

Special CSM summit, June 30th - July 1st 2011

Following the release of EVE Online: Incarna on June 21st 2011, the future direction of CCP's virtual goods sales became widely discussed within the EVE Online community following the leak of an internal company newsletter and the introduction of the Noble Exchange store (NeX). Due to a range of misunderstandings and the complexities involved in clarifying them, a special session of the Council of Stellar Management (CSM) was called on very short notice.

The discussions that took place during this summit were extremely frank, and CSM and CCP strongly disagreed over some issues. For this reason, it is important to understand that statements attributed to CSM in this document reflect the opinions of CSM members during the summit, and statements attributed to CCP reflect the opinions of CCP staff present during those meetings. This document is a record of what happened during the summit.

The agenda for this summit contained four items, presented here in the order in which they were addressed: Incarna and the Captain's Quarters (CQ); the Noble Exchange, its opening and pricing strategy; virtual goods and their future in EVE; and finally, the drafting of statements by both CCP and the CSM. The topics were addressed in this order because the first two, CQ and NeX, needed to be discussed and dealt with – information given, context built up, etc. – for the most important discussion, the future of virtual goods, to be as fruitful as possible.

Incarna and the Captain's Quarters

Present: CCP Zulu, CCP T0rfiFrans, CCP Flying Scotsman, CCP Fear

The CSM generally agreed that from a purely technical standpoint, Incarna had generally been a very successful expansion. Apart from the usual and expected hiccups, the deployment of the software was very smooth.

The CSM's primary concerns were directed towards the performance of clients when docked in the Captain's Quarters interface. CCP replied that, as always, there are people tasked with actively looking into matters that crop up after deployment – and issues related to running multiple clients were high-priority – with the goal of ensuring that any and all matters in need of attention are fixed.

The CSM expressed serious concerns about graphics cards overheating and environment loading performance (docking and loading times under Incarna), as well as some particular bugs. CCP responded that it had received reports regarding overheating and was taking active measures to follow up on those, although no concrete cases have been discovered.

Specifically addressed was a CQ lighting formula error which is currently being worked on and, once fixed, will lead to visual quality improvements in the near future. CCP noted that the Minmatar CQ are supposed to be dark and sparse. The other racial CQs have different layouts and lighting schemes, and will be rolled out later in the year.

CCP noted that its initial commitment to retain the same “time to action” when docking had been adhered to. CSM pointed out that “time to action” was not the same as environment loading time, especially since it was hard to tell when the UI became responsive.

CCP also noted that EVE has always been a GPU-intensive high-performance game and that it would remain that way, in order to take advantage of new technologies and provide the most visually excellent experience possible.

The CSM pointed out that many users run multiple clients/accounts at the same time, and any increases in load will result in a decrease in performance. When asked, the CSM listed several use cases where multiple clients are being run, and CCP confirmed they knew these to be valid and known use cases.

Both before and during the meeting the CSM also expressed their desire for the return of ship spinning, as spinning the ship in-station is a meaningful part of the game experience to many players. To address both this issue and performance concerns, CCP offered to implement an environment that would be similar in look and function to the old hangar view, and would include ship spinning. It should be noted that the old hangar view itself will not be returning, but something similar will take its place. The CSM will be kept informed throughout the design of this feature. The option to disable the loading of station environments will be retained until this matter has been addressed.

Returning to the discussion of multiple client use cases, it was apparent that running three instances of the EVE client simultaneously (with all of them using processing power, i.e. all the clients actively engaged in gameplay) requires a fairly powerful computer. CCP noted that, while they understood that this is a common thing for players to do, there has not been any official multi-client support for EVE thus far (CSM considered this to be a poor excuse). Graphics technology development and benchmark implementation have always assumed one client; essentially, the minimum hardware requirements listed for EVE Online are benchmarked against one active client. More powerful hardware is required to run multiple instances. CCP agreed to work on developing a recommended hardware specification for multiple client use. It also bears mentioning that as EVE Online continues to be developed, the minimum specifications will change.

CCP also agreed that while performance was being worked on, the in-game graphics preferences could be clarified, as it is currently possible to reduce the quality of CQs’ graphics settings without affecting the in-space settings. This simply requires better clarification in the options menu.

Touching upon issues that cropped up in Incarna regarding the Mac client, CCP first of all wanted to state that since the Mac client is going through a translation layer (between OpenGL and DirectX), it is

technically impossible to get it to achieve the same level of performance as exhibited by the PC client. The CSM answered in turn that that was understood.

The Incarna expansion introduced a change in how client preferences are stored on the Mac, something that affects users running more than one client. A workaround has been found for this:

(http://wiki.eveonline.com/en/wiki/Multiple_clients#On_Mac_OS_X).

CSM was very critical of the way these changes were introduced – without any formal advance notification or documentation, and despite bug-reports being filed about the issue. CCP agreed that this could have been communicated better.

The CSM noted that there seemed to be many new players 'drifting' around in New Eden at this time. The CSM encouraged CCP to make sure that more content is added to Incarna to cater to these new players. Incarna has already seen a revamp of the new player experience (NPE), and CCP is making continued efforts to improve the way new players are introduced to EVE. CSM made a point of praising CCP for the improvements to the NPE.

The CSM stated that although the new gun effects are very nice, the new gun icons leave something to be desired and are difficult to distinguish from each other. The CSM felt they were too dark and generally hard to see. CCP agreed there was room for improvement, and stated that work was already underway on this matter.

The second leg of the session involved showing the CSM how Incarna was received in terms of subscriber numbers and trends as well as informing them of other business and analytics metrics. While the initial trends gave an indication of how things will go, they don't tell the whole story. The CSM and CCP had a productive dialogue regarding these trends and how they compared to previous expansions.

The Noble Exchange and Virtual Goods

Present: CCP Zulu, CCP Zinfandel, CCP Apollo

[Editor's note: A devblog was published as a reaction to this session. It is available here: (<http://www.eveonline.com/devblog.asp?a=blog&bid=936>)]

CSM input regarding this devblog was solicited in advance, but no substantial changes were made to reflect CSM concerns.

The CSM received a presentation containing stats and analytics pertaining to the NeX, its reception, its user demographics and the purchase behavior evidenced so far.

CCP Apollo, the team lead in charge of pricing structure, price points and the overall strategy of the Noble Exchange (NeX), went over the process that preceded the store's launch. That work started early 2011 when CCP held a summit – with people from all projects within CCP participating to harvest ideas and brainstorm on the company's virtual goods sales model – that aimed to continue the innovation begun years ago with the sale of Pilot License Extensions (PLEX). A lot of preparation material was created for the summit: literature on purchase behavior, virtual goods practice and industry reports, independent studies on monetization of web/online games and services done explicitly for CCP, etc. Furthermore, information from other industry-leading companies was added to the pool. The conclusions from the global summit were used by EVE's virtual goods development team to guide them in implementing an EVE-specific approach to vanity item sales.

A market study was done in order to give CCP an overview of options and existing industry standards regarding virtual goods and services, including topics such as currency denomination, price points, catalogue management, distribution of items between tiers, "big spenders," and business models used in the industry.

Before the virtual goods summit, CCP's knowledge of industry standards and monetization best practices was spread out among individuals across the organization. The market has changed and the company itself has grown since the introduction of PLEX years earlier. In order to position the company in the most effective manner, all people with knowledge of this matter within CCP were brought together, along with outside consultation.

CCP pointed out that there is no one-to-one comparison between EVE Online and any other game, either in a visual quality or depth of gameplay sense. Furthermore, due to the unique nature of the game, CCP's stance is that continued innovation is needed and the forging of new paths when it comes to virtual goods and services is a necessary part of that innovation.

It was therefore clear to CCP that while countless books and resources could be used, CCP would need to take incremental, measured steps on this path, to better be able to utilize the knowledge gained through all future development.

After further discussion, the CSM asked why CCP didn't come to them and ask them for feedback regarding the pricing strategy. The CSM is available to CCP to give feedback and as such they felt they were not properly consulted in this particular matter. If CCP had all this information back in May when the CSM summit was being held, why was this not brought up? CCP's answer was that the pricing decisions hadn't been made in May, and while the CSM was made aware of the strategy and the outlines, detailed pricing tiers were not known at that time.

The CSM's response was that if they had been consulted before it was released, they would have been able to give feedback on the desired range of initial content offering, and felt it could have prevented the uproar that led to the extraordinary summit.

CSM also noted that half of the controversy with the NeX was not so much the pricing strategy, but the limited availability of items at the lower end of the spectrum, and the fact that the more expensive items were viewed as simply not being worth their asking prices.

CCP explained that having a limited initial offering of eight items was in line with their strategy of taking measured and incremental steps on the path of clothing sales. The clothing assets that were available on launch day were distributed between all tiers and were meant to give an indication of the store's structure and strategy. The CSM commented that having more items available in the lowest tier might have given a better indication of the intended spread. CCP agreed that such an approach would have been helpful in better explaining the pricing structure and that the initial ratio of items available at the store's launch was skewed heavily towards the medium tier, leaving the low tier and the high tier with limited offerings. This is not the intent moving forward, and although there is no magic number on what the exact ratios should be, the opening of the NeX was not indicative of future plans.

After some discussion, it emerged that because the pricing tiers were decided upon well after the initial assets were commissioned from 3rd-party art teams, the clothing assets available for use in the NeX store at launch were predominantly located in the medium tier, which further constrained CCP's options.

The CSM pointed out that they could and should have been consulted for a 'sniff-test' of items – to see how customers would react to the items being offered – to answer questions like “what tier would you believe this fits into?”

The CSM leveled harsh criticism at the decision to not release all the items CCP had available when the NeX was opened. CCP replied that the decision was fully in line with the strategy of taking small steps, observing the results and then taking the next steps. The alternative would have meant releasing too much at once, which would have severely hampered CCP's ability to react to launch feedback and adjust strategy. CCP reiterated that vanity item sales are a learning process, and gaining knowledge is one of the major goals of the company's strategy, along with maximizing the potential of the customer experience delivered.

CCP furthermore said they are currently going through the steps of creating a visual language where material, color, feel, etc. will dictate the tier in which an item should be placed. This will also allow players to quickly identify clothing and their “worth” on other characters further down the line.

The CSM brought up the pricing of items in AUR, specifically in instances where a particular item costs 3600 AUR, 100 AUR shy of the standard 1-PLEX conversion rate (3500 AUR). They felt this was insulting and smelled like CCP was trying to rip people off. CCP pointed out that having items fall into pricing tiers meant sometimes they would cost just over or just under the 1-PLEX value, and that there were items that weren't “on the edge” like the specific item the CSM referred to.

When asked by the CSM if CCP felt they could have done a better job rolling out the NeX, CCP replied

that the messaging surrounding the NeX and the tier distribution of the items offered in the first release should have been better, but the strategy with regard to price points, tiers and the number of items offered in the first implementation was the right way to go. The CSM strongly suggested that a devblog be released explaining the tier structure, the strategy and the plans for the NeX. [Editor's note: see blog link at the beginning of this section]

The conclusion of the meeting was that while there were strong differences of opinion between the CSM and CCP on the proper method for introducing virtual goods, CCP's overall strategy and direction is now understood by the CSM, and the CSM's concerns are understood by CCP. Any future adjustments to the direction or the strategy will include CSM feedback and input, as virtual goods are intended to enhance EVE and evolve it.

The future of EVE Virtual Goods

Present: CCP Zulu, CCP Soundwave

CCP began the session by stating for the record that there are not, nor have there ever been, any plans to introduce game-breaking items or enhancements to EVE. The "Fearless" internal newsletter (specifically the "Greed is Good?" Issue) is just that – an internal newsletter published by employees for employees. It is not an official CCP policy document and does not reflect CCP policy. It is one of the communications tools used to encourage discussion and distribute information within the company. When a topic is controversial it's very important that it's discussed, and the more discussions there are about the subject matter, the more information the policymakers at CCP have.

As it does not take the future of EVE lightly, CCP stressed that EVE has been, and will continue to be, one of the company's core projects. CCP has been working on EVE for a very long time and would never, either as individuals or as a company, intentionally try to hurt EVE. Even changes to EVE that can be considered controversial are only taken after very careful consideration of the possible consequences and effects they might have on the game and its playerbase.

CSM asked many questions about the sequence of events and communications from CCP that resulted in the need for the special summit meeting, and strongly criticized CCP's handling of the various internal leaks. In CSM's opinion, inadequate messaging about the NEX store and CCP's virtual goods strategy magnified the effects of the leaks and severely damaged the relationship of trust between the company and the players.

CCP admitted they were caught unawares by the leak and reaction, and response time had been longer than usual because of that. CCP also explained that due to the realities of business and the complexities of the EVE socio-economic system, it could not give the all-encompassing and definitive answers about virtual goods that the community demanded in the days before the summit, and felt they had to

maintain the flexibility to adapt to changes in the MMO environment in the future.

The CSM pointed out that this future flexibility is being bought at a heavy present-day cost – both in trust and in subscriptions – and wanted to make sure that CCP was fully aware of that cost. CCP responded that it was already paying the long-term cost of having given such definitive answers in the past and was learning from this prior experience by not doing the same thing again.

The CSM pointed out that the source of much of the dissatisfaction was that people were afraid it would become mandatory to spend real life money on things like ships and ammo to remain competitive. The CSM emphatically reiterated their stance that EVE players should not have to spend real life money to have an advantage over other players, since anything of that nature would render the EVE sandbox pointless. CCP clearly stated again that there are not, nor have there ever been, any plans of this nature.

CCP mentioned what an amazing feeling it is to see such passion for EVE from the community. Even though the source of the display was unfortunate, the level of emotion and dedication involved was both touching and humbling.

The CSM further stated it was necessary that any and all further development of virtual goods strategy needs to be done in cooperation with the CSM and the players. This cooperation is necessary as, due to the complexity of EVE, there are many gray areas where services can be – and/or are already being – offered that need community input.

CCP clearly stated that the investment of money in EVE should not give a player an unfair advantage over the investment of time.

The conclusion of the meeting was that CCP and the CSM would release a joint statement and a video-blog listing the outcome of the summit – found here:

<http://www.eveonline.com/devblog.asp?a=blog&bid=935>

Post-summit discussion

Present: CCP Zulu, CCP CEO Hilmar Petursson

After the independent creation of the first drafts, CCP and the CSM reconvened to provide feedback on each other's drafts and ensure that CCP had answered all those questions of greatest concern to the players.

CCP CEO Hilmar Petursson was present at this final session, and received a briefing from CSM about

the results of the summit.

After reading the CSM statement, Hilmar made some suggestions as to its tone. The CSM thanked Hilmar for his advice, but decided that it properly expressed their conclusions. It was released unedited.

The results have been published here:

<http://www.eveonline.com/devblog.asp?a=blog&bid=935>