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Final Project: Executive Summary

Know Your Coercive Monetization

In response to the shifting audience demographics, free-to-play or “freemium” games have become a hugely popular model for game developers, especially in the mobile and computer arenas. The number of gaming households has exploded, but the typical gamer is no longer a teenage boy who spends hundreds of dollars on a dedicated gaming system and happily spends up to \$60 for a new title. Now, she’s an adult female who impulsively plays casual or social games on multiuse devices.¹ It’s easier to appeal to such consumers with free titles and then encourage them to spend on in-game purchases to enhance or progress their gaming experience. While there are many ways to ethically implement this practice in a “pay for what you use”-type model,² unsavory tactics that use metrics and psychological principles (often the same as those used in gambling) are used to mislead players. Ramin Shokrizade refers to this as “coercive monetization” and outlines a number of such techniques.³

- Premium Currencies
- Reward Removal
- Progress Gates
- Soft and Hard Boosts
- Ante Games

This resource defines and illustrates each of these tactics in order to educate gamers—and especially parents of young gamers—about the potentially deceptive costs in seemingly cost-free entertainments. Knowing about these practices, and how to tell the difference between good actors and bad actors in the industry, will allow consumers to make more informed choices about what they play and may lead them to seek reforms.

Unethical practices in freemium games have already received some attention from governments in the US and abroad. In 2013, the UK Office of Fair Trading began investigating whether such games illegally exhort children to make purchases.⁴ Apple reached a settlement with the FTC over in-app purchases and has started to promote “pay once and play” games in its App Store.⁵

1

<http://www.dailydot.com/geek/adult-women-largest-gaming-demographic/>

2

http://www.gamasutra.com/view/news/190070/Video_The_ethics_and_psychology_of_the_freemium_model.php

3

http://www.gamasutra.com/blogs/RaminShokrizade/20130626/194933/The_Top_F2P_Monetization_Tricks.php

4

<http://www.escapistmagazine.com/news/view/123245-UK-Government-Investigates-Ethics-of-Freemium-Games>

5

<http://www.polygon.com/2015/2/13/8033001/apple-responds-to-freemium-hate>

Casinos are already heavily regulated; it only seems responsible to extend such provisions to the same practices being used on games that are already in our pockets, if not our wallets.

While an ethical solution to this issue must come from both sides of the board, raising awareness among consumers that they are being taken advantage of is an important first step.

Know Your Coercive Monetization

Premium Currencies

Skill Games vs. Money Games

Reward Removal

Progress Gates

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Premium Currencies

Skill Games vs. Money Games

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[Skill Games vs. Money Games](#) [Premium Currencies](#) [Reward Removal](#) [Progress Gates](#) [Soft and Hard Boosts](#) [Ante Games](#) [References](#)

Skill Games vs. Money Games

Mobile games have come a long way since Nokia pre-installed Snake on its cell phones in 1997. Now it's an industry worth billions of dollars, and not all of those dollars are earned honestly. Free-to-play or "freemium" games are games that don't cost anything to download onto your device and begin playing, but that doesn't mean they're free. There are opportunities within the games to pay money for additional content or ways to decrease the difficulty level. When you decide to buy your way out of a tight spot in your game, you've officially made the switch from playing a skill game to playing a money game.

A skill game is one that you can win through your own ability. A money game is one that you can't win without spending money on extra lives, power-ups, and so on. Coercive game developers will attempt to subtly shift a game's model from skill to money by ramping up the difficulty level significantly as the game progresses. You might not even notice it happening. But the game notices when you've decided to shift to the money model, and it won't let up. Paying money for a game isn't unethical; in fact, it may be more ethical to compensate the developers for the time and money that goes into producing the game you're enjoying. On the other hand, when developers use tactics to distract or trick you into spending more money than you intend to, that crosses the line into dishonest and unethical practice.

Freemium games often target children, so it's important for parents to be aware of the total cost of the game, not just the initial download price. That doesn't mean adult gamers aren't susceptible to impulsive in-game purchases. All players should look out for the following unethical techniques.

Premium Currencies

According to Ramin Shokrizade at Gamasutra, "putting even one intermediate currency between the consumer and real money, such as a 'game gem' (premium currency), makes the consumer much less adept at assessing the value of the transaction." If you're using real money to buy game dollars to buy coins to buy items within the game, chances are you have no idea what the item costs in real money. This is also known as "layering."

2020: My Country goes through four layers of premium currency to disguise its monetization. Most game actions require blue energy bolts to complete. They refresh automatically and can be found as loot, but

Examples

