Group Report:
Ethical Video Game Monetization

Participants: *A.K.A. "500 coins to unlock title"*

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Introduction

The business of video games has become significantly more complex for game creators as our industry has shifted away from traditional retail goods models. Gone are the days of stark divides between the work of developing a game and the work of selling it. Increasingly, game designers are asked to consider, design, and implement a game's revenue strategy right alongside the game's other mechanics. Whether you are an indie developer solely responsible for your game's release or part of a large corporation with a team of hundreds of developers and publishers plotting a game's success, if you are a game designer today you are often also called upon to be a business strategist. These added responsibilities have added additional concerns to the game designer's plate; specifically, the concern of ethical business practices. Since the game designer is now much more directly a seller they must concern themselves with how they treat their players not only as an audience but also as a group of consumers. This consideration may feel overwhelming and at times even directly at odds with the designer's usual concerns of game play experience and engagement. We seek to cut through this confusion and offer a framework for ethical design practices when creating monetization strategies. Specifically, we hope to provide designers just beginning to work in the area of monetization clarity and a solid set of guidelines for approaching this work with ethical consideration.

Why Should Games Care About Ethics?

Games are an entertainment business, there are little to no external motivations for players to purchase and/or engage with the games we create. We must constantly concern ourselves with convincing our audience that our products are worth their time and money. This means it is in our best interest to build a relationship with our players, and since games take a considerable amount of time and effort to create, it is ideal for this relationship to be a long one. Maintaining a relationship, of any kind, means both parties feeling as though they are treated fairly. Simply put, our business is dependent on not taking advantage of our customers, we rely on them for our continued survival and abusing them is only shooting ourselves in the foot. And the increased amount of competition in our industry has only made this more true. Players have more options than ever to turn to if they feel taken advantage of by a particular game. Providing ethical treatment to players will only become a more essential commodity as competition increases.

The nature of many games creates the potential for a problematic power dynamic between designers and players. The increased focus of game design on monetization has made game designers into sellers of goods but game monetization does not exist in a simple free market. Every game is a tiny monopoly of

sorts. While there is a tremendous amount of competition for a player's attention, once a player is invested in your game only you can satisfy their demand. This creates an increased opportunity for game designers to take advantage of players, even if not intentionally. Since game designers are specifically trained to manipulate player behavior and create hooks for engagement, we must be conscious of how the power dynamic between player and designer is experienced when the player is a purchaser and the designer is a seller. We want players to be invested in our games, but as retention and play time become more closely tied to monetization we must consider how our efforts to keep our players engaged can become indistinguishable from our attempts to get players to pay us. It is not enough to say "this mechanic makes people play longer, therefore it is good" we have to also ask if our mechanics operate on good faith. The bar for what constitutes ethical business practices should not be set higher for games than it is for say groceries, but we would do well to remember that games elicit powerful emotional responses whereas groceries rarely inspire people to create fan art. We are capable of exploiting human behavior, and this is often done in the service of giving players a good time, we must be conscious of and explicit about setting boundaries for when the value proposition of such manipulations begins to skew heavily to the player's disadvantage.

Having a set of ethical guidelines is a good way to ensure that we are treating our players fairly as it allows for a predetermined quality bar to be set and measured against. Alternatively, we have seen that poorly organized trial and error in this area can cause significant damage to not only an individual game, but to our industry's reputation. This type of damage significantly impacts future game creators' monetization options by poisoning the well for entire platforms and genres, handicapping their viability, as well as inviting the call for external regulation to protect consumer rights. We can and should make games that adhere to ethical guidelines while still being profitable.

Ethical Monetization Golden Rules

Defining a detailed ethical rubric that would apply to a global and diverse industry such as video games would be impossible. Instead we have chosen to focus on guidelines that, with a little critical thinking on the designer's part, can be applied to many situations. We began by discussing highly general, modern ethical axioms such as "Do unto others" and "Do no harm." From there we extrapolated a set of Golden Rules that are more specific to game design. These Golden Rules provide a simple framework for designers to evaluate specific designs and motivations for monetization strategies.

Players should not regret purchasing

Once a player has completed a purchase with you will they be happy with that purchase? This question provides a solid litmus test for value and transparency. Buyer's remorse is often triggered when a player spends more than they can really afford, when an item's true value is less than was anticipated, or when a purchase was made largely due to emotional manipulation. Guarding against these situations, evaluating monetization strategies to ensure they do not produce buyer's remorse, is a solid step toward treating players ethically.

Don't lie to your players.

Trust is the basic foundation on which any relationship is built. We should strive to create trust with our players. This means not lying to players, not misrepresenting the value of purchases, not hiding information from players that would allow them to make informed purchasing decisions, and not using confusing UI elements to trick players into purchasing unwanted items. Our industry has a history of broken promises; we aim high when creating games and often fail to deliver our players' lofty expectations. Blaming players for misunderstanding our intentions does little to repair trust, we must be vigilant and deliberate in our honesty when it comes to monetization.

Don't change the player contract.

There is a contract that exists between the developer and player for any game. This contract is constructed out of direct communication about the game, experience players have with other games, and market expectations. For instance, it is implied that a sequel to a game will include all the features of the original, or that systems introduced at the beginning of a game will continue to function as expected throughout the game. Changing how a game works after players are invested is the equivalent of a bait and switch and will trigger resentment and loss aversion. The player contract can be changed but it requires a renegotiation which in turn requires transparency.

Don't set expectations that are not delivered on.

Maintaining a relationship of trust requires following through on promises. This applies equally to delivering promised features with a game release and to ensuring that the purchasing power of your in-game currencies stays consistent. Everything about a player's experience sets expectations. Betraying those expectations to create more opportunities for spending makes it hard to believe future promises.

Respect your players' investments. Don't take hostages

Through playing your game, your players can become invested and passionate about different aspects of play such as their avatar, NPCs they meet, or weapons and items they like. Even simply the amount of time spent in a game creates investment. This investment gives things in our games meaning to players, it gives them value. As the game designer you have the ability to turn this value into wonderful things for your players to buy but you also have the ability to simply hold the player's investments hostage. Extracting ransom is an abuse of power and not fair. Monetizing in this way is sure to create resentment and may also trigger your player to reevaluate whether the investment they have made in your game is really worth it.

Common Monetization Methods and Ethics

There are almost as many monetization strategies as there are games, but we have gathered some of the most commonly encountered and widely adopted methods to illustrate how our ethical guidelines can be implemented and considered.

Full Game Release

For many games the monetization strategy begins with a full, premium priced game release. The ethical considerations around this type of strategy revolve largely around the idea of the player contract and what can be reasonably expected to be included in such a release. Games that are communicated to be a part of a well-established genre or are part of an existing franchise will come with a well-formed set of expectations. Attempting to charge more money for the same or less features (either through price increase or by moving those features or content behind a DLC or microtransaction purchase) will evoke a feeling of unfairness within the existing playerbase. Remember, players are not concerned with the rising cost of asset creation (or really any of your development costs.) Once expectations have been set, you must provide a clear additional player value before you can charge more without damaging some amount of player trust. While there is nothing ethically wrong with attempting to raise prices for what is perceived as the same value, this can become questionable when there is an attempt to obfuscate this raising cost.

Downloadable Content

Generally, we consider downloadable content (DLC) to refer to optional add-on content offered after the initial release of a full game. Similar to a full game release, the ethical considerations for DLC are concerned with whether the DLC offered should reasonably have been expected to be included in the initial game release. Again, providing clear, new value to players is the best way ensure that DLC is perceived as a fair addition to your game.

Free to Play

Free to play games do not require any fee to be paid by players to access the game but offer additional content, perks, and conveniences for purchase al-a-carte. While there is nothing inherently unethical about free to play games, it is best to be transparent about how you intend to make money from your players. Apple, for instance, insists that free to play games tell potential players in the app store if the game includes in-app purchasing or has advertisements. Players know that games take time and effort and money to create and expect free to play games to include some form of in game monetization. The player contract for a free to play game takes into consideration that some portion of the game is free and as such not all features or content that could reasonably be assumed to be in a full priced game will be included upfront. There is no compelling reason why you should not be upfront about what monetization methods will be used with your players. This will help set expectations and establish a more specific player contract.

Loot Boxes

Also known as random boxes or gachapon, these items offer the player an item or items from a large pool of potential items. Loot boxes come in several varieties but regardless of how exactly they are designed the key ethical question for loot boxes is whether their value is clear and understandable to the purchaser. Loot boxes are no exception to the rule that players should not regret their purchases. Players may not know exactly what they will get from a loot box on a given open but they should know what value to expect and that value should be delivered. Random elements can be fun and exciting and there are situations in which randomness enhances a purchase. However, when randomness is used to hide an item's true value or to confuse players as to what they are really getting for their money then the player is being lied to and an ethical line has been crossed. Extremely variable loot box values can also be perceived as gambling, which may invite government investigation.

In-Game Currency

Many free to play games opt to use a hard currency; a currency purchased using real money and then used to purchase items in the game. This system allows these games to offer a simple point of sale while offering a large and rotating catalog of microtransaction items. As long as the value of these hard currencies are clear, there is nothing inherently unethical about this system. However, the distance this system puts between the player making an actual real money purchase and acquiring the items they want opens the opportunity to obfuscate the items' value by applying a hard to understand exchange rate.

Pay to Play

This type of monetization allows the player to pay for a specific session or match individually. One of the most pure forms of pay to play are arcade machines, the player pays a small fee to play the game for a very short period, usually until they are defeated or until they complete a well-defined session. Other forms include paying to enter tournaments or leagues popular in collectible card games. The version of this most often used in modern mobile game is energy gating; preventing the player from taking additional actions in a game unless money is paid. These systems are seen as fair when the value of the purchase is clear and consistent. When the experience of the player is hard to predict, these systems can easily change the contract on the player. For instance, manipulating energy usage or energy needs to artificially increase the value of purchasing energy. The game is unfairly changing the contract and potentially holding the player's investments hostage.

Pay Not to Play

Also known as pay to skip, is a feature that allows players to achieve a level of progression without having to play as much as other players; generally, to avoid the grind required to level-up. The idea of allowing players to trade time for money is not problematic granted the amount of time needed to achieve goals is clearly understood and the player can easily understand the value they will get for their money. Increasingly

difficult time requirements, especially sharp and unexpected increases, could be a violation of the player contract. Additionally, in games with deep social mechanics where one player may want to 'catch up' to their friends' levels in order to play with their friends, this could become a hostage situation. We urge caution in games where there is competition between players. Other players who have spent the time grinding will see this kind of feature as offering an advantage for pay, and unfair to them. Just how unfair can vary from culture to culture, so be very careful when localizing these features to a new market. Know your audience.

Pay for Convenience

Pay for convenience items can be quite varied; from UI changes to in-game objects that remove inconveniences. Creating an inconvenience just so you can sell the player a 'fix' is likely to violate the player contract especially if the inconvenience is disruptive to early play. Ideally convenience items smooth out the player experience once the player is well invested or allow for optimized play. In this way, maintaining the player contract and delivering on expectations set early make these items more enjoyable and satisfying to players.

VIP Programs and Subscriptions

VIP Programs generally charge a monthly (and automatic) fee and then grant users bonus goodies or accelerated play. These can be a good deal for a player who plays frequently but special care must be taken to make the value of these programs clear and consistent. Otherwise, the specific ethical issue that may come up is with players who stop playing, but forget (or cannot for some reason) turn off their automatic payments. Passive revenue is nothing new but it remains an ethically questionable practice. The simple solution is to automatically suspend VIP statuses after a player has not played some number of days. If they DO come back, they will be thrilled to discover you're remembered their previous status.

Pay to Avoid Negative Results

It is generally not the best strategy to ask people for money when they are upset. Offering players a way to undo or avoid a negative outcome has the risk of the player feeling manipulated while they're emotions are high especially when the offer is made in a limited time window. Items or systems that provide preemptive protection against negative results will allow the player to make their purchasing decision in a less vulnerable frame of mind, but care must be taken to ensure that items of this nature are presented honestly without overemphasizing their usefulness. Insurance systems can be predatory when the player doesn't have a clear understanding of what they are protecting against or how likely a negative outcome really is.

Inventory Systems

Inventory systems can add an interesting layer of strategy and tension to games but they can also lead to players feeling taken advantage of when inventory pressure is used as a monetization strategy. Because inventory pressure is an artificial scarcity created entirely by the game itself, and therefore under the control of the game designer, aggressive inventory pressure can cause ethical concerns when used to hold important resources or items hostage, or when the amount of inventory offered by the game as a default is so small it violates what can be reasonably expected to be provided in the base game. First, be sure that inventory management has a meaningful gameplay purpose, if inventory management exists in your game solely to create inventory scarcity that can be overcome with a microtransaction, players are going to find those microtransactions inherently less valuable. Also, make sure inventory pressure is predictable. Players in a free to play RPG might find it perfectly fair to pay for added inventory if they know how much loot they expect to be getting and what opportunity they will have to off-load it, but are still likely to feel ripped off by a game that forces them to choose between losing an important item or buying more space with no notice.

Selling Player Data & Resources

Monetizing the data or CPU cycles of your players allows you to gain value from your players without charging them directly but the ethical concerns for such practices still resides in your relationship with your players. Transparency is essential but even when the player is aware of how their data may be used, the terms of how their data is valued (what revenue will be generated from it) is almost never shared, meaning it is essentially impossible for them to give informed consent to this type of arrangement. Essentially you are charging your players a price to play your game but they have no way of knowing what price they are really paying.

Secondary Markets

Facilitating the ability for players to trade hard currency (currency bought with real money) for soft currency (currency acquired by playing the game) or to trade items acquired in the game for currency is a service that is often highly desirable to players. There is nothing unethical about providing this service and in fact this ability often increases the value of the items you sell players since it allows those same players to recoup some of their cost in resale. However, facilitating these trades can allow players to treat each other unethically and, like it or not, puts you in the position of arbitrating these situations. Be prepared to police and manage these player to player trades through policy and design especially if you plan to pair these types of trades with a rare items market.

Dirty UI Tricks

Moving buttons, making it difficult to close windows, or generally tricking players into doing something unintended through purposely making your UI elements confusing inherently violates the ethical guideline of not lying to your players. Even though these tricks are usually employed to extract money from advertisers and not directly from players, they are one of the fastest ways to erode trust and create an unhealthy relationship with your players.

Children

Monetizing a game aimed at children comes with some additional considerations. Children are less capable of making informed and rational purchasing decisions and so monetization of games made for children must take extra steps to make sure they clear an ethical bar for this protected group. A good rule of thumb is to avoid monetizing children altogether. Instead aim all monetization efforts toward parents. This can be achieved by removing opportunities to purchase from the game client or monetizing only through pre-paid cards or physical goods. Avoiding monetization strategies that rely on random chance or complex, nested systems is also a good way to make sure your monetization systems are not too complex for a young audience.

Closing

Ethical monetization is a topic that deserves active and enthusiastic debate in the game design community. As game designers' participation in the monetization of their games becomes more common and more complex the question of ethics and ethical treatment of players will continue to become more important. We encourage game designers to take an active role in establishing and protecting ethical guidelines for monetization to ensure a good experience for our players and to ensure the continued prosperity of our industry. Many of the ideas we presented here may seem basic, even common sense, yet in the rapid iteration and complex trade-offs world of game design it can be easy for best practices to erode. Quality standards that are not clearly defined and diligently applied will not be maintained. We can have a lasting, healthy relationship with our players but we must prioritize it.

Additional Reading

Europe determines that loot boxes are gambling (**Katherine Cross**, on **Verge.com**):
https://www.theverge.com/2017/12/19/16783136/loot-boxes-video-games-gambling-legal

Greg Costikyan's terrific article from **Gamasutra**, 2014:   https://www.gamasutra.com/view/feature/207779/ethical_freetoplay_game_design_.php

Academic paper by **Benedikte Mikkelsen, Christoffer Holmgard and Julian Togelius** (of New York University) suggesting a framework for understanding ethical issues in player modeling:
http://julian.togelius.com/Mikkelsen2017Ethical.pdf

An interesting article in **VentureBeat** about a specific strategy for monetizing a children's game.
https://venturebeat.com/2015/02/19/how-one-mobile-developer-says-it-has-an-ethical-monetization-plan-for-its-kids-game/

A thin blog post, but an interesting point about gambling machines on **Grant's Games**:
https://grantsgames.com/2014/10/02/ethical-monetization/

Beyond monetizing games, there is growing ethical concern that technology can be used to control user behavior, particularly in regards to how they spend their time and attention. This has been labelled the 'attention economy' and has an obvious and direct application to games, particularly mobile games. These next two articles explore the ethical problems associated there. For our purposes, our ethical guidelines listed above should apply to your players' time and attention as well as to their money.

Paul Lewis' excellent article in **TheGuardian** about the implications of the 'attention economy':
https://www.theguardian.com/technology/2017/oct/05/smartphone-addiction-silicon-valley-dystopia

Ethicist and entrepreneur **Tristan Harris** on how technology can be used wrest control of and keep your attention: https://medium.com/@tristanharris/how-technology-hijacks-peoples-minds-from-a-magician-and-google-s-design-ethicist-56d62ef5edf3

A live-blogging of **James William's** talk at a NEXT conference by **Adam Tinworth**: https://nextconf.eu/2017/09/james-williams-distraction-by-design-and-the-attention-moral-crisis/