

Pseudogambling or aggressive upselling?

Choosing the proper frame

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New business models in online gaming

1990's



Boxed content/
Initial point of sale

2000's



Games as service/
Subscriptions

2010's



'Free to play'/
Advertising and upselling



New business models in online gaming

(Hamari & Järvinen 2011)

Type	Revenue	Price	Design focus	Customer relation
Boxed content	Retail	Fixed	Initial content	Acquisition
Games as a service	Subscriptions	Continuous	Long time engagement	Retention
Free 2 play	Upselling and ads	Opt-in (+data!)	Virality and incitement mechanics	Monetization

Some examples

Acquisition

'Hire a friend' in Farmville

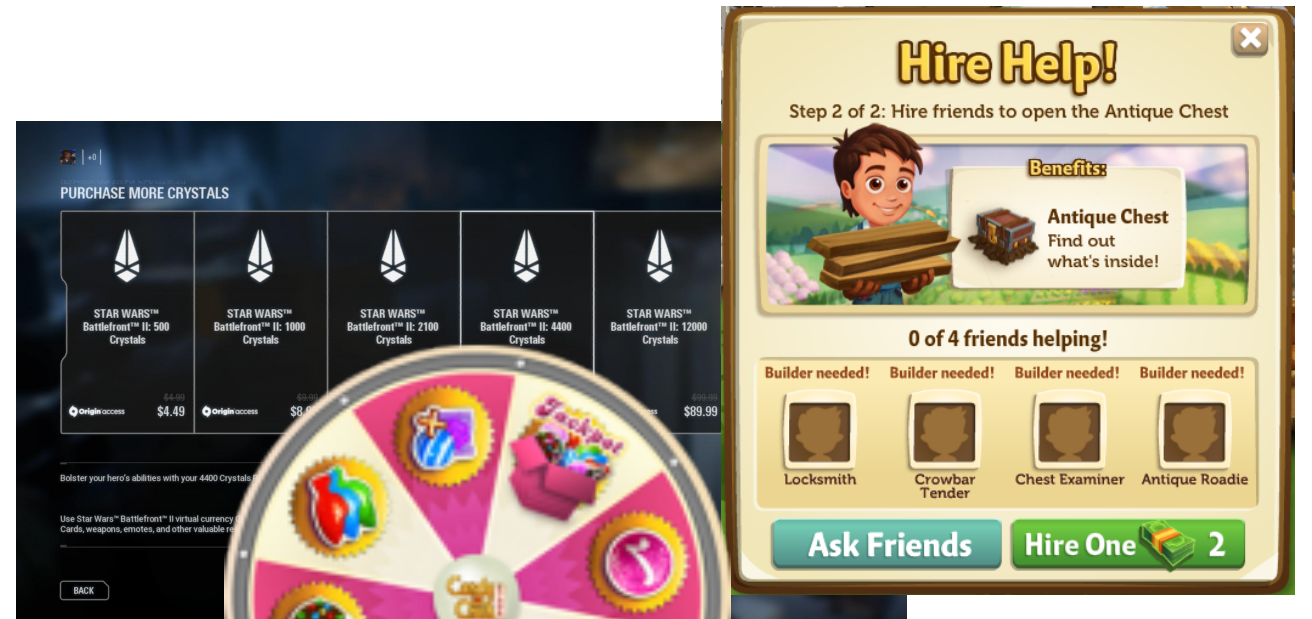
Retention

'Daily spins' in Candy Crush
(...and social networks)

Monetization

Artificial obstacles

Loot boxes



New business models and common concerns

Advertisement Upselling

Games designed to
maximise time spent in
game

Leading to worries about
various 'screen'
addictions

Games designed to
maximise number of
microtransactions

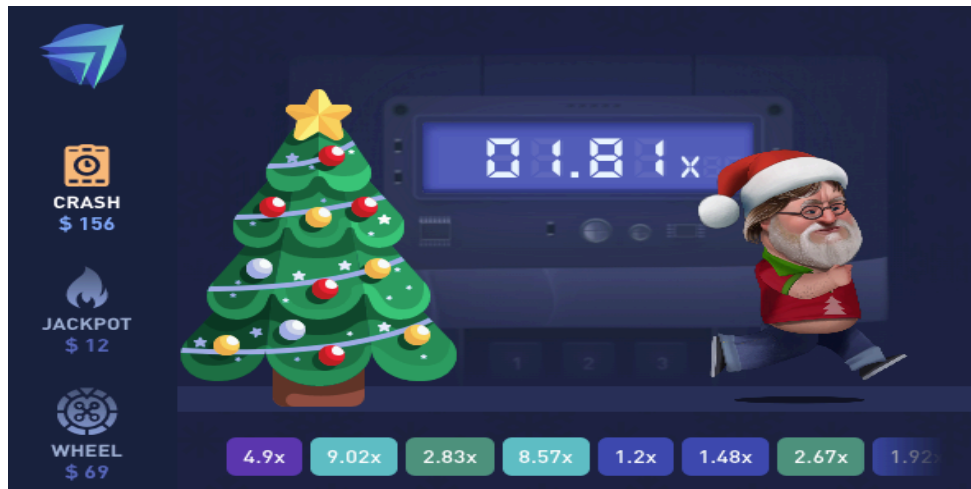
Leading to worries about
gamblification of the
gaming domain

IS 'GAMBLIFICATION' A *VALID* AND
SUFFICIENT FRAMEWORK FOR
ADDRESSING THIS PROBLEM?

Regular gambling and lootboxes in the gaming domain

Skin-gambling

Game items as stakes and rewards in regular casino games



Lootboxes:

Buying 'A pig in a poke', that is, buying boxes without knowing the content in advance



Regular gambling in the gaming domain



Games are economic systems

- Integrated part of gameplay experience
- Monopoly, Risk, Sim city...

Games/platforms may feature player-driven economies

- Players buy and sell game items between them
- Enhancing game items' status as units of transaction
- Creating more complex economies and practices

Some of these economic practices may be problematic

- Scams and fraud
- Gambling



CRASH
\$ 156



JACKPOT
\$ 12



WHEEL



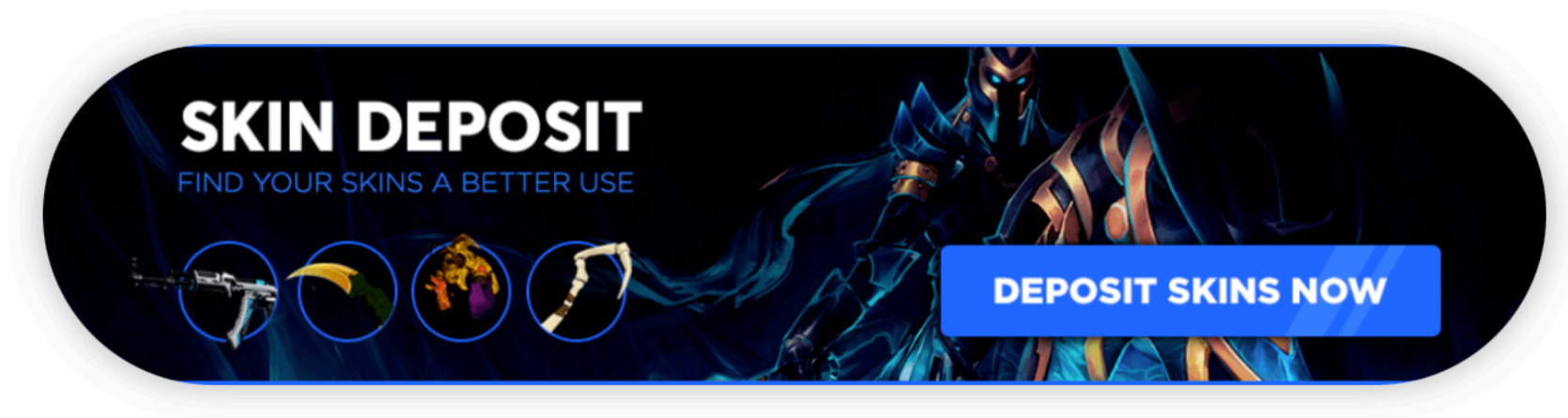
Skin gambling:

- Traditional casino games
- Game items integrated as tokens and rewards

Skins as tokens and rewards

To be able to use SkinPay successfully, you need make sure to do the following:

- Level-up your Steam account to at least Level 1 or higher
- Change your skin inventory on steam to public, you can edit this on your steam profile
- Download Steam's mobile app to confirm skin transactions







Lootboxes: pseudogambling or regular gambling?



Lootboxes: pseudogambling or regular gambling?

- Economic definition:
 - Money in => randomization => money out
 - FIFA players packs are not gambling because players cards are not easily converted into conventional currencies
- Psychological definition:
 - Adrenaline rush, sunk cost experience, gambler's fallacy etc.
 - Any game mechanics exploiting these psychological phenomena (and misconceptions) are to be considered gambling, including FIFA player packs
- Contextual definition:
 - Eg. Macey & Hamari (2022)
 - The increased presence of gambling or gambling related content in non-gambling contexts

'GAMBLIFICATION' IS A *VALID*
FRAMEWORK FOR ADDRESSING
PREDATORY BUSINESS MODELS

'GAMBLIFICATION' IS A *VALID*
FRAMEWORK FOR ADDRESSING
PREDATORY BUSINESS MODELS
...BUT IS IT *SUFFICIENT?*

Skins and micro-transactions in *Counterstrike* og *Fortnite*

(Thorhauge & Nielsen 2021)

CS:GO

(+ Team Fortress II, Dota II, PUBG)

- Drops
- Lootboxes
- Low price differentiation
- Direct integration with community market

Fortnite

(+ Apex Legends)

- Battle pass
- Ingame store
- High price differentiation
- Aggressive upselling



SEASON 8 Free Rewards!



TIER **100** MAX

SEASON ENDS: 78 Days PAGE 13 / 13

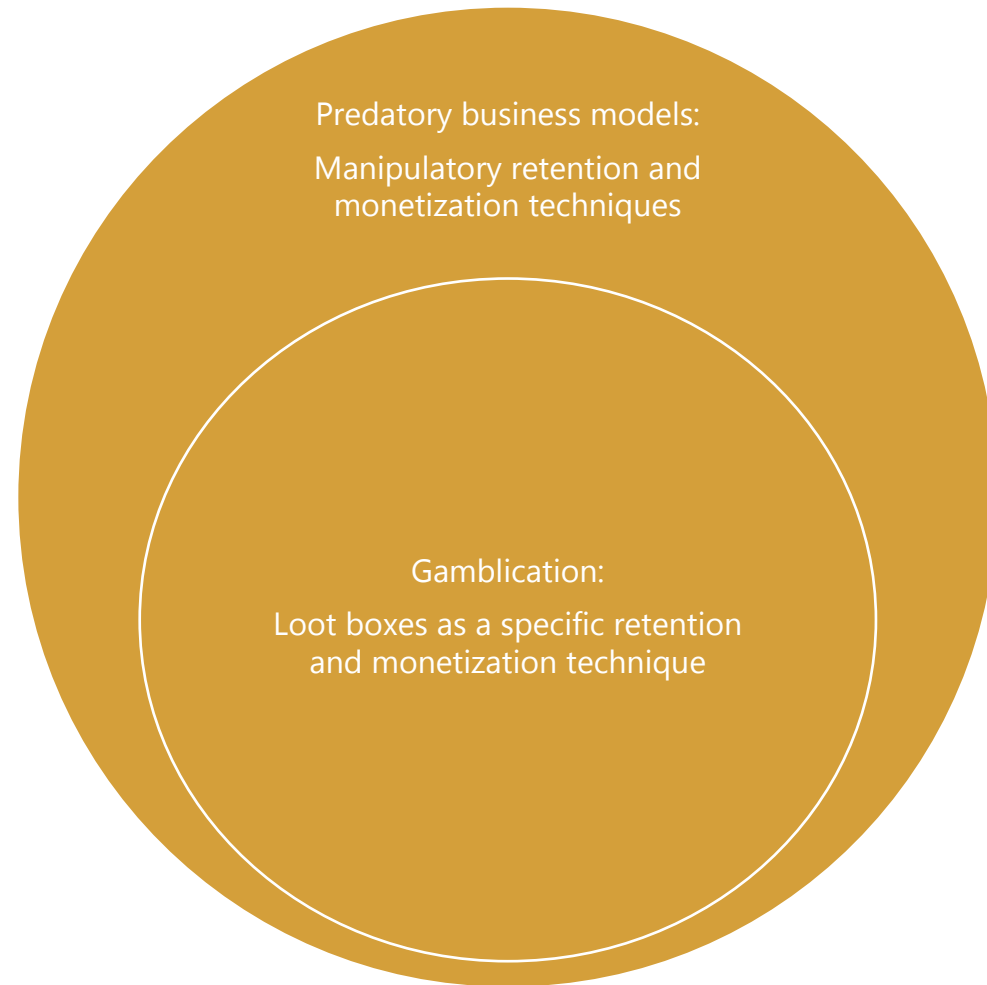
	96	97	98	99	100

FREE



- Battlepasses as upselling
- 'Value for money'
- 'Lock in' strategy
- Sunk cost strategy too?

Gamblification and predatory business models



Pros and cons of the gamblification framework (seen from DK)

	Gambling regulation	Consumer protection
Pros	Specific Hard regulation	Covers predatory business models as a general phenomenon
Cons	Covers only a subset of predatory business models	Less specific Soft regulation

SHOULD WE EXPAND THE
DEFINITION OF GAMBLING OR
CONSIDER OTHER FRAMEWORKS?