TRC covers a range of technical requirements, including game performance metrics like stable frame rates and the absence of crashes or bugs that affect gameplay. It also ensures that games correctly implement PlayStation-specific features such as trophies, user authentication, and proper handling of the PlayStation Network capabilities, including friend lists and online multiplayer components.

- Quality checks are stringent, with Sony examining aspects such as loading times, resolution standards, and audio quality to ensure that each game meets its benchmarks for a premium user experience.

- Content-wise, games must adhere to content guidelines that align with global standards and local laws, avoiding prohibited content to ensure suitability for various audiences, while also aligning with regional rating systems.
- Security is another critical aspect, with the certification process assessing the game's resilience against hacking, cheating, and other security threats, thereby protecting user data and maintaining the integrity of the PlayStation ecosystem.
- Accessibility and localization are also under scrutiny, requiring games to provide necessary support for different languages and regions, as well as accessibility features that cater to players with disabilities, ensuring inclusivity and broader accessibility.
- Additionally, games must demonstrate seamless integration with the PlayStation console's system software, ensuring compatibility with its hardware and software updates.

The PlayStation certification process can take several weeks to months, depending on the complexity of the game and the issues found during initial reviews. Developers might need to undergo multiple rounds of submission, which can extend development timelines and add to costs. However, this rigorous process is crucial for maintaining the quality and security standards that define the PlayStation gaming experience, ensuring that all games released on its platforms deliver on the expectations of both developers and the vast PlayStation user community.

Xbox

Xbox, developed by Microsoft, integrates seamlessly with the broader Microsoft ecosystem, including Windows and Xbox Live, enhancing its appeal through cross-platform capabilities and a strong online multiplayer environment.

Benefits

Cross-Compatibility: Xbox's compatibility with PC gaming via Windows creates additional marketing and distribution avenues through cross-play and cross-buy options, broadening the potential customer base.

Extensive Developer Support: Microsoft's ID@Xbox program helps indie developers with free development tools, community support, and marketplace visibility.

Disadvantages

Competitive Environment: As with PlayStation, the popularity of Xbox means that new titles must compete with a vast array of existing games.

Certification Hurdles: Xbox Games must meet specific requirements, which are detailed below.

Cost

No Entry Fee for ID@Xbox: Joining Microsoft's ID@Xbox is free, which is a significant advantage for indie developers.

Standard Revenue Share: Microsoft takes a 30% commission on sales made through its platform.

Free Development Kits: Microsoft provides free development kits to developers accepted into the ID@Xbox program, which greatly reduces the barrier to entry compared to other consoles.

Guidelines

Xbox games must meet specific standards, with certification processes that can add time and cost to game development. The certification process for Xbox games, commonly known as "**compliance testing**", is designed to ensure that games meet Microsoft's specific technical and content standards, which are crucial for providing a consistent and reliable user experience on the Xbox

platform. This comprehensive and rigorous review process evaluates games on multiple fronts:

- **Technical Requirements** involve games meeting performance benchmarks such as stable frame rates and the absence of game-crashing bugs, as well as proper integration with Xbox system functionalities like network connectivity, achievements, and user account management.
- **Quality Assurance** checks are conducted to ensure that games are free from bugs and glitches that could affect gameplay, disrupt user progress, or compromise the stability of the game; this includes thorough testing of game saves, load times, and control responsiveness.
- **Content Guidelines** require games to adhere to Microsoft's standards that prohibit certain types of content such as extreme violence or hate speech, ensuring content suitability across various age groups and compliance with regional rating systems.
- **Security Standards** are enforced to protect against cheating, hacking, and other security vulnerabilities that could undermine the integrity of the game or compromise user data.
- Games must support **Localization and Accessibility**, which involves adhering to necessary localization requirements for the regions in which they are released, including language support and implementing accessibility features to make games playable for a broad audience, including those with disabilities.
- Games need to seamlessly integrate with Xbox services such as Xbox Live, cloud saves, and multiplayer capabilities, reinforcing their functionality within the Xbox ecosystem and enhancing user engagement with social features.

The certification process typically takes several weeks and may require multiple rounds of submissions if initial standards are not met, thereby extending development time and increasing costs. This step is vital not only for maintaining quality and security on the Xbox platform but also for ensuring that all titles deliver a uniformly enjoyable and secure user experience.

Nintendo

Known for its innovative hardware and family-friendly games, Nintendo has carved a unique niche in the gaming market. The Nintendo Switch, which doubles as a home and portable console, continues to attract a diverse audience with its versatile gaming capabilities.

Benefits

Distinctive Audience: Nintendo platforms cater to a wide demographic, including families and younger gamers, offering developers a unique customer base.

Dedicated Fanbase: Nintendo's strong brand loyalty means that games can enjoy a higher engagement rate and potentially longer shelf life.

Disadvantages

Market Limitations: The family-friendly focus may not suit all types of games, particularly those targeted at mature audiences.

Hardware Constraints: The Switch's less powerful hardware compared to other modern consoles can limit the scope of technical ambitions for developers.

Cost

Accessible Developer Program: Nintendo's developer portal is accessible at no initial cost, although developers must pass a screening process.

Revenue Split and Kit Costs: Nintendo also adopts the 30% industry-standard revenue split. Development kits for the Switch can range from hundreds to a few thousand dollars, depending on the complexity of the tools required.

Guidelines

Here's an overview of the key steps and requirements for developers looking to publish their games on Nintendo systems:

- **Developer Registration:** To begin, developers must register with Nintendo as an official developer. This process involves submitting company information and possibly undergoing a vetting process. Once approved, developers gain access to Nintendo's developer portal, where they can obtain resources, development kits, and support.
- **Development Kits:** After registration, developers can purchase development kits, which are necessary for creating games compatible with Nintendo hardware. The cost of these kits varies and may be a consideration for smaller indie developers.
- **Content and Rating Guidelines:** Games must comply with content guidelines that prohibit explicit and offensive material. Additionally, games must be rated by appropriate regional rating boards such as the ESRB in North America or PEGI in Europe. These ratings must be displayed on the game packaging and in digital descriptions.
- **Quality Assurance and Testing:** Nintendo requires that all games undergo rigorous quality assurance testing. This includes checking for bugs, ensuring stability, and verifying that the game meets all performance criteria set by Nintendo. This process helps maintain a consistent quality standard across all games on their platforms.
- **Lotcheck:** Nintendo's Lotcheck is the quality control process where the game is tested against Nintendo's technical requirements. Games must pass this process to be approved for release. This stage checks for compliance with the system's capabilities, usage of proprietary features, and overall integration with the hardware.
- **Localization:** Developers are encouraged to localize their games for multiple regions, which involves translating text and adapting cultural

content to fit local norms and languages. This is especially important for developers aiming for a global release.

- **Digital and Physical Distribution:** Developers need to decide whether their game will be released physically, digitally, or both. Digital releases are managed through the Nintendo eShop, and developers must work with Nintendo to set up their game on the platform. Physical releases involve additional steps related to manufacturing and distribution.
- **Marketing and Promotion:** While Nintendo provides various promotional opportunities, developers are largely responsible for marketing their games. Nintendo also offers platforms such as the Nintendo eShop and events like Nintendo Direct to help highlight new games.
- **Post-Release Updates and Support:** Developers are expected to support their games post-release, which includes providing updates and patches to address any issues and occasionally adding new content to keep the game engaging.

MOBILE DISTRIBUTION

APPLE APP STORE

The Apple App Store is a digital distribution platform for mobile apps on iOS devices. Launched in 2008, it has grown to offer millions of apps and games and has become a central hub for iOS users looking for mobile games and applications. It's known for its strict app review policies and premium user base.

Benefits

High-Quality User Base: iOS users are often perceived as willing to spend more on apps, potentially leading to higher revenues per user. Data backs this perception.

Global Reach: The App Store is available in 155 countries, offering a massive audience for your game.

Strong Ecosystem: Integration with Apple's hardware and software creates a seamless user experience, enhancing customer satisfaction and retention.

Disadvantages

Strict Approval Process: Apple's app review process is known for being stringent, which can lead to delays in app updates and releases. Apple has specific guidelines that developers must adhere to when publishing games in the App Store. These guidelines ensure that content is appropriate, functional, and beneficial for users. Here are some key areas covered by Apple's App Store Review Guidelines for games:

- **Performance and Quality:** Apple expects all games to be well-designed, technically robust, and free from bugs. Games must load and operate smoothly, offer intuitive interfaces, and provide a quality user experience.

- **Content Appropriateness:** Games must not include “objectionable content”, such as explicit nudity, hate speech, gratuitous violence, or other material that could be considered offensive. Apple uses age ratings to help ensure games are appropriate for their intended audience.
- **User Privacy:** Games must comply with all applicable privacy laws around the world. This includes providing a privacy policy, obtaining user consent before collecting personal data, and ensuring the secure handling of all user information.
- **Monetization and Business Model:** Apple reviews all in-app purchases, subscriptions, and advertising practices to ensure they are transparent and fair. Games must not mislead users about costs or lock core functionality behind additional payments without clear disclosure.
- **Intellectual Property:** Games must not infringe upon the intellectual property rights of others. This includes ensuring that all content within the game, such as artwork, music, and text, is either original or properly licensed.
- **Safety and Security:** Games must provide a safe environment for users. This means implementing appropriate measures to prevent cheating, hacking, and other exploitative behaviors. Multiplayer games should have systems in place to moderate user interaction and prevent abuse.
- **Compatibility and Updates:** Games must be compatible with all device types and sizes they claim to support and should not encourage users to engage in unsafe modifications of their device software. Games must also be maintained with updates to ensure compatibility with the latest version of iOS.
- **Localization:** Games intended for release in multiple regions may need to provide localized content and support, complying with regional regulations and cultural sensitivities.

- **Accessibility:** Games should support Apple's accessibility features, helping to ensure they are usable by people with various disabilities. This includes text size adjustments, VoiceOver compatibility, and other accessibility functions.

Limited Customization: Developers have less freedom to customize their apps due to Apple's tight control over the iOS ecosystem.

Competitive Market: The high number of apps on the App Store means it can be challenging to stand out without significant marketing efforts.

Cost

Developer Fee: Developers must pay a \$99 annual membership fee to publish apps on the App Store.

Revenue Split: Apple takes a 30% cut of the revenue from app sales and in-app purchases, which drops to 15% for subscriptions after the first year.

Barriers to Entry: The need for an Apple developer account and adherence to specific development guidelines can be a hurdle for new developers.

ANDROID GOOGLE PLAY

Google Play is the official app store for Android devices, launched in 2008. It hosts millions of apps and is accessible to a wide range of users across various devices, making it the largest app store in terms of available apps and total users.

Benefits

Large User Base: With the largest install base of any mobile operating system, Android offers access to a vast and diverse audience.

Less Stringent Approval Process: Google Play generally has a less strict app review process compared to Apple, allowing for quicker release and update cycles. Publishing games on the Android Google Play Store requires

adherence to Google's set of guidelines that ensure apps meet quality, safety, and legal standards. Here are the key aspects of Google Play Store's guidelines for games:

- **Content and Quality:** Games must provide a valuable and stable user experience. They should be free of bugs, perform well across supported Android devices, and meet a certain standard of quality.
- **Content Ratings and Appropriateness:** Games must comply with Google's content policies, which prohibit explicit content, hate speech, violence, and other offensive materials. Developers must also accurately declare content ratings based on the nature of the game to ensure it's appropriate for the intended audience.
- **User Privacy and Data Security:** Games must comply with comprehensive data protection standards, including providing a transparent privacy policy, securing user data, and obtaining user consent before collecting personal information. Compliance with international data privacy laws such as GDPR is also essential.
- **Monetization and Ads:** Any in-game monetization, like in-app purchases or subscriptions, must be clearly disclosed and managed through Google Play's billing system. Advertising within games must be appropriate and must not deceive or mislead users.
- **Intellectual Property:** Games must respect intellectual property rights, meaning all content, including music, graphics, and text, must be original, or the developer must have the right to use it. This also means avoiding content that infringes on the trademarks or copyrights of others.
- **Interactivity and Social Elements:** For games that include user interaction, such as multiplayer functionalities or social media sharing, developers need to implement features responsibly. This includes having measures in place to combat bullying, abuse, and cheating.
- **Spam and Functionality:** Games must not exhibit spammy behavior, such as excessive notifications or unsolicited messages. They should also

not mimic functionality or content of other games in a misleading manner.

- **Device and OS Compatibility:** Games should be tested on a variety of Android devices to ensure they operate correctly across different screen sizes, device capabilities, and Android versions.
- **Updates and Support:** Developers are expected to provide ongoing support and updates for their games to ensure they continue to function well with new Android versions and device updates.
- **Local Laws and Regulations:** Depending on the target market, games might need to comply with local laws and cultural norms, which can include restrictions on content or requirements for local data storage.

Games that fail to adhere to these guidelines can be removed from the Google Play Store or be subject to limited visibility. Google provides a comprehensive review process to help developers align with these guidelines before their games become available to the public. Developers are encouraged to review these guidelines in detail and regularly check for updates to ensure continuous compliance.

Open Ecosystem: Android allows more flexibility in app development and distribution, including the ability to publish apps on third-party stores or directly via APK files.

Disadvantages

Fragmentation: A wide variety of devices and OS versions can make it difficult to develop apps that work seamlessly across all Android devices.

Lower Revenue Per User: Android users typically spend less on apps compared to iOS users, which can affect profitability.

Piracy and Security Concerns: The open nature of the Android platform can lead to higher instances of app piracy and security issues.

Cost

Developer Fee: A one-time \$25 registration fee is required to publish apps on Google Play.

Revenue Split: Google also takes a 30% cut of revenues from app sales and in-app purchases, though this reduces to 15% for subscriptions after the first year, similar to Apple.

Barriers to Entry: While generally lower than Apple, the cost and effort to support multiple devices and OS versions can add up.

APPLE VISION

Apple Vision is a new extension of Apple's ecosystem, focusing on augmented reality and virtual reality experiences. This platform is designed to seamlessly integrate with existing Apple products, offering developers a chance to create immersive AR and VR applications.

Benefits

Innovative Technology: Early adoption of AR and VR technologies can position developers as pioneers in new forms of interactive content.

Integration with Apple Ecosystem: Like other Apple products, Apple Vision offers high integration, potentially leading to better user experiences and retention.

Premium Market Segment: Targeting a typically higher-income user base that is willing to invest in new technology.

Disadvantages

Emerging Market: As a newer platform, the market for AR and VR is not as proven as traditional mobile apps, which could pose risks for developers.

High Development Costs: Developing for cutting-edge technology typically requires significant investment in skills and technology.

Limited Audience: Initially, the audience for high-end AR and VR experiences may be limited compared to established mobile platforms.

Cost

Development Kits and Fees: Specific costs for development kits for Apple Vision are not well-defined yet but expected to be higher given the advanced technology.

Revenue Splits and Fees: Assuming similar to the App Store, a 30% revenue cut by Apple is likely, with potential for high upfront development costs impacting overall profitability.

APPLE VS ANDROID

When deciding between Apple's iOS and Google's Android platforms for app distribution, developers should know that choosing one does not exclude the other. This discussion highlights the differences between the two, notably that iOS users often spend more per app, which can boost developer revenues. Meanwhile, Android's larger user base presents significant opportunities for volume sales. By launching apps on both platforms, developers can maximize their market reach and profit potential. This dual-platform approach leverages the unique advantages of each system, enabling developers to cater to diverse user preferences and optimize their revenue strategies effectively.

iOS users tend to spend more on apps than Android users, leading to higher revenues per user for developers on Apple's platform. Multiple studies and industry reports have consistently shown this trend. Here are some key points that highlight this phenomenon:

- **Revenue Generation:** According to a report by Sensor Tower, although the Google Play Store sees more app downloads, the Apple App Store consistently generates more revenue. For instance, in the first half of 2021, the App Store generated 1.8 times the revenue of Google Play, despite having fewer downloads.

- **Average Revenue Per User (ARPU):** Studies have shown that the ARPU for iOS apps is significantly higher than for Android. This is partly due to the demographic and socio-economic profiles of iOS users, who often have higher income levels, contributing to their willingness to spend more on apps and in-app purchases.
- **Consumer Spending Habits:** iOS users are not only more likely to make purchases within apps but also tend to spend more per purchase compared to Android users. This is reflected in higher per-user revenues in sectors like mobile gaming, subscriptions, and premium app services on iOS.
- **In-App Purchases and Subscriptions:** iOS has been particularly successful in attracting publishers and developers of premium apps and games, partly because of the platform's ability to monetize effectively through in-app purchases and subscriptions. The streamlined payment system via Apple's App Store also contributes to this success.
- **Market Focus:** Apple's focus on maintaining a premium brand image and its stringent app review process contribute to a curated app marketplace that attracts developers looking to target a more affluent user base.

DIGITAL DISTRIBUTION OVERVIEW

Below is a detailed table that outlines key data for digital distribution platforms, including user numbers, revenue splits, and costs. This quick reference guide aids in making informed decisions about where to publish digital content.

| Name of the Platform | Number of Users | Revenue Split | Entry Cost | Dev Kit Cost |
|-------------------------|---------------------------|---------------|----------------------|--------------------------|
| Steam | 120+ million active users | 30% | \$100 (Steam Direct) | None |
| GOG | Not specified | 30% | None | None |
| Epic Games Store | 75 million monthly active | 12% | None | None |
| itch.io | Not specified | Flexible | None | None |
| Humble Store | Not specified | 25% | None | None |
| Green Man Gaming | Not specified | 30% | None | None |
| Origin | Not specified | 30% | None | None |
| PlayStation | 123 million | 30% | None | Several thousand dollars |
| Xbox | 120 million | 30% | None | Free for ID@Xbox members |

| | | | | |
|--------------------------|-------------------------------|---|-------------------|------------------|
| Nintendo | 116 million | 30% | None | \$200 - \$10,000 |
| Apple App Store | 1 billion+ active iOS devices | 30%, 15% after 1st year for subscriptions | \$99 annually | None |
| Google Play Store | 2.5 billion active devices | 30%, 15% after 1st year for subscriptions | \$25 one-time fee | None |
| Apple Vision | 200,000 | 30% | Not specified | Not specified |

PHYSICAL DISTRIBUTION

Logistics

Physical distribution of video games involves a complex logistics network that ensures games reach retailers and consumers efficiently. This process includes inventory management, warehousing, and the coordination of transportation services. Efficient logistics are crucial for timely deliveries, especially during high-demand periods like game launches or the holiday season. Distributors often rely on advanced tracking systems to monitor shipments and manage supply chains effectively, minimizing delays and optimizing transport routes.

Manufacturing

The manufacturing of physical video games primarily involves the production of discs, cartridges, and packaging. The cost varies significantly based on the volume of units produced and the materials used. For instance, a standard PS4 or Xbox game on Blu-ray disc might cost around \$1 to \$3 per unit for mass production. This cost includes the disc, printing, and the case. Collector's editions or games with special packaging can cost considerably more due to premium materials and additional content like art books or collectible items.

Shipping Costs

Shipping costs for video games depend on the volume of goods, distance, and the chosen logistics providers. For large shipments, sea freight might be more economical, though slower compared to air freight, which is faster but more expensive. Within continents like North America and Europe, road transport is commonly used. Costs can range from a few cents per unit to several dollars, influenced by fuel prices, tariffs, and the urgency of delivery.

Need for Partnerships for Physical Distribution

Successful physical distribution often requires partnerships between game publishers and specialized distribution companies. These partners provide the infrastructure and expertise needed to manage the complex demands of global distribution. They handle tasks from warehousing to retailer negotiations, allowing developers to focus on game development.

Partnerships with reliable distributors help ensure that games are available in key markets around the world, maintaining consistent availability even in remote regions.

Declining Trends of Physical Distribution Compared to Digital Distribution

The trend towards digital distribution has been accelerating, with a significant decline in physical sales over the past decade. Data shows a stark contrast in the preference for digital versus physical games across different regions:

- **North America:** Digital sales have grown to represent about 80% of the market. The convenience of instant access and the rise of digital-only platforms have contributed to this shift.
- **Europe:** Similar to North America, digital sales dominate, accounting for around 75% of the market. Countries with high broadband penetration see particularly strong digital sales.
- **South America:** While digital growth is evident, physical games still hold a more substantial market share compared to North America and Europe, due to lower broadband penetration and the prevalence of retail culture. However, digital is rapidly gaining ground.

- **MENA (Middle East and North Africa):** The MENA region is experiencing rapid growth in digital game distribution, driven by increased smartphone and internet penetration. However, the preference for physical games remains significant due to enduring retail traditions and varying digital adoption rates across the region. Especially in wealthier Gulf countries, digital games are becoming more popular among the young, tech-savvy population, yet physical distribution still has a strong foothold.
- **Japan:** Historically favoring physical games due to a strong retail culture, Japan has seen a gradual shift towards digital distribution. The transition has been slower than in Western markets, but recent years, especially post-pandemic, have accelerated the move to digital, which now accounts for around 40% of the market. This shift reflects changing consumer behaviors and an increasing acceptance of digital formats in a traditionally collectivist society.
- **China:** Dominated by digital distribution, China's gaming market largely bypasses physical formats due to stringent government regulations and the ubiquity of mobile gaming. Digital sales vastly overshadow physical due to these regulatory conditions and the convenience of accessing games on mobile and PC platforms, making it one of the most digitally-centric gaming markets in the world.
- **Southeast Asia:** In Southeast Asia, digital gaming is growing rapidly, supported by widespread mobile connectivity and a young, digitally engaged population. While physical games still enjoy popularity, especially in less urbanized areas, the convenience and accessibility of digital platforms are making significant inroads. The region's diverse economic landscape means that adoption rates vary, but the overall trend is clearly moving towards digital distribution.

This shift is largely driven by the lower costs associated with digital distribution—no need for physical materials, manufacturing, or logistics—and the growing consumer preference for immediate access to games. The convenience of downloading a game at home, often at a lower price, appeals to a broad audience, reducing the demand for physical copies.

Conclusion

While physical distribution still plays a role in the global video game market, especially in regions with limited internet access or a strong preference for tangible goods, the shift towards digital distribution is unmistakable. As broadband access improves globally and consumer preferences evolve, the role of physical distribution is likely to diminish further. Game publishers and distributors must adapt to these changes, potentially focusing more on special, limited edition releases to sustain the relevance and allure of physical game copies in a predominantly digital future.

WEB 3 DISTRIBUTION

Web3 gaming leverages blockchain technology to change player interactions and asset ownership. Unlike traditional games, web3 games enable players to truly own in-game items as digital assets or NFTs, tradeable across various platforms. However, as mass-market technology is built in silos for technology makers to protect their market development efforts, blockchain can only cross platforms of the same ecosystem, so the technology doesn't offer authentic interoperability, just the appearance of interoperability.

Web3 gaming is particularly attractive to players who prioritize asset ownership, offering them real control over digital assets such as NFTs within decentralized environments. However, despite these features, the broader gaming community remains skeptical. A significant barrier is the lack of true interoperability across different gaming platforms, which undermines the perceived value of owning digital assets. Most gamers prefer immersive and enjoyable gameplay experiences over the ability to own and trade digital assets that cannot be seamlessly used across multiple games or ecosystems. This limitation dampens enthusiasm for web3 gaming among those who do not see significant practical benefits in the current technology. The emphasis on financial mechanics over gameplay can detract from the gaming experience for those who seek entertainment rather than investment opportunities, limiting the broader appeal of web3 games to the typical gaming community.

Think of this like the difference between GOG and Steam. GOG is a DRM-free platform where gamers own their games instead of using them under a licensing agreement like on Steam. GOG is the property of a gaming giant, CD Projekt, so not particularly indie and has enough resources to promote itself. Despite these differences, GOG has a small fraction of the market share Steam has, as users of Steam value many other things, like features that empathize the community over ownership. New generations may be shifting the balance, but currently all data suggest that for the majority of players, ownership is not

a priority, often not even ranking in their top ten concerns when engaging with games.

Web3 games often operate on public blockchains, facilitating secure and transparent transactions without centralized control. This architecture reduces dependency on conventional revenue models, offering developers a higher share of profits through direct sales and minimal transaction fees. Additionally, the integration of DAOs empowers players with governance rights, making them active participants in the game's ecosystem and decision-making processes, further distinguishing web3 games from traditional video gaming paradigms.

Web3 games are typically distributed on decentralized platforms, which often operate quite differently from traditional gaming platforms like iOS, Android, and Steam. Here's an overview of where you might find web3 games:

- **Blockchain-specific platforms:** Many web3 games are built on specific blockchains like Ethereum, Binance Smart Chain, Solana, or Polygon. Each blockchain has its ecosystem and sometimes its app stores or game portals. For example, Ethereum games might be accessible through decentralized applications (dApps) portals like DappRadar or State of the DApps.
- **Decentralized Gaming Platforms:** There are also dedicated decentralized gaming platforms like Ultra and The Sandbox, which not only host games but also provide marketplaces for trading game-related assets and NFTs (Non-Fungible Tokens).
- **Direct from the Developer's Website:** Many web3 games are distributed directly through their respective websites, bypassing traditional app stores entirely. This allows developers to maintain greater control over their games and often involves players downloading a desktop client or interacting with the game via a web browser.

As for the revenue share, web3 games typically do not follow the same model as traditional platforms that take a 30% cut. Since these games often operate

on blockchain technology and use cryptocurrencies for transactions, the revenue model can be more favorable for developers. Transactions might involve much lower fees, primarily only the network transaction fees (which can vary by blockchain). This setup allows developers to retain a larger portion of the revenue generated from in-game purchases or asset trading.

Moreover, many web3 games incorporate decentralized autonomous organizations (DAOs), where revenue and decision-making are shared among stakeholders, often including the players themselves. This model not only alters revenue distribution but also how games are developed and managed, aligning incentives differently compared to traditional gaming ecosystems, however, the consensus mechanism of blockchain is difficult to scale.

UGC DISTRIBUTION

User-generated content (UGC) in gaming refers to content created by players themselves, rather than by game developers. This can include levels, maps, characters, and even complex game mechanics. UGC tools democratize game development, enabling even those with limited technical skills to create and share their own game content. This approach significantly speeds up the game development process and reduces the need for large development teams, making game creation more accessible and less costly.

User-generated content is typically distributed through platforms that host UGC-enabled games. These platforms often provide tools and marketplaces where users can share, sell, or trade their creations. Distribution is mainly digital, leveraging the platform's infrastructure to allow creators to reach a global audience with minimal distribution costs.

Fortnite (Epic Games)

Fortnite, developed by Epic Games, is a cultural phenomenon that blends action-packed battle royale gameplay with extensive creative tools. Launched in 2017, it quickly became famous for its vibrant, ever-evolving multiplayer environment and iconic, fast-paced combat. Beyond the competition, Fortnite Creative mode allows players to design and build their own unique islands and games, fostering a robust community of creators and innovators within its engaging, dynamic universe. Fortnite is also the UGC platform that generated the most revenue in 2023.

Benefits

Massive player base: Fortnite offers the Creative mode where users can build their own games and experiences using Fortnite assets, leveraging a massive player base for immediate exposure. The platform is well-supported with frequent updates and a dedicated community that engages with and popularizes user-created content.

Creator Support: Creators can participate in Epic's Support-A-Creator program, potentially earning a share of revenue from players who subscribe or make purchases, thus monetizing their creative efforts effectively.

Disadvantages

Creations are confined within the Fortnite ecosystem, limiting the possibilities for distribution outside of Epic Games' platforms. This can restrict the creative scope to only what is compatible with Fortnite's gameplay and aesthetic.

Requires familiarity with Fortnite's specific building tools, which might not translate to broader game development skills. Also, the competitive nature of the platform means that only highly engaging content tends to get noticed.

Cost for Developers

Free to create; revenue opportunities through Epic's Support-A-Creator program which varies based on user engagement and content popularity.

Guidelines

Creating content in Fortnite, particularly within its Creative mode, doesn't have as strict an approval process as some might expect, given the open-ended nature designed to encourage creativity. However, if you're looking to participate in Epic Games' more commercial opportunities, such as the Support-A-Creator program, there are more specific guidelines and an approval process. Here are some key points:

- **Creative Mode:** Generally, in Fortnite's Creative mode, users are free to create custom maps, games, and experiences with relatively few restrictions. The content is typically not subject to a rigorous approval process unless it's featured in events or competitions that Epic Games hosts. For these instances, the content must adhere to community standards and not contain inappropriate themes or assets.
- **Support-A-Creator Program:** For creators interested in monetizing their creations or gaining wider exposure:

- **Eligibility:** Creators must apply to be part of the program. They need to meet certain criteria, such as having a minimum number of followers on social media platforms or demonstrating a consistent stream of Fortnite content.
- **Content Guidelines:** Content must be appropriate, not infringing on copyrights, and should align with the positive community standards set by Epic Games. This includes avoiding explicit language, violence beyond what is typical in Fortnite, or offensive symbols and messages.
- **Featured Content:** If a creator wants their maps or games to be featured within Fortnite's Discovery tab or other prominent in-game placements, the content must be of high quality, show originality, and provide value to the Fortnite community. Epic Games often reviews these submissions to ensure they meet quality standards and offer a good gameplay experience.
- **Competitive and Community Events:** Content that is part of official Fortnite competitions or community events may undergo a more detailed review process to ensure fairness and adherence to the specific rules of the event.
- In all cases, while Fortnite provides a vast canvas for user creativity, maintaining the integrity of the game and its community is a priority, so content that could be considered harmful or highly inappropriate is generally not allowed. If you're looking to create within Fortnite, it's a good idea to familiarize yourself with the latest community guidelines provided by Epic Games on their official website or within the game's user agreement.

Roblox

Roblox is a revolutionary platform that transcends traditional gaming by allowing users to create, share, and play games made by other users. Launched in 2006, it has grown into a vast virtual universe where millions of players around the world come together to imagine, create, and interact

within countless immersive, user-generated 3D worlds. Its unique approach empowers a diverse community of creators using Roblox Studio, a powerful, developer-friendly toolset that fosters innovation and entrepreneurship.

Benefits

Roblox Studio provides a comprehensive suite of development tools that allow creators to build diverse game types, which are instantly accessible to a massive, engaged audience on the same platform.

Monetization is facilitated through an in-built economy where creators can earn Robux, Roblox's currency, which can be converted to real money.

Disadvantages

Games developed on Roblox must conform to the platform's standards and operational confines, limiting the flexibility in how these games operate and monetize.

Heavy reliance on Roblox's internal marketplace and systems can pose a risk if the platform changes policies or revenue-sharing models.

Cost for Developers

Free development; Roblox takes a 30% cut of revenue from in-game purchases.

Guidelines

Roblox has established a detailed set of guidelines to ensure that its platform remains safe, respectful, and fun for its diverse user base. These guidelines are crucial for anyone looking to create and share content on Roblox. Here are some of the key guidelines that content creators need to follow:

- **Community Standards:** Roblox emphasizes a community that is respectful, inclusive, and safe. Content that promotes discrimination, hate speech, or harassment is strictly prohibited. Creators must avoid content that could be seen as offensive or harmful based on race, ethnicity,

national origin, religious affiliation, sexual orientation, sex, gender, gender identity, or serious disabilities or diseases.

- **Age-Appropriate Content:** Given the young age of many of its users, Roblox is particularly stringent about age-appropriate content. Creators must ensure that their games do not include:
 - Sexual content or nudity.
 - Excessive violence or gore.
 - Realistic weaponry or the promotion of drug use.
 - Scary themes that might be too intense for younger players.
- **Intellectual Property:** Creators must have the rights to any content they use in their games, including music, images, video clips, or any third-party intellectual property. Copyright infringement is taken seriously and can result in content removal or account sanctions.
- **Advertising and Monetization:** While creators can monetize their games through Roblox's in-game currency (Robux), any use of third-party advertising or direct marketing is prohibited unless done through official Roblox channels. Creators should also be transparent about in-game purchases, providing clear descriptions of what players are buying.
- **Privacy and Safety:** Creators must not create games or features that could endanger the privacy or safety of players. This includes not collecting personal information from players or creating mechanisms that could be used for deceptive practices.
- **Behavior Encouragement:** Games should not encourage poor behavior, such as scamming other players, exploiting game bugs, or creating gameplay mechanics that have gambling-like characteristics.
- **Quality and Performance:** Roblox also advises creators to consider the quality and performance of their games. Games should be well-constructed, not contain bugs that could significantly impact

gameplay, and perform efficiently across various devices to ensure a good player experience.

Creators who wish to have their content featured more prominently on the platform may need to meet additional criteria, often revolving around originality, popularity, and adherence to Roblox's core values. Roblox's moderation team actively reviews content and can remove or restrict access to games that violate these guidelines. For a complete and detailed list of what's allowed or not, creators are encouraged to consult the Roblox Developer's Hub, which offers extensive resources on creating content within community guidelines.

Minecraft

Minecraft is a quintessential sandbox video game developed by Mojang Studios, where players can build, mine, and explore in an infinitely expansive block-based world. Since its release in 2011, it has captivated a diverse audience with its simple yet profound mechanics that encourage creativity and problem-solving. Players can craft tools, construct elaborate structures, and combat various in-game creatures, making it a versatile platform for both educational and entertainment purposes across all age groups. At this point I'm sure you, the reader, noticed I'm copy-pasting official descriptions of the platforms made by their developers.

Benefits

Renowned for its flexibility in modding, allowing developers to craft intricate worlds and mechanics that can transform the core game experience.

Strong community forums and extensive support resources make it easier for new creators to get started and find an audience.

Disadvantages

Limited to the enhancements within the Minecraft game, which may not be suitable for developers looking to create entirely distinct video games.

No formal marketplace for mod distribution, which means monetization can be less straightforward and primarily dependent on external donations or subscriptions.

Cost for Developers

No initial cost for mod creation; costs for server hosting vary depending on the server size and player capacity.

Guidelines

Publishing user-generated content (UGC) in Minecraft, particularly through the official Minecraft Marketplace, comes with specific guidelines and criteria. The Marketplace allows approved creators to sell their original content, such as skins, textures, and custom worlds. Here's an overview of the key guidelines for publishing UGC in Minecraft:

- **Become a Registered Partner:** To sell content on the Minecraft Marketplace, creators must apply to become a registered partner. This program is selective and requires a portfolio showcasing high-quality builds and previous work.
- **Content Quality:** All content submitted to the Marketplace must meet high-quality standards in terms of design, aesthetics, and functionality. Creations should be original, free of bugs, and offer genuine value to players.
- **Adherence to Theme and Brand:** Content must be appropriate for the Minecraft audience, fitting within the game's aesthetic and thematic elements. It should not include inappropriate themes, overly violent or sexual content, or anything that deviates significantly from the Minecraft brand.
- **No Copyright Infringement:** Creators must ensure their content does not infringe on any copyrights or trademarks. This includes avoiding the use of copyrighted logos, characters, music, and other intellectual property not owned by the creator.

- **Functionality:** Maps and mods should work as intended without causing significant issues or bugs within the game. They should also not adversely affect the game's performance.
- **Support and Updates:** Creators are expected to provide necessary updates and support for their content to ensure it remains compatible with the latest versions of Minecraft and continues to deliver a good user experience.
- **Pricing and Monetization:** Creators set their own prices for the content they sell in the Marketplace, but they need to adhere to the pricing guidelines set by Mojang. Revenue share is determined by the agreement between Mojang and the creator.
- **Use of Minecraft Assets:** Creators can use the assets provided by Minecraft within their UGC but must do so in ways that comply with Mojang's policies. Creating new assets that mimic the core game's look and feel is encouraged to maintain consistency across the platform.

Creators who want to share their content without selling it can still do so through various community forums and modding sites, which typically have more relaxed guidelines. However, distributing content through the official Minecraft Marketplace involves a rigorous approval process to ensure all UGC aligns with the game's standards and values.

Core Games (by Manticore)

Core Games by Manticore Games is a powerful platform that democratizes game creation, enabling anyone to build, publish, and monetize their own games. It offers a vast library of assets and tools that streamline the development process, making it accessible for creators at all levels to bring their visions to life.

Benefits

Provides an intuitive interface and tools that allow quick creation and publication of games directly on Core's online platform, making it accessible to novice developers.

Hosts its own marketplace and audience, significantly lowering the barriers for user acquisition and game dissemination.

Disadvantages

Limited to Core's proprietary ecosystem, constraining broader market exposure and potential integration with other platforms or technologies.

While accessible, the platform may not offer the depth required for more complex or technically demanding game development.

Cost for Developers

Free to develop; revenue sharing terms vary but generally include a portion of the game earnings allocated to developers.

Guidelines

Publishing user-generated content in Core Games involves several specific guidelines designed to foster a creative, fair, and secure environment. Core Games provides an extensive platform for creators to develop, share, and monetize their multiplayer games. Here are the key guidelines:

- **Community Standards and Conduct:** Creators must adhere to community guidelines that promote a respectful and inclusive environment. This includes avoiding content that could be considered offensive, discriminatory, or harmful. Creations should not promote hate speech, violence, or illegal activities.
- **Content Quality:** All games and assets published on Core must meet certain quality standards. Creations should be polished, free of bugs, and provide a meaningful experience to players. Manticore encourages

creativity and innovation, so unique and engaging content is highly valued.

- **Intellectual Property Rights:** Creators must ensure that their content does not infringe on the intellectual property rights of others. This includes avoiding copyrighted material unless explicit permission has been granted. Core Games provides a library of assets that can be used freely, which helps creators avoid potential legal issues.
- **Monetization and Transparency:** Creators can monetize their games through Core's monetization tools, which include in-game purchases and cosmetic items. Pricing must be fair and transparent, and creators are expected to provide clear information about what players are purchasing. Manticore Games takes a percentage of the revenue generated, which is part of the platform's terms of service.
- **No Malicious Code or Exploits:** Games must not contain malicious code, attempt to exploit Core's system, or manipulate player data. Security and integrity are paramount, ensuring that all users have a safe and enjoyable experience.
- **Regular Updates and Maintenance:** Creators are responsible for maintaining their games, which includes providing updates and patches to address issues or improve the game. Regular maintenance ensures that games remain compatible with the latest version of Core and continue to function properly as the platform evolves.
- **Age-Appropriate Content:** Given Core's diverse audience, content should be appropriate for all ages, or appropriately labeled if it contains mature themes. Creators must follow guidelines related to age-appropriateness, ensuring that content is suitable for the intended audience.

Creators looking to publish their games on Core Games need to create an account, agree to the platform's terms, and may begin creating and sharing immediately within the platform's ecosystem. Core is designed to be an

accessible platform for game developers of all skill levels, encouraging a vibrant and active creator community.

GameMaker Studio

GameMaker Studio by YoYo Games is a versatile development environment geared towards both novice and experienced creators focusing on 2D game production. It simplifies the development process with its intuitive drag-and-drop interface and powerful scripting language, allowing for the quick creation and iteration of games across multiple platforms.

Benefits

Focused on 2D game development, GameMaker is equipped with drag-and-drop functionality making it suitable for beginners while also offering scripting languages for advanced developers.

A well-established platform with a strong support community and plenty of learning resources available to help new developers.

Disadvantages

Not suitable for 3D game development, which might limit the scope of projects that can be developed.

Standalone games created with GameMaker require self-distribution, often necessitating additional efforts and costs in marketing and platform fees.

Cost for Developers

Creator edition at \$39/year; Developer edition at \$99/year; Console edition at \$799/year.

Guidelines

Publishing games with GameMaker Studio, developed by YoYo Games, involves adhering to a set of guidelines designed to ensure that the content is

suitable for distribution and consumption. Here's an overview of the key guidelines and steps involved in publishing games created with GameMaker Studio:

- **Adherence to Platform Guidelines:** When you are ready to publish your game, you must comply with the guidelines of the platforms you are targeting, such as Windows, Mac, iOS, Android, or consoles. Each platform has its own set of requirements concerning content, performance, and security.
- **Content Appropriateness:** Ensure that your game content is appropriate for the audience. This includes avoiding the promotion of violence, discrimination, or any illegal activities. You must also respect copyright laws and avoid using unlicensed content.
- **Performance and Compatibility:** Your game should be well-optimized and free of major bugs. It should also be compatible with the hardware specifications of the platforms you are targeting. This ensures a smooth user experience and meets the quality standards expected by players and platform holders.
- **Use of GameMaker Studio Assets:** If you're using assets or extensions from the GameMaker Marketplace, ensure they are properly licensed for commercial use if you plan to sell your game. Verify the terms of use for each asset to avoid legal issues.
- **Monetization and Ads:** If your game includes in-game purchases or advertisements, you need to implement them in a way that is transparent and fair to players. This includes clear communication about what the player is buying and ensuring that the monetization methods comply with platform-specific rules regarding in-app purchases.
- **Privacy and Data Protection:** If your game collects personal data from users, you must comply with data protection laws such as GDPR in Europe or CCPA in California. This includes providing a clear privacy policy

that outlines what data is collected, how it is used, and the users' rights regarding their data.

- **Export and Packaging:** GameMaker Studio provides tools for exporting your game to various formats and platforms. Ensure that the export settings are correctly configured to meet the specific requirements of each platform, such as resolution settings, control schemes, and file packaging.
- **Submission and Approval Process:** Once your game is ready, you'll submit it to the platforms of your choice. Each platform will have its own submission and review process, which can include automated checks for compliance with technical standards and manual review for content and quality assurance.

Second Life

Second Life is an expansive virtual world platform that pioneered the concept of a fully immersive digital universe. Here, users create avatars to explore, interact, and engage in activities as diverse as shopping, business, and artistic expression. It offers robust tools for user-generated content, allowing participants to design everything from apparel to fully functional environments, establishing a dynamic economy where creativity leads to real-world economic opportunities.

In 2023, it had a daily average of 200,000 users spanning 200 countries, however, figures differ depending on the reporting outlet.

Benefits

Second Life provides a deeply immersive platform where developers can create intricate virtual environments and interactive experiences. The platform supports a rich variety of content creation, from virtual goods to complete environments, enabling developers to engage with a global community.

It also offers a mature in-world economy, allowing creators to monetize their creations through Linden Dollars, which can be converted to real-world money.

Disadvantages

The platform uses dated technology and graphics, which may not appeal to users accustomed to the high-quality graphics of newer games. This can limit the audience and reduce the impact of more visually driven content.

The complexity of the platform's content creation tools requires a steep learning curve, which may deter newcomers or casual creators from fully engaging with the platform's capabilities.

Cost for Developers

Free to start creating; costs arise primarily from in-world activities such as renting land or purchasing assets. Pricing varies based on the scale and nature of the project.

Guidelines

Publishing content in Second Life involves a series of guidelines to ensure a safe and respectful environment for all users. Here's a detailed overview of the key guidelines for publishing content in Second Life:

- **Content Ratings:** Second Life categorizes content into three distinct ratings—General, Moderate, and Adult. Creators must accurately rate their content based on its appropriateness for different audiences. This ensures users have an appropriate experience based on their age and personal preferences.
- **Intellectual Property Rights:** Creators are responsible for ensuring that the content they publish does not infringe upon the copyrights, trademarks, or other intellectual property rights of others. This includes music, images, video content, and scripts that are not originally created by the user or for which the user does not have explicit rights to use.

- **Behavior Guidelines:** Second Life prohibits activities that involve harassment, discrimination, or any form of hate speech. This also extends to content that could be deemed as encouraging or promoting such behaviors.
- **Advertising and Commercial Activity:** When engaging in any commercial activities, such as selling goods or services, users must comply with all applicable laws and regulations. This includes providing clear and accurate descriptions of goods and services, as well as transparent transaction processes.
- **Prohibited Content:** Second Life strictly bans certain types of content, including but not limited to:
 - Anything that promotes or suggests racism, sexism, or any other form of discrimination.
 - Explicit sexual content that is not confined to adult-rated areas.
 - Content that violates real-world laws or regulations.
- **Scripting and Resource Use:** Creators must ensure their scripts and builds do not adversely affect the server performance or the experience of other users. This includes avoiding excessive use of resources such as polygons in models, scripts that cause lag, or any content that might destabilize the shared environment.
- **Privacy and Security:** Second Life enforces strict privacy guidelines. Creators must not create content that compromises the privacy and security of other users. This includes surveillance devices or software that tracks user activity without consent.
- **Reporting and Enforcement:** Creators must adhere to a mechanism for reporting inappropriate or abusive content. Linden Lab, the company behind Second Life, provides tools for users to report violations, and it actively enforces these guidelines through content removal and account sanctions when necessary.

Decentraland

Decentraland is an Ethereum-based blockchain-based virtual world where users create, explore, and trade in a fully decentralized online community. This immersive platform empowers individuals to own and monetize virtual real estate and other digital assets through Non-Fungible Tokens (NFTs). By leveraging Ethereum technology, Decentraland offers a new realm of virtual experiences, enabling users to build environments and host events within a vibrant, user-governed metaverse.

The core of Decentraland is user interaction, for this reason they traded high graphic quality for the capacity of hosting many users within the same server. However, instead of creating an art style that is optimization friendly, like for instance Minecraft did, they savagely optimized, making graphics look like the ugly younger brother of The Lawnmower Man.

Benefits

Decentraland is a blockchain-based virtual world where users can create, experience, and monetize content and applications in a decentralized manner. This platform allows for true ownership of land and assets via NFTs, offering creators permanent, verifiable ownership of their creations.

It leverages the Ethereum blockchain to ensure security and transparency of transactions, attracting a community interested in the blend of technology, finance, and gaming.

Disadvantages

Many don't consider Decentraland a gaming platform, but a gamified finance platform. The reliance on cryptocurrency can make it less accessible to those unfamiliar with blockchain technologies, presenting a barrier to entry that could deter a broader audience.

Decentraland only has 38 daily active users, and the most successful event created this year, the Metaverse Fashion Week, attracted a total of 50,000

users, which is spare change compared to the active user base of platforms like Fortnite or Roblox.

The graphic quality of the platform is extremely low, creating rejection even from brands who activated in the platform, who expected the graphics to be, at the very least, at the height of industry standards.

The volatile nature of cryptocurrency means that economic aspects of the platform can fluctuate greatly, which might affect the stability of monetization efforts for creators.

Cost for Developers

Free to create content, but participation requires ownership of digital land, which must be purchased on the marketplace, potentially involving significant investment.

Guidelines

Here are the key guidelines for publishing content on Decentraland:

- **Blockchain Compliance:** Since Decentraland operates on the Ethereum blockchain, all content and interactions must comply with blockchain rules and standards. This includes the management of digital assets, like LAND (virtual real estate) and wearables, which are typically represented as non-fungible tokens (NFTs).
- **Content Ownership and Intellectual Property:** Creators in Decentraland must ensure that they hold the rights to all assets they publish, including models, textures, music, and scripts. This adherence to intellectual property laws is critical in maintaining the integrity and legality of the content within the platform.
- **Content Appropriateness:** Decentraland is an open platform, but content that is illegal, offensive, or promotes hate speech, violence, or harassment is strictly prohibited. Creators must rate their content

appropriately based on the nature of its themes and interactions to ensure it aligns with community standards.

- **Community Standards and Conduct:** Interactions within Decentraland should respect all users, fostering a community that is free from discrimination and harassment. Creators are encouraged to develop content that promotes positive interactions and community building.
- **Technical Standards:** Content must be optimized for performance to ensure that it does not negatively impact the user experience within Decentraland. This includes considerations for file sizes, model complexity, and scripting efficiency, which help maintain the functionality and accessibility of the virtual world.
- **Economic Activities:** If engaging in economic activities, such as selling virtual goods or services, creators must follow Decentraland's guidelines for commerce. This includes transparent transactions that are secure and verifiable on the blockchain, providing clear terms of sale and adhering to fair trading practices.
- **Environmental Impact and Sustainability:** Given the blockchain-based nature of Decentraland, creators are also encouraged to consider the environmental impact of their activities, particularly in terms of energy consumption associated with blockchain transactions.
- **Submission and Review Process:** Content might need to undergo a review process, especially if it involves complex interactions or commercial activities. This process ensures that the content meets all technical, legal, and community guidelines of Decentraland.
- **Privacy and Security:** Developers must ensure that their creations do not compromise user privacy or platform security. This includes not collecting personal data without consent and ensuring that interactive content does not include malicious elements.
- **Continuous Updates and Maintenance:** To maintain the quality and relevance of content in Decentraland, creators are expected to provide

updates and maintenance for their projects, addressing any issues that might arise and improving the user experience.

Gala Games

Gala Games incorporates blockchain technology to give players and developers true ownership of in-game assets. This platform blends traditional gaming with innovative crypto technology, allowing users to earn, trade, and control digital collectibles with real-world value. With a diverse range of games and a commitment to empowering creators, Gala Games is setting new standards for engagement and monetization in the gaming ecosystem.

Differently to other blockchain-based metaversian platforms like Decentraland, Gala has a stronger focus on traditional gaming, which has made it much more successful, the point of generating similar yearly revenue to Minecraft.

Benefits

Offers a variety of games under its ecosystem, providing developers with a ready audience and a network of games for broader content applicability and cross-promotion.

Like other blockchain-based platforms, Gala Games requires understanding and acceptance of crypto and NFTs, which might limit its appeal to traditional gamers.

Disadvantages

The platform's success and sustainability are closely tied to the fluctuating dynamics of the crypto market, which can introduce financial risks and uncertainties for developers.

Cost for Developers

Costs may vary depending on the project; while creating games can be free, launching and operating them might require transaction fees associated with

blockchain operations, as well as marketing and community management expenses.

Guidelines

Here's an overview of the key guidelines for publishing on Gala Games:

- **Blockchain Compliance:** Since Gala Games uses blockchain technology, any content or game developed for the platform must be compatible with blockchain principles. This includes ensuring that digital assets (like NFTs) used or created within the games are properly managed and comply with blockchain transaction rules.
- **Intellectual Property Rights:** Creators must ensure that all content published on the platform does not infringe on the intellectual property rights of others. This includes securing the necessary rights for music, graphics, game characters, and any other content that involves third-party rights.
- **Quality Standards:** Gala Games requires that all games and content meet high-quality standards in terms of design, user interface, gameplay, and technical performance. Games should be well-optimized, free of major bugs, and offer a meaningful and engaging experience to players.
- **Content Appropriateness:** All content must be appropriate for the intended audience. It should not contain offensive material, promote hate speech, violence, or illegal activities. As Gala Games aims to cater to a diverse audience, content creators must be mindful of cultural sensitivities and legal standards.
- **Security and Fairness:** Games must be designed to be secure against hacking and cheating, ensuring all players have a fair and equal gaming experience. This includes implementing robust security measures to protect user data and game integrity.
- **Economic and Monetization Policies:** Since Gala Games allows developers to monetize their games through various means, including

the sale of NFTs and in-game items, creators must follow specific guidelines related to pricing, transactions, and the handling of digital currencies. Transparency with players about costs and in-game purchases is crucial.

- **Community Engagement and Support:** Developers are encouraged to maintain active engagement with their game communities. This involves regular updates, responding to player feedback, and managing a support system to address user issues promptly.
- **Sustainability Practices:** Gala Games emphasizes sustainable gaming practices, especially in terms of environmental impact. Developers are encouraged to consider sustainability in their game design and operations, particularly when implementing blockchain elements that may require significant energy usage.
- **Submission and Review Process:** Before a game can be launched on Gala Games, it must go through a submission and review process where it is evaluated against these guidelines. The review process also ensures that the game integrates seamlessly with the Gala Games ecosystem, including compatibility with the Gala Games wallet and other platform features.
- **Legal Compliance:** Developers must ensure that their games comply with international laws and regulations, including those related to online gaming, digital currencies, and cybersecurity.

Conclusion

User-generated content platforms are rapidly growing, with annual revenues reaching into the billions across major platforms like Roblox and Minecraft. This lucrative market presents a compelling opportunity for budding developers, particularly as UGC platforms reduce overhead costs and barriers to entry. The ability to create and monetize content directly on these platforms, coupled with access to ready audiences, allows developers to focus

more on creativity and innovation. Such dynamics make UGC gaming not only a fertile ground for entrepreneurial ventures but also a significant shift in how games are created and monetized, emphasizing community and participant engagement over traditional game development models.

This model is so enticing that even the giant Disney recently bought a \$1.5B stake of Epic Games to build their own islands on Fortnite. Keep in mind that if someone knows how to make money, it is Disney.

ADDITIONAL COSTS

When developing a business plan for a video game, it's crucial to consider not only the direct costs associated with its distribution but also the various additional expenses that can significantly impact the overall profitability and success of the project. These costs, though not directly tied to the physical or digital distribution of the game, are essential for ensuring that the game reaches its target audience effectively and operates smoothly post-launch.

Marketing and Promotion

One of the most significant additional costs is marketing and promotion. Creating awareness and generating interest for a new game requires a strategic marketing plan that may include online advertising, social media campaigns, influencer partnerships, and public relations efforts. The costs can vary widely depending on the scale of the marketing efforts but are essential for distinguishing the game in a crowded market. For many games, marketing expenses can rival or even exceed the cost of developing the game itself.

This subject is so extensive that we will create an ebook for that in the near future. Stay tuned.

Bandwidth Costs for Online Games

For games that offer online multiplayer features, bandwidth costs can be substantial. These costs are associated with the data transmitted between players and servers, essential for ensuring smooth gameplay and immediate updates. The expense depends on the number of active players and the data load each player generates, which can grow significantly for popular games with large player bases.

Post-Launch Support

After a game's release, ongoing support is crucial to maintain player satisfaction and engagement. This includes regular updates and patches to fix bugs, improve gameplay, and add new content. The costs for these activities involve additional development work, quality assurance testing, and again, bandwidth for distributing these updates. Effective post-launch support helps in retaining a strong user base and can drive ongoing sales through positive word-of-mouth and high player retention rates.

Region-Specific Rating Assessments

Before a game can be sold in various markets, it must often undergo region-specific rating assessments by organizations like the ESRB in North America or PEGI in Europe. These ratings ensure that the game meets local regulations regarding content. The process involves fees for rating submission and potentially additional costs if modifications are required to meet specific regional standards.

If you intend to publish your game on markets outside of your area of expertise, finding a partner to guide you in the process is the best course of action.

Localization

Localization extends beyond simple translation. It involves adapting the game's content to meet cultural preferences, legal requirements, and language specifics of different regions. This can include changes to dialogue, graphics, character attire, and more to resonate with local audiences effectively. Platforms like Steam greatly appreciate games that offer localized content, as this can significantly broaden the game's appeal and accessibility across global markets. It also helps Steam get wider market share outside of English-speaking countries, so they're going to appreciate it with an algorithm boost.

Additional Expenses

Other important expenses include:

- **Customer Support:** Handling player inquiries and issues is vital, especially for games with complex gameplay or online connectivity issues.
- **Compliance and Legal Fees:** Ensuring that the game complies with international laws and intellectual property rights can incur legal consultation fees.
- **Platform Fees:** Apart from revenue splits, platforms may charge for featuring games in prominent positions or during special promotional events.

Accounting for these additional costs in the game's business plan is vital for setting realistic financial expectations and securing the necessary funding. These expenses play a critical role in the game's market performance and overall player satisfaction, influencing long-term success and profitability. Developers should plan these costs carefully and consider them as integral to the game development and distribution cycle, as well as to establish a business and monetization model to ensure that the game is profitable.

REGIONAL VARIATIONS

The landscape of video game distribution varies significantly across different regions of the world, influenced by local regulations, platform preferences, and consumer behaviors. These regional variations can impact everything from distribution costs to marketing strategies and need to be carefully considered by developers and publishers to maximize their reach and compliance in global markets.

North America

- **Distribution Costs and Strategies:** North America, with its highly developed infrastructure, has relatively lower distribution costs, especially for digital distribution. The region has a strong preference for direct downloads and cloud-based gaming services.
- **Regulations:** The United States and Canada have specific regulations concerning digital content, including privacy laws like COPPA in the U.S., which governs how data from minors can be collected. Games must also comply with regional rating systems such as the ESRB.
- **Platform Preferences:** There is a strong preference for console gaming alongside PC gaming, with platforms like Xbox and PlayStation having significant market shares. Mobile gaming is also popular but trails in revenue compared to consoles and PC.
- **Consumer Behaviors:** North American gamers are known for their readiness to adopt new technologies and gaming systems. There is also a significant market for in-game purchases and subscriptions.
- **Web3 Market Penetration:** Web3 technologies have substantial adoption in North America, particularly in the U.S., with a user base approaching tens of millions. The total addressable market for Web3 in North America is estimated to be in the hundreds of billions, driven by significant interest

in decentralized finance (DeFi) and NFTs, supported by a robust venture capital presence.

- **UGC Market Penetration:** UGC platforms in North America see extensive usage, with user-generated content creators numbering in the hundreds of millions. The TAM for UGC is enormous, well into the hundreds of billions, as platforms like Roblox and Fortnite dominate the market, especially in the gaming sector.

South America

- **Distribution Costs and Strategies:** Physical distribution costs are higher due to less developed logistics networks compared to North America. Digital distribution is growing but is hampered by inconsistent internet access across the region.
- **Regulations:** Countries like Brazil have high import taxes on electronic goods, including video games, which can affect pricing and availability.
- **Platform Preferences:** Mobile gaming dominates due to the widespread use of smartphones. Consoles are less prevalent partly due to high costs driven by import taxes.
- **Consumer Behaviors:** South American gamers often favor free-to-play models due to economic factors, with a large portion of revenue coming from microtransactions within these games. Some larger publishers adapt to the economic needs of the region, particularly in the growing hub of Brazil, offering regional prices adapted to the purchasing power of the region.
- **Web3 Market Penetration:** Web3 adoption in South America is expanding, especially in terms of cryptocurrency usage, with an estimated user base in the millions. The TAM is growing as well, particularly in Brazil and Argentina, where Web3 solutions are seen as alternatives to traditional financial systems amid economic fluctuations.

- **UGC Market Penetration:** With improving internet access, South America's UGC platforms are attracting millions of users, particularly younger demographics engaged in gaming and social media. The TAM for UGC is rapidly growing and is estimated in the billions of dollars.

Europe

- **Distribution Costs and Strategies:** Europe benefits from a robust digital infrastructure, making digital distribution highly efficient. However, diverse languages and cultures necessitate significant localization.
- **Regulations:** The GDPR impacts how games collect and process personal data. Additionally, each country may have its own regulations regarding digital content and consumer rights.
- **Platform Preferences:** There is a healthy balance between PC and console gaming across Europe, with platforms like Steam and PlayStation being particularly popular.
- **Consumer Behaviors:** European gamers show strong preferences for localized content. Subscription models and premium games are popular, reflecting higher disposable incomes and spending willingness. Denmark is the country in the West where people spend more time in games, followed by other Scandinavian countries.
- **Web3 Market Penetration:** Europe's Web3 scene is dynamic, with an estimated user base of several million. The TAM is valued at several billion dollars, supported by strong regulatory frameworks in countries like Germany and Switzerland, which facilitate broad adoption of blockchain technology across various industries.
- **UGC Market Penetration:** Europe has a vibrant UGC landscape with tens of millions of users, and a TAM estimated in the tens of billions of dollars. Strong data protection laws enhance user participation across diverse platforms, including educational and creative content sectors.

China

- **Distribution Costs and Strategies:** China's game distribution is highly regulated, requiring international developers to partner with local companies. Digital distribution dominates due to the vast internet user base.
- **Regulations:** The Chinese government exercises strict control over the content and approval of video games, focusing heavily on censoring content deemed inappropriate or politically sensitive. All games must receive approval from the State Administration of Press, Publication, Radio, Film and Television.
- **Platform Preferences:** Mobile gaming is predominant, followed by PC gaming. Console gaming has grown since the lift of the console ban in 2015 but is still less common than in other regions.
- **Consumer Behaviors:** Chinese gamers show a high preference for Free-to-Play (F2P) models with in-game purchases. Social and competitive features are particularly popular, aligning with the social nature of gaming in China. Chinese gamers are very discerning, and won't hype a game that is not promoted with gameplay, showing contempt for games promoted with trailers alone.
- **Web3 market Penetration:** Despite regulatory challenges, China's blockchain initiatives have a substantial user base, primarily in sectors regulated or approved by the government, contributing to a Web3 TAM in the tens of billions of dollars. The focus is on enterprise and state-level blockchain projects.
- **UGC Market Penetration:** China's UGC market is one of the largest globally, with hundreds of millions of active users and a TAM exceeding hundreds of billions of dollars. Platforms like Douyin and Bilibili dominate the local market, heavily influenced by stringent content regulations.

Japan

- **Distribution Costs and Strategies:** Japan has a strong retail culture for video games, but digital distribution has been increasing steadily. High-quality localization is essential due to language and cultural preferences.
- **Regulations:** Japan's content regulations are less stringent than China's but still enforce standards related to gambling and explicit content.
- **Platform Preferences:** Console gaming is deeply ingrained in the Japanese market, with a strong presence of Nintendo and Sony. Mobile gaming is also highly popular and competitive.
- **Consumer Behaviors:** Japanese gamers appreciate high-quality game design and storytelling. There is a significant market for both mainstream and niche genres, including RPGs, dating sims, and visual novels.
- **Web3 Market Penetration:** Japan's regulatory support for Web3 technologies has cultivated a user base of millions. The TAM in Japan for blockchain and cryptocurrency ventures is estimated in the tens of billions of dollars, with widespread acceptance in both corporate and consumer sectors.
- **UGC Market Penetration:** Japan has a distinct UGC market, particularly strong in anime and gaming, with tens of millions of active users. The TAM for UGC in Japan is estimated in the tens of billions, supported by a deeply ingrained fan creation culture.

Middle East and North Africa (MENA)

- **Distribution Costs and Strategies:** Digital distribution is growing rapidly in the MENA region, facilitated by increasing internet penetration. Physical distribution is challenged by geopolitical factors and logistics.

- **Regulations:** Regulatory environments vary widely across the region, with some countries having strict controls on content, especially related to political and religious themes.
- **Platform Preferences:** Mobile gaming dominates due to the high penetration of smartphones. Console and PC gaming are growing, especially among the youth.
- **Consumer Behaviors:** Games that are localized in Arabic perform better, as there is a strong preference for content that resonates with local culture and language. Social gaming is also popular.
- **Web3 Market Penetration:** In the MENA region, the Web3 user base is rapidly growing, with significant investments in blockchain from countries like UAE and Saudi Arabia. The TAM here is also expanding, potentially reaching tens of billions of dollars as these technologies are integrated into finance and smart city projects.
- **UGC Market Penetration:** The MENA region's UGC sector is burgeoning, with millions of users and a TAM that's rapidly approaching the billions. Social media platforms like YouTube and TikTok are particularly influential, supporting a growing influencer and content creation culture.

Southeast Asia

- **Distribution Costs and Strategies:** The region is diverse, with varying infrastructure quality affecting distribution strategies. Digital distribution is key due to widespread mobile use.
- **Regulations:** Varies by country, with no overarching regulatory body, but generally less restrictive compared to China. Content sensitivity may still apply, particularly regarding local customs and religion.
- **Platform Preferences:** Mobile gaming is predominant due to the affordability of smartphones and widespread mobile network access. PC

gaming is also significant, with a strong cafe culture supporting gaming communities.

- **Consumer Behaviors:** There is a strong community and competitive spirit among gamers in Southeast Asia, with a preference for multiplayer and Free-to-Play games. Events and esports are very popular and drive significant engagement.
- **Web3 Market Penetration:** Southeast Asia's Web3 market sees aggressive growth with a user base in the millions and a TAM approaching several billion dollars. High mobile penetration and a young population drive the adoption of blockchain technologies for financial services and government digitalization.
- **UGC Market Penetration:** In Southeast Asia, the UGC market is thriving with tens of millions of users and a TAM in the billions. The region's high engagement on social media and a strong startup ecosystem foster extensive content creation and sharing, impacting education, entertainment, and e-commerce sectors.

Understanding these regional differences is crucial for developers aiming to distribute their games globally. Tailoring strategies to fit local regulations, platform preferences, and consumer behaviors can help in effectively navigating these markets, optimizing sales, and ensuring compliance. This approach requires diligent research and often local partnerships but can significantly enhance a game's global reach and success.

EMERGING TRENDS

The landscape of game distribution is continually evolving, with new technologies and business models reshaping how developers reach their audiences and monetize their products. From cloud gaming to the metaverse, these emerging trends are setting the stage for significant changes in the industry.

Cloud Gaming

Cloud gaming represents a paradigm shift in game distribution, allowing users to stream games directly to their devices without the need for powerful hardware. Services like Google Stadia, NVIDIA GeForce Now, and Microsoft's Xbox Cloud Gaming bypass traditional distribution methods, offering instant access with minimal download requirements. This trend reduces barriers to entry for consumers, as they no longer need expensive consoles or high-end PCs. For developers, cloud gaming opens up a broader audience and can reduce piracy. However, it also poses challenges, such as increased reliance on internet infrastructure and potential revenue sharing with cloud service providers.

Subscription Services

Subscription models like Xbox Game Pass, PlayStation Now, and Ubisoft+ are transforming how games are consumed. Instead of purchasing individual titles, users pay a recurring fee for access to a library of games. This model benefits consumers by providing a cost-effective way to explore more games and benefits developers through broader exposure. However, the revenue share model for developers under these services can vary. Typically, platforms may pay developers based on user engagement metrics, such as the number of hours their games are played, which can influence how revenue is calculated. This setup encourages the creation of games that keep players engaged longer but may disadvantage niche or shorter games. The overall

impact on developers depends on the terms of their agreements with the subscription service, which might offer upfront payments, bonuses based on performance, or a combination of both.

User-Generated Content (UGC)

Platforms like Fortnite and Roblox have pioneered the integration of user-generated content, creating entire ecosystems where users not only play games but also create them. These platforms provide tools that allow users to build their own games or content, which they can monetize through in-platform transactions. This model has proven incredibly successful, creating a symbiotic relationship between the platform and its users. For developers, platforms with built-in UGC capabilities offer a ready-made user base and insights into consumer preferences, enabling better financial projections and targeted content creation. The built-in monetization tools also simplify the revenue generation process, allowing developers to focus more on creativity and less on sales mechanisms.

Web3 Gaming and Metaverse

Web3 gaming, based on blockchain technology, introduces concepts like play-to-earn, where players can earn real-world value through gameplay, typically in the form of cryptocurrency or NFTs. This trend is closely linked with the development of metaverse environments, virtual spaces that offer immersive, interconnected experiences that blend gaming, social media, and commerce. The metaverse concept promises a new era of game distribution where games are not just entertainment but also platforms for virtual interaction and economic transactions. For developers, the metaverse and Web3 gaming offer new revenue streams and ways to engage with players, although they also come with challenges such as ensuring security, managing speculative behaviors associated with crypto assets, and navigating a rapidly evolving regulatory landscape.

These emerging trends highlight the dynamic nature of game distribution, each bringing new opportunities and challenges for developers. As the industry continues to evolve, staying abreast of these trends will be crucial for developers looking to adapt and thrive in the changing landscape of digital entertainment.

CHOOSING YOUR GAME'S BUSINESS MODEL

WHY IS THE BUSINESS MODEL SO IMPORTANT

The journey to a successful game starts with one critical decision: selecting the right business model. This choice is deeply intertwined with the type of game you intend to develop and its intended audience. Whether you're crafting an immersive MMORPG, a casual mobile game, or an intricate strategy game, the monetization strategy must reflect the game's genre and design. This isn't merely about choosing between subscriptions, in-app purchases, ads, or a one-time purchase price; it's about understanding which model aligns best with your game's core experience and player expectations. Making this decision early on is crucial, as it guides the development process and ensures that the monetization strategy feels integrated and seamless, rather than tacked on as an afterthought.

For developers seeking investment or partnership with publishers, establishing your business model upfront is even more critical. Investors are particularly keen on this aspect as it directly impacts the potential return on their investment. They expect you to present a well-thought-out plan that demonstrates not only your game's potential to captivate players but also its ability to generate profit. Clear, coherent financial projections based on your chosen business model can make or break their decision to fund your project.

On the other hand, partnering with a publisher can offer different advantages, including guidance on business decisions and monetization strategies. Publishers have a vested interest in your game's financial success and often bring to the table a wealth of knowledge about market trends, player spending habits, and effective marketing tactics. They can provide invaluable support in fine-tuning your monetization approach to maximize revenue. However, relying on a publisher also means that you'll need to align your vision with theirs, which can influence how much control you retain over your game's final form and revenue sharing. Understanding these dynamics is essential for

navigating the complexities of game development and ensuring your project's profitability and integrity.

BUSINESS MODELS

Premium Model or Pay-to-play

This is the traditional model where players pay a one-time fee to purchase a game. It's common on PC and console platforms. The premium model demands a high initial quality and depth to justify the upfront cost to consumers. Developers need to consider that distribution platforms can take up to 30% of each sale, which must be factored into pricing and revenue projections.

Free To Play

Players download and start playing the game for free, with revenue generated through in-game purchases such as cosmetics, characters, or boosts. This model is prevalent across all platforms, especially mobile. While F2P can attract a large user base, monetizing effectively requires continuous content updates and a well-designed microtransaction system, and demands that players are constantly engaged in the game and marketing activities. The 30% revenue cut by distribution platforms is significant and needs to be incorporated into financial planning.

Subscription-based

Gamers pay a recurring fee to access a game or a collection of games. This model is growing in popularity on consoles and PC, exemplified by services like Xbox Game Pass and PlayStation Now. Subscriptions provide a steady revenue stream and can build a loyal player base. However, maintaining subscriber interest over time requires regular, valuable content updates. Platform fees still apply, impacting overall revenue.

Add-Supported

This model offers the game for free but includes advertisements within the game. It's most common in mobile games but can be found in some PC and console applications, however, activations like the ones of Nike or Balenciaga in games like Fortnite or Roblox can be still considered "Add-Supported". Ad revenue can be unpredictable and often requires a massive scale to be profitable. Developers must balance ad frequency and user experience to avoid deterring players.

Play-To-Earn

Incorporating blockchain technology, this model allows players to earn real-world value (often in the form of cryptocurrency or NFTs) by playing the game. Their in-game assets and progress can have tangible economic value. Play-to-earn can drive significant player engagement and open up additional revenue streams such as transaction fees on blockchain-based marketplaces.

However, it also faces regulatory scrutiny and requires a solid understanding of cryptocurrency regulations. When creating Play-To-Earn initiatives, these factors shall be taken into consideration:

Specific Concerns on Play-To-Earn Business Models

Platforms can take up to 30% of your game's revenue. We've mentioned this several times throughout this eBook because it's crucial to understand how significantly this can affect your game's profitability. The impact of this substantial cut is a vital consideration for any game developer planning their business model and financial projections, and it's particularly important when deciding how to reward players in a Play-To-Earn environment.

Regulations concerning the rewarding of players with monetary value, particularly through games, are complex and highly varied across different jurisdictions. This complexity increases significantly when these rewards are

RAFTUR GAMES

tied to digital assets or real-world monetary value, such as with cryptocurrencies or real-money gaming.

Gambling Laws and Definitions: In many countries, games that reward players with money or equivalent (e.g., cryptocurrencies or in-game items with real-world value) may fall under gambling regulations. The distinction often hinges on how much a game relies on chance versus skill. For instance, the U.S. generally distinguishes between games of skill, which may not necessarily be regulated as gambling, and games of chance, which are subject to gambling laws. Countries like the UK, Australia, and parts of Europe also have strict guidelines on what constitutes gambling and regulate these activities meticulously, requiring licenses and implementing stringent operational conditions.

Anti-Money Laundering (AML) and Counter-Terrorism Financing (CTF): Games that involve real-money transactions are typically subject to AML and CTF regulations. This means that operators must implement systems to detect and report suspicious activity, perform customer due diligence, and sometimes restrict cash flows. For example, the European Union's directives require member states to monitor and regulate gaming services that involve significant amounts of money to prevent money laundering.

Age and Location Restrictions: Another common regulatory focus is the protection of minors and vulnerable populations. Many jurisdictions restrict gaming involving monetary rewards to adults only and require age verification systems. Additionally, location-based restrictions can apply where certain types of games or reward systems are banned outright or require localization of regulatory compliance (as seen in countries like Japan and South Korea).

Taxation: Tax implications for earnings from games also vary. In some regions, such winnings are taxed as income, while in others, they may be considered windfalls, which are either not taxed or taxed differently. The IRS in the United States, for example, treats all cryptocurrency transactions as property transactions, and they are subject to capital gains tax.

Specific Cryptocurrency Regulations: When rewards are paid in cryptocurrencies, additional layers of regulations come into play. Some countries have banned or restricted the use of cryptocurrencies altogether, like China or, to a lesser extent, India. Others regulate the transfer of cryptocurrencies, their exchange, and their use as payment tools, often requiring exchanges and wallet providers to adhere to financial service regulations.

Overall, the landscape of regulations governing monetary rewards in gaming is fragmented and rapidly evolving, reflecting broader changes in technology, financial systems, and societal attitudes towards gambling, digital currencies, and consumer protection. Game developers and operators need to navigate this complex regulatory terrain carefully to ensure compliance and avoid substantial penalties.

EXAMPLES OF MONETIZATION PRACTICES

INTRODUCTION

Creating games that are fun and memorable is the heart of game development. Yet, beyond the fun, games also need to make money. They need to put a plate of food on the table. They need to pay for production and marketing costs in an environment where platforms take 30% of the generated revenue. They need to generate profit for investors who funded the initiative. While making money is essential, it's important to find a balance. The way a game makes money can really affect how players feel about it.

Players are quick to speak up when they feel a game's monetization is unfair or greedy. For example, when games are built to make you spend a lot of money to win or progress, players can feel cheated. This includes tactics like slowing down the game to encourage players to buy something to speed it up. These strategies might bring in quick cash, but they can damage a game's reputation and hurt the developers' chances for future success. It's clear then, while making money from games is necessary, it must be done right and fairly.

Thankfully, there are many ways to monetize games that players accept and even welcome. These methods add to the fun rather than take away from it. For instance, selling cosmetic items that personalize the gameplay experience, offering DLCs or expansions that expands the story or world, and providing season passes that give players access to a series of updates. What these methods have in common is that they offer extra value without limiting the main game.

Players are usually happy to support developers who use fair monetization methods because they feel valued and respected. A game that uses good monetization practices does more than just earn money; it builds a trusting relationship with its players. This trust is vital for developers who want to keep their players coming back for future games. As we look at specific examples of how to monetize games effectively in this chapter, as well as examples of monetization practices that shouldn't exist in the first place. Remember that the best strategy is to align your financial goals with your players' happiness.

FALLOUT 76

When Fallout 76 was first released, it was met with widespread criticism and disappointment. The game, which represented Bethesda's ambitious attempt to transform their beloved Fallout series into an online multiplayer experience, initially failed to meet the expectations of fans and critics alike. Players encountered numerous bugs, performance issues, and a lack of content that significantly hampered the gameplay experience. On top of that, developers centered the experience of the game around feeling the loneliness of the Wasteland which, even if it was a good faith stylistic choice, wasn't very well received (and, in all honesty, was pretty boring).

However, Bethesda was committed to improving the game and over several updates and iterations, Fallout 76 has evolved significantly. Today, it stands as a much more stable and engaging experience, with new quests, events, and features that have helped to redeem its reputation among the gaming community.

One of the key aspects of Fallout 76 that has seen changes is its monetization strategies. Data mining of the original iteration of the game suggested that the original intention of Bethesda was to imitate the lootbox strategy of Star Wars Battlefront 2, which received widespread backlash and the most downvoted post in the history of Reddit. But, fortunately, Bethesda changed their mind.

Now Fallout 76 includes an in-game currency called Atoms, which players can use to purchase cosmetic and utility items from the store. Atoms can be earned through gameplay, allowing players to acquire many of the game's options simply by playing the game. This has been well-received, as it gives players the flexibility to earn rewards without feeling pressured to spend real money.

The Atom shop also includes items that could be considered pay-to-win, such as XP boosters known as lunchboxes. These items can indeed be purchased with microtransactions, but they can also be earned through regular

gameplay. This dual acquisition pathway ensures that all players have the opportunity to benefit from these features without necessarily spending money, and doesn't make "non spending" players feel like they are at a disadvantage. Additionally, the store offers one or two free items daily, further enhancing the sense of fairness in the game's monetization system.

Another monetization approach in "Fallout 76" is the introduction of a subscription service called Fallout 1st. This subscription provides several perks that are particularly beneficial for hardcore players. Subscribers receive a private tent that can be used as a fast-travel point complete with basic amenities like storage. They also gain access to an unlimited storage capacity for crafting materials and can access exclusive cosmetic items and 1,500 atoms a month. These features significantly enhance the convenience and gameplay for subscribers, particularly those who spend a lot of time in the game.

However, it's important to note that the benefits of Fallout 1st are designed in such a way that they don't alienate more casual players. Those who play the game less frequently or who prefer not to invest in a subscription still have access to a full, rich gaming experience. The rewards of Fallout 1st are tailored to appeal primarily to the most dedicated segment of the player base, ensuring that casual players do not feel disadvantaged.

This thoughtful approach to monetization reflects a balance between offering paid options that provide genuine value and maintaining an equitable experience for all players. Fallout 76 illustrates how games can implement monetization in a way that respects the player's experience and choice. Bethesda's strategy shows an understanding of different player commitments and preferences, ensuring that the game remains accessible and enjoyable for everyone, regardless of their spending on the game.

STAR WARS BATTLEFRONT 2

Star Wars Battlefront 2, developed by DICE and published by Electronic Arts, was launched amidst high expectations but quickly became one of the most controversial games of 2017 due to its monetization practices. At the core of the controversy were the game's aggressive use of loot boxes and the gating of iconic characters behind significant paywalls, which sparked a massive backlash from the gaming community and beyond, as well as the most downvoted post in Reddit's history and several governments wanting to step in to change regulations on games' monetization.

From the outset, Star Wars Battlefront 2 was criticized for its implementation of loot boxes, which players could purchase with real money. These loot boxes contained random items that could affect gameplay, such as powerful character upgrades and abilities, effectively introducing a pay-to-win element to the game. This system led to widespread dissatisfaction as it created substantial disparities in player experience and competitive balance, favoring those willing or able to spend more money. Besides, despite the rewards of it not being real money, this is a monetization mechanic that looks too close to gambling, sparking outrage and leading to accusations of the game promoting "gambling" mechanics targeted at children.

The situation was further exacerbated by the decision to lock crucial Star Wars characters like Darth Vader and Luke Skywalker behind steep in-game currency requirements, which required an exorbitant amount of playtime to unlock. This decision was seen as forcing players into a grinding process or nudging them towards spending real money to bypass the lengthy unlock times. The community calculated that unlocking a single character could take up to 40 hours of gameplay.

The negative reaction was swift and severe. Players and critics alike condemned the game's monetization strategy, leading to a significant public relations crisis for EA. The outcry reached such a volume that it drew the attention of legislators and regulatory bodies around the world, who began to

scrutinize the legality and ethics of loot boxes in video games, debating whether they constituted a form of gambling.

In response to the backlash, EA temporarily disabled all in-game purchases just a day before the official launch. This move, while reducing immediate criticism, did little to quell the long-term concerns about the game's design philosophy. Over the following months, EA and DICE worked to overhaul the progression system and address the community's concerns. They removed the ability to purchase loot boxes with real money and restructured the way players earned game content, making it less reliant on random chance and more on actual gameplay performance.

These changes marked a significant shift in how content was unlocked and how player progression was handled. The new system was received more positively, as it provided a clearer and more direct path to acquiring new characters and upgrades without relying on monetary investment. This revamped approach helped to slowly rehabilitate the game's reputation in the eyes of many players.

Despite these improvements, the initial launch had lasting effects on the perception of EA and the broader conversation around microtransactions in games. Star Wars Battlefront 2 became a cautionary tale of how aggressive monetization tactics could backfire, even in a major franchise beloved by millions. The game's struggles contributed to a growing movement among gamers and industry stakeholders advocating for more transparency and fairness in game monetization practices.

Star Wars Battlefront 2 illustrates the complex interplay between game development, player expectations, and business models in the modern gaming industry. The backlash against its monetization strategies not only transformed how the game was played and perceived but also sparked broader debates that continue to influence how games are monetized today. This case underscores the importance of aligning business practices with player satisfaction to maintain trust and success in the gaming market.

ASSASSIN'S CREED ODYSSEY

Assassin's Creed Odyssey, developed by Ubisoft, represented a significant advancement in the Assassin's Creed series with its expansive open-world gameplay and deep RPG elements. Launched in 2018, the game was more or less well-received for its storytelling, immersive world, and historical accuracy. However, its monetization practices also drew attention and criticism, particularly concerning its use of microtransactions and a time-saver pack that seemed to encourage additional spending beyond the initial purchase of the game.

Ubisoft implemented an in-game store in Assassin's Creed Odyssey that offered a variety of items for purchase, ranging from cosmetic skins for characters and ships to powerful gear and weapons. Perhaps the most controversial aspect was the inclusion of XP boosts, which allowed players to pay real money to accelerate their character's leveling process. This was perceived by some players as an indication that the game's natural progression was intentionally slow, potentially nudging them towards spending money to expedite their progress. Truth is, compared to other installments of the Assassin's Creed saga, this game was particularly slow in its progression.

The game's monetization strategy was built around the concept of offering convenience and cosmetic items, which, while not strictly necessary to complete the game, provided significant advantages or time savings for players willing to invest additional money. This approach raised concerns about the balance between rewarding gameplay and monetization, with critics arguing that it could undermine the gameplay experience for those not willing to pay extra.

In response to the backlash, Ubisoft maintained that all content crucial to the game's story could be accessed without additional payments and that microtransactions were intended for players looking for a faster or more varied experience. They emphasized that the core game offered a complete and

fulfilling adventure, regardless of whether players chose to engage with paid options.

Despite the criticism, the financial impact of these microtransactions appeared to be positive for Ubisoft in the short term. Assassin's Creed Odyssey" performed relatively well commercially, with the company noting that the revenue from recurring player spending was significant. However, the backlash had a long-lasting impact on the perception of Ubisoft in General and the Assassin's Creed franchise in particular, decreasing commercial performance in the next installment, Assassin's Creed Valhalla.

The mixed reception to the game's monetization strategies led to discussions within the community and the industry about the best ways to integrate such systems without detracting from the player experience. It underscored the delicate balance developers need to maintain between generating additional revenue and keeping the game fair and enjoyable for all players.

THANKS FOR READING

This eBook is a free resource created by developers for developers. You are welcome to share it with others who may benefit from it. Feel free to distribute it on your own website or within your community, provided it is not hidden behind a paywall or subscription. We would love to hear your feedback to improve future editions and to create more resources to assist you. To do so, you can complete this survey [here](#). If you'd like to be notified about more resources available to you, [follow us on LinkedIn](#) (and click the bell to ensure you don't miss anything important). You can also join our community on Discord [here](#).

Thank you for taking the time to delve into this comprehensive guide on monetizing video games. We understand that the breadth and depth of information presented can be quite overwhelming, especially for those who are just beginning to explore the business side of game development. Navigating through the various aspects of distribution, monetization, and regional market specifics is no small feat, and it's our hope that this book has illuminated these complex topics in a way that is both accessible and actionable. Whether you're planning your first indie release or looking to expand your existing game portfolio, the insights and strategies covered here are designed to support your journey towards making profitable gaming projects.

As you step forward, remember that the landscape of game development and distribution is ever-evolving. The trends and data discussed in this book provide a snapshot of the current market but staying informed about ongoing changes is crucial. We hope that you find the information contained in these pages not only useful but also inspiring as you apply these learnings to your own creative endeavors. The path from game development to commercial success is paved with challenges, but with the right tools and knowledge, you are well-equipped to navigate this dynamic industry. Here's to your success in

creating games that not only captivate players but also achieve financial success.