

### Competition 16: Factors in game pricing

There are a number of important factors that video game designers must consider when thinking about how to price a game. To prepare for this competition you should read "[How to earn billions by giving something away for free](#)" to learn a bit more about some of these factors.

#### Part 1: Switching costs

Try to estimate how big "switching costs" might be for a video game like Fortnite. If you are a game player, how much are you willing to pay to try a new game that you don't know much about? How much are you willing to pay to be allowed to keep on playing a game once you have been enjoying it for a few weeks? The difference is your switching cost. Ask your friends what they think too and find the average switching cost.

#### Part 2: Network effects

Now try to estimate "network effects". If you are a game player, how much would you be willing to pay for a game like Fortnite if no one else was playing it? What if all your friends were playing it? The difference is the value of network effects to you. Ask your friends the same question and find the average value of network effects.

Your entry should answer both questions in no more than 300 words. You may want to include a chart or graph of your results.

#### How to enter

1. Complete your competition entry and make sure it follows the guidelines listed below
2. Fill out the [Competition Cover Sheet](#)
3. Email your entry and your cover sheet to us at [inspire@sjc.ox.ac.uk](mailto:inspire@sjc.ox.ac.uk)

#### Terms & Conditions

1. You must complete the [Competition Cover Sheet](#) and submit it along with your entry to [inspire@sjc.ox.ac.uk](mailto:inspire@sjc.ox.ac.uk) 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.
4. Competition winners will be contacted via email about a week after the competition's closing date. The following prizes will be awarded:
  - a. 1<sup>st</sup> place: £20 Amazon gift voucher, entry listed on Inspire Digital
  - b. 2<sup>nd</sup> place: £10 Amazon gift voucher, entry listed on Inspire Digital
  - c. Top 5 entries: entry listed on Inspire Digital