

World of Warcraft



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Introduction

- World of Warcraft (commonly known as WoW), is a MMORPG developed by Blizzard Entertainment
- First released in North America on November 23, 2004
- The first expansion set, *The Burning Crusade*, was released on January 16, 2007
- The second expansion set, *The Wrath of the Lich King*, is expected to be released in the second half of 2008

Overview

- Awards
 - 2004 Best Game of the Year from Gamespot (WoW)
 - 2004 Best Role-Playing from GameSpy (WoW)
 - 2004 Best PC RPG from FileFront (WoW)
 - 2007 Editors' Choice from IGN (WoW: BC)
 - 2007 Design Award: Best Mac OS X Game from Apple (WoW: BC)
 - And many more...
- Records
 - Bestselling PC game of 2005 (WoW), 2006 (WoW), 2007 (WoW: BC, WoW finished 2nd)
 - Quoted from the official Blizzard website, "*The Burning Crusade* holds the record for fastest-selling PC game of all time, with nearly 2.4 million copies sold in its first 24 hours of availability and approximately 3.5 million in its first month"
 - As of today, the game has over 10 million subscribers all around the world (approximately 2 million in Europe, 2.5 million in North America, and 5.5 million in Asia), which is about 62% of the MMOG market (16 million)
 - It is currently available in seven languages, and Blizzard plans to expand the subscribers base to India, Russia, and eastern Europe in the future. In addition to North America and Europe, World of Warcraft is available in China, Korea, Australia, New Zealand, Singapore, Thailand, Malaysia, and the regions of Taiwan, Hong Kong, and Macau.

Question

- With so many online games out there, why is WoW the most successful?



Product Differentiations

- Brand name effect

- Big company = more money on the development of the game = more attractive gameplay

- Past successes

- Diablo series
- Starcraft series
- Warcraft series

- Familiarity

- A continuation of the Warcraft lore
- Already a huge fan base even before the game was launched

Product Differentiations

- Co-operations with other big brands
 - DirectTV
 - [Coca Cola](#)
 - [Toyota Tacoma](#)

Product Differentiations

- Global commercials with celebrities
 - S.H.E., a pop music trio (Chinese)
 - [Willy Toledo](#), an actor (Spanish)
 - [Jean-Claude Van Damme](#), a martial artist and actor (French)
 - [Verne Troyer](#), a stunt man and actor (English, Spanish, German, French)
 - [Mr. T](#), a former professional wrestler and actor (English, German, French)
 - [William Shatner](#), an actor (English, German)

Financial Success

- In 2007, Blizzard reported \$1.1 billion in revenue, and WoW was a big part of it because Blizzard's other games do not use a subscription fee system
- Price Discrimination
- Roughly speaking...

	Monthly Fee	# of Subscribers	Annual Revenue
North America	\$13-\$15	2.5 million	\$390-\$450 million
Europe	\$15-\$20	2 million	\$360-\$480 million

- ...and it has not included the revenues from charging character transfer fees, character name change fees, hard copies retail sales, prepaid cards sales, etc. (The revenues from Asia are not included in the table because the game is charged in a different way there)
- The game has also led to the increased sales on the related products, such as action figures, comics, and trading cards

Addiction

- [Another WoW commercial](#)
- Social problems
 - Video gaming tragedies
 - “Mage” burns his classmate
 - Neglect
- Financial problems
 - No effect in North America and Europe because of the subscription fee system
 - Anti-addiction system was effective starting from July 16, 2007 in China

Rivalry

- Since the first day of release of WoW, no other MMORPGs have really threaten its #1 position
- Some analysts claim that there will be probably no MMORPGs that can surpass the success of WoW
- Can *Warhammer Online: Age of Reckoning* make a difference when it comes out in the second half of 2008?
 - Many similarities
 - Gameplay – one faction versus the other
 - Lore-based
 - Brand name – developed by Electronic Arts

Conclusion

- WoW has been so successful because it has many product differentiations over the other MMORPGs
- *Warhammer Online: Age of Reckoning* already has some similar product differentiations that WoW has, so if they can add more to those, such as commercials and promotions, there is a good chance that it will become a fierce competitor to WoW when it is released
- But by then, WoW will be releasing its second expansion set, which will definitely make the game even more competitive in the market