

Competition 15: The economics of Fortnite

Part 1: We know that 69% of Fortnite players have made in-game purchases with an average spend of £65, but 31% have paid nothing at all. What is the average spend of all players?

Part 2: Suppose that Fortnite charged £20 to buy the game instead of giving it away for free and just charging for in-game purchases? What would happen to the total amount of money they make if the total number of players fell by 10%? Or by 50%? Or by other amounts? Assume initially that the average spend on in-game purchases stays the same. What would happen if the average spend changed?

To prepare for this competition, you should read "<u>How to earn billions by giving something away for</u> <u>free</u>". Your competition entry should attempt to answer as many of these questions as possible and explain the reasoning you used to arrive at your answers. Entries should be 300 words or less.

How to enter

- 1. Complete your competition entry and make sure it follows the guidelines listed below
- 2. Fill out the <u>Competition Cover Sheet</u>
- 3. Email your entry and your cover sheet to us at inspire@sjc.ox.ac.uk

Terms & Conditions

- 1. You must complete the <u>Competition Cover Sheet</u> and submit it along with your entry to <u>inspire@sjc.ox.ac.uk</u> before the closing date. If we do not receive a completed cover sheet with your entry, we will NOT be able to consider the entry.
- 2. The competition closes at **5pm on Wednesday 22 July 2020**.
- 3. The work you submit must be entirely your own, and should not exceed 300 words in length.
- 4. Competition winners will be contacted via email about a week after the competition's closing date. The following prizes will be awarded:
 - a. 1st place: £20 Amazon gift voucher, entry listed on Inspire Digital
 - b. 2nd place: £10 Amazon gift voucher, entry listed on Inspire Digital
 - c. Top 5 entries: entry listed on Inspire Digital