

By Derek Rucker

World of Warcraft was launched in 2004 as Blizzard's first Massively Multiplayer Online Role-Playing Game (MMORPG). The game involves a virtual world where players partake as either a member of the Alliance or of the Horde. After choosing the Alliance or the Horde, players then select a certain "character," choosing a race (e.g., human or gnome for Alliance, orc or tauren for the Horde) and a class (e.g., paladin, shaman, mage, druid or warrior). For example, a player might choose to play as a human paladin for the Alliance or an orc shaman for the Horde. Races and classes have certain abilities and powers.

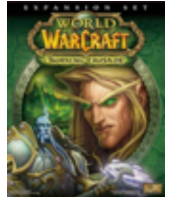
Players then travel a massive landscape completing quests, battling monsters, and challenging one another in battle. Furthermore, players can equip themselves with different items found throughout the game, and as players acquire better equipment they are able to access new areas of the game. The "treasure hunting" element had become a lure for hours of game play. By January 2007, the game had proven massively successfully with over eight million players/accounts worldwide.¹ The game involved both a purchase of the initial software (\$50) and a recurring monthly fee of \$12-\$15, depending on how many months were purchased in advance.

The World of Warcraft player base continued to grow steadily. Continued brand growth benefited from the staggered release of the game in different countries. With each release in a country the brand saw a brand new set of users and this deluge naturally boosted the current number of users worldwide. For example, in June, 2005, the brand was released in China and saw the number of players grow by half a million. At the same time, the brand also saw growth in existing regions as well, albeit at more modest numbers. By the beginning of 2007 the brand had accumulated approximately 8 million users worldwide (see exhibit 1). During this time, the advertising was focused primarily on online ads, in-store ads, and magazine ads in game magazines. This was geared

¹ Number of players has been reported by number of accounts. However, it is possible that one player owns more than one account. Indeed, among pros it common to not only own more than one account but to play the two accounts simultaneously.

primarily at making users aware of the game launch, but advertising continued to try to capture users who had not adopted the product at launch.

The middle of January 2007 saw the release of Blizzard's first expansion for the game, called the Burning Crusade. The expansion offered existing users new character classes, new quests, and new areas to explore. The new content saw many of the 8 million users convert to the expansion (a \$50 upgrade cost) and saw another 1 million users join over the course of the ensuing six months. While Blizzard had already secured itself as the leading brand among MMORPGs, the expansion led Blizzard to command over 60% of the market and to boast more than twice as many players as their nearest competitor, Guild Wars. Blizzard had already developed plans for another expansion to follow in the coming years.



With the expansion released, and the next expansion nearly two years out, the brand was at a crossroads. The product was well-known in the gaming community and the excitement around the expansion had appeared to play its course. With two years before the next expansion, there was no real news to convey with advertising. At the same time, the brand faced the challenges that made complacency dangerous. As MMORPGs were becoming more popular, the brand saw potential threats from upcoming entrants such as Warhammer Online. Perhaps of even greater concern, even if Blizzard was able to fend off the competition, Blizzard had developed a consumer insight (see exhibit 2) that led them to the troubling realization that there was a natural attrition among current players. Players enjoyed the game for a time, but at some point that enjoyment began to decrease. This often occurred due to “grinding” a term referring to the process of engaging in repetitive, and often boring, gameplay to gain access to other features within the game such as items, levels, or abilities. Because of a loss of enjoyment due to grinding, many players would actively seek out other games. This created a force against growth that had not been present in the early years of the game. In the face of this, WOW needed to find a way to maintain (or grow!) their subscribers.

With product innovation necessarily bounded by development time, the brand turned to considering their marketing communications to address growth. Their advertising to date had focused primarily on the video gaming community with Internet banner ads, selected print advertising in gaming magazines, and in-store advertising at game stores. The brand had not moved into the television space given the higher cost and a broader audience than the typical gamer.

The brand needed to consider a number of potential strategies and possible targets. They needed to carefully think through all possible approaches, including whether to maintain the status quo, whether to modify the basic approach, or whether to target new, different segments than their current target. It was important for the brand to consider the consumer behavior that would be involved with each strategy.

Regardless of the strategy chosen, if the brand did pursue a growth strategy they would also have to consider whether to maintain their current online campaign or if expansion to other media forms was in order. Because of strong sales and continued monthly revenue the brand could afford the cost of expanding into higher cost media such as television and print, places it had not been before.

Finally, there were also creative challenges if any advertising should be done. If they did not advertise to their current users, it was important that any new advertising not offend their core group. The monthly subscriptions were too valuable of a property for the brand to risk losing. In addition, because of its worldwide appeal, the brand would also need to consider how to advertise in different countries. One option would be to attempt to find a campaign that spoke to audiences worldwide. Another option, although more creatively expensive, would be to run campaigns unique to each country the brand advertised in.

Exhibit 1: Number of WOW Players (Accounts) by Year and Month

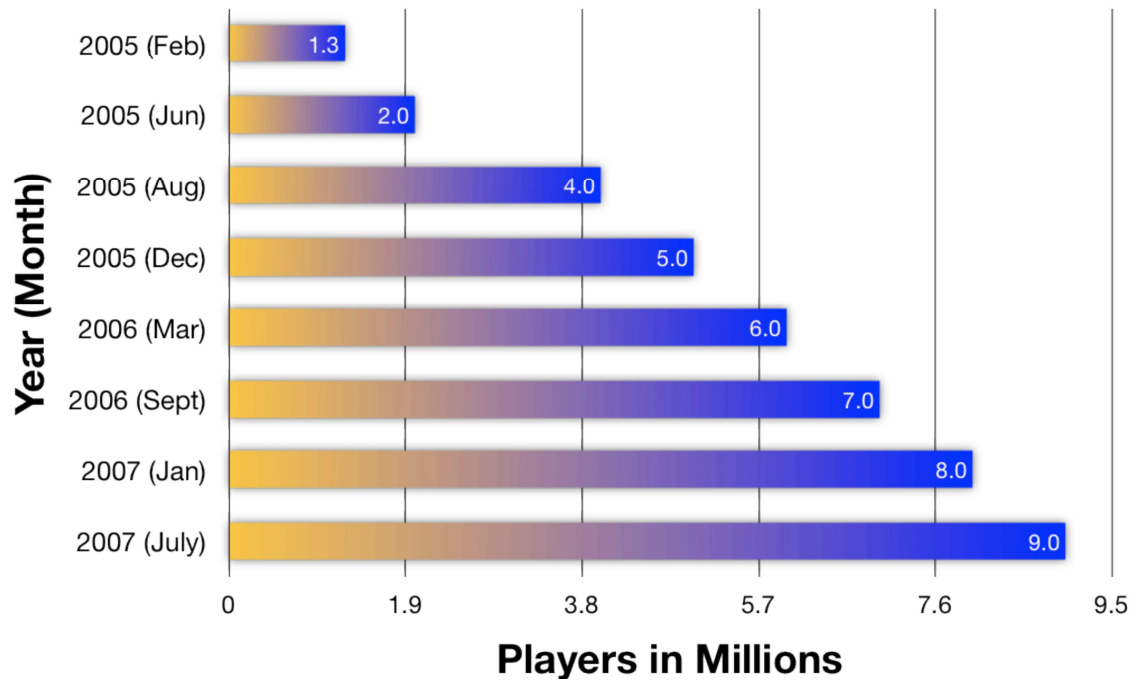


Exhibit 2: Consumer Insight on the Cycle of a WOW Player.

