House of Representatives Committee: Inquiry into IT Pricing

SUBMISSION FOCUS: DIGITAL DISTRIBUTION OF SOFTWARE

This submission addresses (a), (b), and (c) of the Inquiry's Terms of Reference:

(a) Whether a difference in prices exists...

- 1) Computer Game Price differences based on Publisher, plus Adobe Photoshop
- 2) Price differences between Australia & USA

(b) Establish what those differences are

1) Price summary on page 4

(c) Determine why those differences exist

1) This is argued on page 2 under the headings: "The Cause" and "The Ethical Publishers".

Submission 019 Received 27/05/2012

Submission by Duncan Wallace

Submission Focus: DIGITAL DOWNLOADS OF SOFTWARE

The Cause:

SOFTWARE PUBLISHERS are to blame for higher digital download prices. The majority charge Australians more. Historically customers accepted the low Australian dollar was the reason we paid more than customers in the USA.

As our dollar has increased in value, however, most publishers HAVE NOT LOWERED THEIR PRICES ACCORDINGLY.

Why Focus on Digital Downloads?

Many factors can confuse the issue of pricing. It could be argued that shipping and costs of operating physical retails store in Australia cause prices to be higher. However, this does not apply to digital downloads of software.

In most cases, the customer is downloading *exactly the same software, from exactly the same servers* as other customers around the world. The customer also bears the expense of any bandwidth costs for the actual download.

Yet most of the time, Australians pay far more for their software.

Why not Boycott?

Could we boycott companies which charge more? No. Unfortunately the practice of charging us more is so widespread, Australians would virtually have to boycott the digital age in order make their point.

The Ethical Publishers:

There are some publishers who do not charge us more. Not only is this ethical, but it shows that higher prices charged by the majority of software companies is unjustified.

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Hiding the Price Differences: DISTRIBUTION WEBSITES

It's not often possible for Australians to see how much less people in other countries pay for the same software. Customers often need to log in to company sites to see the price of software. By doing so they are shown only the Australian prices.

Other methods can be used to detect where the customers are, directing them to a different section of the website containing higher prices for Australians.

ADOBE is a well known software company which charges Australians more. While their pricing policy is unacceptable, at least we can see how much their software costs customers in other countries.

Many other distributors are just as bad, but hide price differences using the methods above.

Exposing the Differences:

To show examples of digital downloads of the same products, by the same distributors, using the same servers, YET AT MUCH HIGHER PRICES, I have asked an American friend to provide screenshots.

The first screenshot will be what I see and pay as an Australian, the second will be what he in the USA.

Both our screenshots were taken on the morning of 27 May 2012 (Sydney time).

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STEAM Game Price Summary:

Publisher	Software Title	Australia Pays	USA pays	<u>Screenshot</u>
Activision	Call of Duty: Modern Warfare 3	US\$99.99 <mark>(+\$40)</mark>	US\$59.99	p.6-7
Activision	Call of Duty: Modern Warfare 2	US\$89.99 <mark>(+\$70)</mark>	US\$19.99	p.8-9
Activision	Prototype 2 (pre-order)	US\$79.95 <mark>(+\$30)</mark>	US\$49.99	p.10-11
THQ	Saints Row: The Third	US\$59.99 <mark>(+\$10)</mark>	US\$49.99	p.14-15
Rockstar Games	Max Payne 3 (pre-order)	US\$89.99 <mark>(+\$30)</mark>	US\$59.99	p.16-17
Rockstar Games	L.A. Noire (basic edition)	US\$14.99 (-\$5)	US\$19.99	р.18-19
Rockstar Games	L.A. Noire (complete edition)	US\$59.99 <mark>(+\$30)</mark>	US\$29.99	p.18-19
Bethesda	The Elder Scrolls V: Skyrim	US\$89.99 <mark>(+\$30)</mark>	US\$59.99	p.22-23
Ubisoft	Ghost Recon: Future Soldier	US\$49.99 (same)	US\$49.99	p.12-13
Frictional Games	Amnesia: The Dark Descent	US\$19.99 (same)	US\$19.99	p.20-21
BATTLE.NET Game Price	ce Summary:			
Publisher	Software Title	Australia Pays	USA pays	Screenshot
Blizzard	Diablo III	AU\$79.95 <mark>(+\$30)</mark>	US\$59.99	p.24-25
ORIGIN Game Price Su	ımmary:			
ORIGIN Game Price Su Publisher	ammary: Software Title	Australia Pays	USA pays	Screenshot
	•	Australia Pays AU\$59.99 (same)	USA pays US\$59.99	Screenshot p.26-28
Publisher	Software Title			
Publisher Electronic Arts (EA)	Software Title Mass Effect 3 Battlefield 3	AU\$59.99 (same)	US\$59.99	p.26-28
Publisher Electronic Arts (EA) Electronic Arts (EA)	Software Title Mass Effect 3 Battlefield 3	AU\$59.99 (same)	US\$59.99	p.26-28
Publisher Electronic Arts (EA) Electronic Arts (EA) ADOBE graphic design	Software Title Mass Effect 3 Battlefield 3 A / photo software:	AU\$59.99 (same) AU\$49.99 (-\$10)	US\$59.99 US\$59.99	p.26-28 p.27-28

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Steam is one of the largest digital distributers of games, the iTunes of games. They have games free may au21/05/209 display all

prices in US\$. They are a digital rights management system, where purchases are stored & can be downloaded from a games library. Steam is often the cheapest way to buy games, however Australians still pay more!

Below is a screenshot of a Steam games library

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Steam View Friends Games Help \leftarrow \rightarrow STORE LIBRARY NEWS COMMUNITY			dardunc's Account 💷 🗆 🗙
Q Search ALL GAMES -			VIEW 💵 🎫 👪
GAMES A	🚖 🛳 status	METASCORE	LAST PLAYED +
- FAVORITES			
BORDERLANDS Borderlands	🚖 👛 Not installed		4/11/2010
S K Y R I M The Elder Scrolls V: Skyrim	🚖 🜥 Ready to play		1/04/2012
Kingdoms of Amalur: Reckoning™	🜟 🌥 Ready to play		Yesterday
STAND	🚖 Ready to play		6/11/2011
ZEN BOUNDS Zen Bound® 2	🚖 🖦 Not installed		9/01/2011
- COMPLETED			•
PORTAL Portal	🌰 Ready to play	90	7/11/2011
PORTAL 2 Portal 2	🌥 Ready to play	95	29/03/2012
- GOOD			
BRAID	🌥 Ready to play	90	6/06/2011
	Not installed	89	8/01/2011
Flight Control HD	🌥 Ready to play		7/02/2012
World of Goo	Not installed	90	21/02/2010
— ОК			
Biostice	Not installed	96	20/02/2010
	Not installed	84	30/01/2010
Acting Digital Combat Simulator: A-10C Warthog	Not installed		5/06/2011
+ ADD A GAME			VIEW FRIENDS 3 Online

Activision publishes the "Call of Duty" series of games.

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Their latest 2011 edition, "Modern Warfare 3", was a very popular first person shooter game.

- Australia pays: US\$99.99
- USA pays: US\$59.99



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Activision is still selling the older versions of their, "Call of Duty", series.

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Released in 2009. "Call of Duty: Modern Warfare 2", is outrageously priced in Australia when compared with the USA. Australians pay 400% more!

- Australia pays: US\$89.99
- USA pays: US\$19.99

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Submission 019 Activision's upcoming game "Prototype 2", due to be released in Australia 25 June 27/05/2012

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Australia pays:US\$79.95 (pre-order)USA pays:US\$49.99 (pre-order)



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Pre-Purchase Offer

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Ubisoft is a major game publisher, and owns the popular series, "Tom Clancy's Ghat Received 27/05/2012

Upcoming, "Tom Clancy's Ghost Recon: Future Soldier", is being offered *for the same price* in Australia & the USA.

Australia pays:US\$49.99USA pays:US\$49.99



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THQ is a major game publisher.

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The recent title, "Saints Row: The Third", is offered at slightly higher prices in Australia.



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\$49.99

ADD TO CART

Rockstar Games publishes the "Max Payne" game series.

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Their upcoming game, "Max Payne 3", is due for release in Australia, 6 June 2012:

Australia pays:US\$89.99USA pays:US\$59.99



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Rockstar Games published the title "L.A. Noire", which was developed by Received 27/05/2012 alian based company which is no longer in business. The pricing here is a little confusing.

Slightly cheaper for the basic edition, considerably more expensive for the complete edition.



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Frictional Games developed and published independently.

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For their title, "Amnesia: The Dark Descent", Australia pays the same as the USA.

Australia pays:US\$19.99USA pays:US\$19.99

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	- THE DARK DESCENT -		
	The last remaining memories fade awa darkness. Your mind is a mess and on being hunde remains. You must escap Amnesia: The Dark Descent, a first pers horror. A game about immersion, disco	y a feeling of e. Awake on survival very and living	
	Genre: Action, Adventure, Indie Release Date: 9 Sep 2010		
An > sia	View all 6 screenshots		
	Watch HD video	č	
You already own Amnesia: The Dark Descent	R.	AY NOW	
Recommend this game to your friends			
Click here to write a recommendation	SHARE: 🖪 🖬 📸 😭		
Buy this game as a gift for a friend	Community		
	Visit the forums &		
\$19.99 USD	Visit Official Game Group		
About the Game	Find Community Groups	Q,	

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USA Screenshot

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Bethesda are publishers of the highly popular, "The Elder Scrolls", series.

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In their 2011 release, "The Elder Scrolls V: Skyrim", Australia, "took an arrow to the knee", on pricing.

Australia pays:US\$89.99USA pays:US\$59.99



USA Screenshot

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ADD TO CART

\$59.99

Blizzard uses Battle.net as their digital download system. Titles include, "World of Received 27/03/2012 world's most popular massively multiplayer online game (MMOG).

Diablo III was a highly anticipated Blizzard game in 2012.



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Unfortunately my American friend was unable to view the purchase price for Diablo III on battle.net as he had already purchased the title. He did confirm that the price listed on the Blizzard Store (US\$59.99, second row of games on screenshot), was the same as what he paid on battle.net.



Electronic Arts (EA) is a major game company. Origin is their 'Steam' equivalent for digital prophads.

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Mass Effect 3 was a much anticipated EA game in 2012; priced the same.

Australia pays:AU\$59.99USA pays:US\$59.99



Electronic Arts game "Battlefield 3" is in direct competition with Activision 8 game "Battlefield 3" is in direct competition with Activision 8 center 27/05/2612 eries.

Incredibly, the un-discounted price is cheaper for Australia!

Australia pays:AU\$49.99USA pays:US\$59.99



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SimCity™ Digital Deluxe

At the time the screenshot was taken, there was a special in EA Origin store for the USA "Memorial Day" long weekend. The regular price for, "Mass Effect 3" is (US\$59.99), the same as Australian price.

The regular price for, "Battlefield 3" is (US\$59.99), more expensive than the as Australian price.



Good Old Games (<u>www.gog.com</u>) distributes older game titles. Their fair price price of the pr

"Fair worldwide price and equal worldwide availability - because \$1 is not €1

We believe that all gamers should be treated equally. No matter where you live, we offer you the same price as any other customer, even if we have to cover the difference in price out of our own pocket. It's part of what we call our Customer Love philosophy."



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Adobe published the world leading Photoshop software.

Photoshop Elements 10 is the 'cut down' version of the much more expensive suite.

Australia pays:	AU\$123.75	(upgrade)
USA pays:	US\$79.99	(upgrade)



ADOBE.COM (USA PRICE)

It is possible for customers to view the USA price by logging into the USA website.

