

## Online Gamers Playing More, But Paying Less: Report

Wagner James Au | Monday, June 15, 2009 | 4:23 PM PT | 5 comments

We're playing more online games than ever before, but we're paying less for them, interactive marketing firm Future Ads said today. Of the 8,000 online casual gamers surveyed by the company this spring, 61 percent reported gaming more than last year, while nearly 80 percent of those who also own a video game console said they've been making "significant" spending cuts in console-related purchases due to their cost. (Separately, NPD reported a drastic dip in May 2009 video game sales, down 23 percent from the same month last year.)



These results are bad news for game developers that still depend on traditional retail sales or monthly subscriptions (especially during this recession). At the same time, they offer further evidence that gamers are increasingly turning to interactive entertainment that's cheap (as with bestselling iPhone games that usually sell for a few bucks) or free (as with incredibly popular social games like YoVille.) It may also be conveniently good news, it should be noted, for Future Ads, which owns ad-driven casual gaming site Gamevance and game hub PlaySushi. Then again, with online advertising revenue also down, ads are far from a reliable panacea for game developers anyway.

The survey's macro trend, however, is undeniable, and one to which major game publishers are finally adjusting. After years of developing retail and subscription-based MMORPGs, for example, Sony Online Entertainment last April put out Free Realms, a freemium, casual gamer-friendly title, and was duly rewarded with some 3 million registered users in less than two months. (Sony hasn't disclosed how many of those converted into paying customers; an educated guess is about 10 percent, paying around \$2.4 million monthly.) Other freemium online games from big publishers, like Electronic Arts' Battlefield Heroes, are on the way; if they replicate Free Realms' success, they're likely to shape consumer spending patterns even after the recession. Since they're produced on lower budgets, freemium games can't offer all the flash of a game retailing for \$60. But if the history of the Internet is any guide, great-but-expensive almost always gets beaten out by OK-but-cheap, or better yet, free.

Image courtesy FreeRealms.com.

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