

# The monetization of gaming

## What is it?

It is important to be aware that the way gaming developers make money off games is changing. It is not just about the initial purchase of a game or a monthly subscription for access to an online game anymore. Most games now have in-game purchases with some games (particularly app-based games) being increasingly designed to make progressing through the game difficult without making such purchases. For non app-based games such as MMO or eSports games there is also additional downloadable content (DLC) that can be purchased for things such as new levels, story lines and weapon packages.



## Gambling and Gaming - is there a link?

Some in-game purchases have also led to 'gambling type' activities whereby players can, on other sites, bet their in-game purchase (typically a unique upgrade for a weapon, known as a 'skin') for the chance to win another upgrade worth more, but at the risk of losing their upgrade or winning something worth less. These skins for example can vary in range from relatively inexpensive through to thousands of dollars and even have the ability to be sold on sites such as e-bay for other players to purchase.



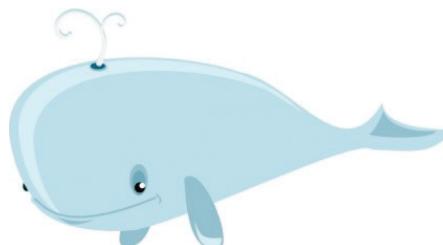
## Did you know?

As of Feb 2017 the most expensive weapon skin in Counter Strike Global Offensive (CS:GO), a hugely popular eSport game, was valued at approximately \$100,000USD.

As of April 2017 Clash Royale is the top grossing 'free-to-play' app-based game earning approximately \$1,987,885USD per day through advertising and in-game purchases.

There have been a number of high profile cases where professionals have been arrested due to embezzling funds (in the millions) to purchase virtual items in MMO and app-based games.

Approximately 70% of revenue from in-app-purchases comes from 10% of players. Within the gaming industry these players have become known as 'Whales'



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## Stuff to know

Most people will enjoy games without experiencing any problems regarding money. All games now have in-game purchasing options but App-based games played on mobile devices (e.g. Clash of Clans, Clash Royale and Candy Crush) are often free to play and are often the most subversive regarding their attempts to get money out of players. Typically these games will never ask for money to directly purchase things, instead they have in-game currency that a player will purchase. This is intentional so players are desensitised to how much actual money is being spent (i.e. you are spending '10 diamonds' to get an extra life, not 'actual money'). However, these games are often careful to also make sure that the game's currency cannot be bought in amounts that equate nicely to purchase amounts, often meaning you have game currency left over which can make it more appealing to buy more so as not to waste these leftovers (i.e. it costs 10 diamonds to purchase an extra life but diamonds can only be bought in minimum groups of 15 diamonds).



Games can often be very easy initially to progress without the need to spend money but they are carefully designed to make progressing increasingly difficult and increasingly frustrating without making in-game purchases. They do this using a number of different techniques but are careful to do it later in the game once a player is more likely to have a more vested interest in progressing. This can be particularly risky for those who struggle with competitiveness or for young people for example, for whom peer influence is considerable and may not want to fall behind others playing the game.

Games often utilise other psychological techniques to 'play' on the player and make it more likely they will make in-game purchases. This can

be through guilt for example, by suggesting characters in the game will suffer unless you make a purchase to continue, or by creating a sense of urgency through deals or sales of in-game purchase packages (i.e. 'if you purchase in the next 30 minutes you will get an extra pack of 15 diamonds if you purchase 30 diamonds').

Some of these games are aimed at children and young people and this is a group that can be particularly vulnerable to some of these psychological techniques as well often having less experience or being less savvy when it comes to money.



## Tips

- Be aware of the settings on devices your young person might be using for gaming and adjust them so that in-app purchases are unable to be made without a password for example. There are plenty of websites that can help show you how to do this if you google it for the particular mobile device your young person uses.
- Educate your young person about the way gaming developers make money from games. They are not there to simply provide an entertainment service. While the games can be lots of good fun, game developers are mostly interested in profit so they employ psychological techniques to try and get money out of players.
- Try and talk with your young person about in-game purchases before they come to you asking for these. Think about what your stance will be and be consistent, especially if there are two of you parenting.
- Checkout:  
<http://www.netaddiction.co.nz/>