

What do Game Developers Think about Loot Boxes?

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INTRODUCTION

This paper examines the perspectives of professional game developers – from a diverse range of geographical and political-economic contexts, career stages, and experience levels – on the recent rapid growth of, and controversies surrounding, the implementation of loot boxes into digital games. This blurring of gambling and digital play has become a central element of the ludo mix, and here we aim to shed light on what those who create these experiences, not just those who play them, have to say.

In the past five years a growing number of games, especially blockbuster or “triple-A” games, have been partly or wholly monetized through the implementation of “loot boxes”. A loot box is an in-game item purchase consisting of a virtual ‘box’ (or ‘crate’ or ‘chest’) that rewards in-game items to players based on mechanics of chance and probability. It is similar to ‘gacha’ games, popular in Japan, which reward in-game items to players, of differing levels of rarity, through a paid lottery-draw system (Sztainert, 2018). Loot boxes too are purchased with real money to obtain a chance at receiving a random selection of virtual items of differing levels of rarity. Like gacha games, the low probability of obtaining a rare item from a loot box means that players will have to purchase an indeterminable number of them to obtain a desired item. As such, loot boxes share similarities with gambling slot machines, as no player skill is needed to open the loot box (a button press or mouse click) nor to receive the randomly determined prize. Loot boxes do not meet some definitions of gambling because paying for them is not considered to be a financial ‘loss’—players make the purchase of loot boxes using virtual currency, which they buy for real money—nor are the virtual items inside considered ‘something of value’ (King & Delfabbro, 2018), despite third-party websites allowing players to bet and trade these virtual items for real money.

Is it also important to understand the economic context in which this game design mechanic has become popular. Loot boxes function as a microtransaction: a small financial payment in a digital game or app. These are typically around or below \$10 and often involve the sale of an in-game (or in-app) virtual good or digital content. This model was first noted in the mobile gaming market with the rise of “free-to-play” games such as *Candy Crush Saga*. In these the initial acquisition of the game is entirely free, but revenue is generated (billions of dollars [Crecente, 2018], in the case of *Candy Crush*) through the deployment of microtransactions made appealing to players. More recently, console and PC developers have also started to design their titles to use the same sorts of techniques. For example, *League of Legends* by developer Riot Games costs nothing to play, but generated two billion USD in revenue in 2017 through its microtransactions (Stewart, 2018). Similarly, the game *Fortnite* is currently making several hundred million per month through microtransactions and the sale of in-game currency and items (Chalk, 2018).

Loot boxes are thus now used in a wide range of other major titles – most notoriously *Star Wars Battlefront II* – and are now well-established as a leading, and highly controversial, method of integrating video games and gambling (cf. Griffiths, 2018). Given the potentially controversial gambling-esque nature of loot box systems (Drummond & Sauer, 2018), they have come under fire from players and policymakers alike. In the first case, recent controversies over the consumption of ‘loot boxes’ and other ‘microtransactions’ has prompted policymakers to begin to regulate video games as a site of gambling and addiction. This decision follows a near-universal agreement that loot boxes constitute a game of chance, and so must be regulated in the same way as slot machines or casino games - as activities designed to be addictive. Equally, there has been a strong player-led anti-loot-box backlash, with a number of highly visible “player advocacy” individuals and groups leading this charge, and immense numbers of players voicing their disquiet on social media, in the process boycotting many of these games. However, despite ample commentary from players and policymakers, little information has emerged about those who actually *work* in the games industry, and their perspectives on these practices.

As such, we look to give a voice to game developers who - caught between players and policymakers - have been neglected in loot box discussion to date. What do game developers who build these systems, or who specifically do *not* develop these systems, have to say about them? This is important to understand in an era where the games industry is increasingly becoming opaque, sometimes notoriously so, with little information leaving major game development stables and employees routinely unable to speak about their work. In this paper we therefore recount our initial findings from in-depth interviews with almost thirty professional game developers on the topics of new game monetization models, the rise of and controversies surrounding loot boxes, and questions of ethics, the political economy of game development, and how career progression and management within the games industry are increasingly linked to monetization success. These developers ranged from working in the “triple-A” games sector to being independent game developers in single-person or small-group teams, and hailed from the United Kingdom, the United States, Canada, Germany, Poland, Singapore, and Taiwan. Situated within scholarship on creative labour in digital industries (Smith & McKinlay, 2009; Baker & Hesmondhalgh, 2013; etc), the paper will focus on highlighting our initial findings from these individuals in four main areas: their perceptions of ethics, the nature or question of “gambling” via loot boxes, the effects they see of loot boxes on game development, and respondents’ opinions on where loot boxes are “going”. We believe this to be one of the first studies of game developers regarding monetization methods, and the goal of this paper is to bring those who actually create games – as well as

those who play them, and those who legislate on them – into the discussion surrounding game monetization.

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