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Striking a Balance between User Retention and Monetization in F2P Games – Aspects of Game Design and Monetization Strategies

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Date: As of now
Type: Bachelor's Thesis, Master's Thesis
Language: German or English

Motivation:

Free-to-Play videogames became an unspoken industry standard and viable competitive strategy to AAA-title games (i.e. household-name games that launch with steep prices) over the last years. Because they are free to download and pose low barriers to entry, their dissemination strategy and game design differs profoundly from traditional games. Scholar suggested a triad framework of User Acquisition, User Retention and User Monetization. How successfully a F2P game can be monetized is therefore an interplay of all these aspects and pose strategic challenges – especially since new developments point into the direction of further personalization of gaming content.

Goal:

The goal of this thesis is to give an overview over the F2P business model and discuss game design and strategic choices that are unique to this type of business model. A special focus will be on personalized game design and how it influences user retention in particular. Potential research questions include: What are particularities of the F2P business model and how does it compare to traditional one-time purchase games? What makes this type of offer compelling for users to acquire? How are user retention and user monetization handled (differently) across games and genres? To what extent does personalized game design play a role in monetization success?

References and Related Literature:

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