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The University of Texas at Austin
Center for Media Engagement
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Paying Your Way to the Top:
The Ethics of Microtransactions in Video Games

Over the span of a few decades, the gaming industry has evolved into a multi-billion-dollar industry titan. This growth can be attributed to the increasing growth of internet speeds that allow for players to connect seamlessly to multiplayer games. As broadband speeds have improved and next-gen consoles have become equipped with better hardware to take advantage of such speeds, downloading new content during video game play onto PCs and video game consoles have become increasingly common. These are often referred to as

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"microtransactions," or "anything you pay extra for in a video game outside of the initial purchase" (Makuch, 2017). These extra payments within the game may grant players cosmetic items to equip their character with, new maps to play on, or in one of the most controversial cases, game-altering boosts for players when playing online with others.

As microtransactions began to seep into mainstream video games, developers and publishers immediately saw a new opportunity to generate more revenue from an untapped player base that wasn't done throwing money into the game. New forms of microtransactions started to take shape in later years in the form of DLC (Downloadable Content) packages, in-game season passes to new content, and "loot boxes" or "loot crates." The latter in particular has sparked increasing controversy after its implementation in games such as *Star Wars Battlefront II* in 2017. The developers of *Battlefront II* assured the fan base that all future content for the game would be free for everyone; they didn't mention, however, that the game would include a loot crate system that could heavily influence the gameplay when playing online against other players. Players who choose not to spend additional money in the game to buy loot crates may find themselves putting in hours upon hours into the game in hopes that they can "level up" various aspects of their character to equal the accomplishments and abilities of other players. Some worry that others who choose to spend additional money in-game on loot crates are "quite literally pay[ing] money for statistical advantages" (Alexandra, 2017).

As a result, the game faced mass criticism and backlash claiming that the game at its very core was driven by an exploitive system that made the game "pay-to-win." As one gamer said on behalf of the community: "We don't like missing out, we want things we paid for to be complete, we especially don't like to think that someone with more cash/naivety could skip the hard work we put in" (Meer, 2017). Essentially, players are concerned with ethical issues of fairness and equality. As many view video games as a way to unwind and escape the pressures of the real world, worries over whether one's playing skill can ever equal those with more expendable income may start affecting gamers' "real" lives. Furthermore, the controversy of loot crates

became more complex for another reason: "When you buy one, you don't know what you'll get. Sometimes you get something good. Sometimes it's bad," which means that some players end up spending large sums of money in the hopes of receiving something good without receiving proportionate pay-off (Takahashi, 2017). Hawaiian State Representative Chris Lee even addressed this issue of uncertain payoff in a Reddit post stating, "these kinds of loot boxes and microtransactions are explicitly designed to prey upon and exploit human psychology in the same way casino games are so designed" (Lee, 2017). The association between microtransactions and the troublesome addiction that could come from gambling in a competitive environment only adds fuel to the fire in the debate for loot crates and microtransactions in general.

Proponents for microtransactions claim that some good can come out from these types of systems placed within video games. For example, some DLCs that are released during a game's life cycle may be available at no cost to players because it is subsidized by microtransactions. Such surprise purchases is claimed by some defenders as a feature that "has kept the active community interested, and with more players than ever it keeps things interesting for new and old players alike" (Daniel, 2017). Furthermore, it could also be argued that by including game-altering items in for-purchase loot crates, players that simply do not have enough time to play are able to catch up and be on a level playing field with players that have seemingly endless time to devote to the game. This not only gives them a fighting chance against other gamers when playing online, allowing for the enjoyable experience they bought the game for in the first place, but it is also useful for teams – if one member has less time for progression-based rewards, all they need to go is make a quick purchase and they don't have to worry about dragging the whole team of gamers down.

Developers who place loot box systems within their games have pointed out that they do not *require* players to purchase microtransactions. For example, loot boxes that can be purchased with real cash can also be acquired by playing the game for extended periods of time. The methods that players could use to unlock or gain loot boxes vary by game, with some requiring earning a set amount of in-game currency to unlock a loot box and others giving out loot boxes as a random reward for completing multiplayer matches or certain challenges. Overall, these developers insinuate that there is no real controversy at all since it is a matter of individual players' free choice of how to go about acquiring game advantages. Furthermore, the inclusion of loot crates is legitimated by basic economic principles: if there was no demand and no one was buying them, they wouldn't bother supplying them in their game design.

Many video games today have a microtransaction system in place to take advantage of an additional revenue stream. Future game releases will surely continue this trend of enticing players to make additional purchases in pursuit of the thrills and accomplishment they seek in gameplay. Can game designers find a way to incentivize players to make meaningful in-game purchases without compromising the ethical values of fairness in competitive games?

Discussion Questions:

1. What are the purposes of multiplayer online video games? What ethical values underwrite multiplayer game play?
2. What are the central values in conflict when it comes to the controversy over incorporate microtransactions, especially loot crates, into multiplayer online video games?
3. Do you think the responsibility for resolving the microtransaction controversy lies with game developers or game players? What kind of solutions would you suggest for either side?
4. Alternatively, is this a dilemma that can be solved in the private sphere or is there a point in which the government should regulate the gaming industry, perhaps like it might regulate gambling? What might this look like?

Further Information:

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