# Should PC games cost less on Epic’s Games Store?

Aurich / Various Games

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Yesterday’s news that Deep Silver’s *Metro Exodus* is moving from Steam to Epic’s Games Store was notable for what it says about Valve’s position running PC gaming’s dominant online storefront. But for consumers, it was perhaps more notable for the impact it had on the game’s pricing.

If you pre-ordered *Metro Exodus* though Steam before yesterday, you paid $60 (and will still receive that preorder on Steam). If you preorder the game today on the Epic Games Store or buy it there after its February 15 launch, you’ll pay just $50.

And yet despite that price reduction, Deep Silver will be actually make *more* money per sale from the Epic Games Store than it did from Steam. The 88 percent revenue share Epic offers on a $50 sale ($44) is more lucrative than the 70 percent revenue share Valve offers on a $60 sale ($42; though that number goes up a bit after $10 million in sales).

## Passing the savings on

Somewhat more surprising is the fact that *Metro Exodus* is the first game to effectively pass on the savings from Epic’s favorable revenue-sharing terms to the consumer. As of this

writing, the rest of the limited selection of games available on both the Epic Games Store and Steam all list the same developer-set price on both platforms (save those that Epic temporarily offers for free on a rotating basis).

That’s not how pricing often works in the world of traditional consumer goods. There, retailers usually end up paying a standard wholesale price to the manufacturer, then marking up that price to cover their costs. A smaller retailer markup means that the store can offer lower prices to attract more customers (yes, there are often confounding factors involving bulk orders and MSRP enforcement, but indulge me).

Imagine if the same wholesale logic applied in current online game sales. Say a publisher wanted to make $10 “wholesale” every time it sold a copy of its game, regardless of the online storefront. Taking the “retail markup” (i.e., revenue-sharing percentages) into account, that game would end up costing $11.36 on the Epic Games Store and $14.28 on Steam. On the Discord Store, which gives publishers 90 percent of all sales, the game would only cost $11.11. Buying directly from the publisher’s website, players could pay just $10.

## Prove your worth

Those lower prices might not be enough to entice players away from the higher-priced Steam version, of course. Many players like having their game libraries and friends lists centralized in one place. The Steam app also offers features that aren’t yet matched by all other game launchers, from easy screenshot sharing to robust forum communities to a built-in music player.

Valve argued as recently as November that “the value of a large network like Steam has many benefits that are contributed to and shared by all the participants.” The company was talking about attracting developers to the platform, but the same could be said from the player’s point

of view as well.

If those network effects and exclusive features are really important to Steam users, they'll be willing to pay the additional markup imposed by Steam. If they aren't, other stores should be willing and able to undercut Steam's costs to attract new customers. In any case, the retailers would have to earn the value of their markup compared to other options.

# Try it on for size

Game makers will charge what the market will bear for their games, of course. It's hard to fault the publishers on the Epic Games Store for trying to keep prices level and pocket the additional share of revenue that Epic is offering.

At the same time, I can't help but wonder if publishers wouldn't benefit from lowering costs to reflect their increased cut. Evidence from Valve's annual sales show that discounting a game's price even slightly can have a marked effect on sales volume, which could more than make up for the lower per-sale margin.

Deep Silver obviously sees the value in trying out a new pricing scheme in Epic's new, lower-markup world. Then again, Deep Silver has the benefit of being one of those select games sold exclusively on the Epic Games Store. Epic's Tim Sweeney told Ars last month that the company would "sometimes fund developers to release games exclusively through the store." Neither Epic nor Deep Silver would comment on whether such a deal was in place for *Metro Exodus*, but we can only assume that the publisher has a bit of an Epic-backed financial cushion behind its new pricing experiment.

Regardless, we can only hope other publishers will try lowering prices in proportion to the lower costs imposed by new digital storefronts. It's a move that could benefit game makers, players, and the online gaming ecosystem all at once.

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