

Microtransactions in Video Games: Are They Playing Your Child?

By Austin Reese

Would you give a toddler a scratch off ticket? The ideals of the Western mind would scream: “*no way!*” But what if I told you there were digital scratch offs being advertised to your child? A loot box, a type of microtransaction, is a current cancer plaguing the community of parents and consumers alike. It is imperative to the mental wellbeing of our youth that we better regulate microtransactions within video games—they are currently not included in gambling laws, while functioning in the same way. We must dedicate ourselves to this issue if we are to promote a beneficial environment to nurture America’s youth. The future is dependent on clearer laws regarding microtransactions—especially within games rated “for everyone.” We need not purge microtransactions into oblivion, they are within a business’ right of course, but rather have a deeper understanding and responsibility to teach children of the dangers of gambling and how common it is found outside of a casino.

Officially old enough to gamble at a casino, the term “microtransaction” was coined eighteen years ago within a fantasy video game series. Since its release, the model of video game sales has drastically changed. Long gone are the days of arcades and skill-based contests—today's gaming experience is plagued by the inclusion of pay to win mechanics and unfinished publications of entertainment. This is not limited to physical copies of console video games. The next time a parent gives a child a tablet, they should do some research on the applications and games downloaded. Many seemingly free apps are loaded with “one-click” transactions to customize characters, do better in the game, or get rid of advertisements. Most child-lock filters also do not combat this system because microtransactions are not properly regulated within

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current technological systems. The argument surrounding targeted advertisements to children has been around since the invention of Saturday cartoons, but we unthoughtfully treat other sources of entertainment as moot. If anything, microtransactions are more dangerous because children can place the order and receive the “package” instantly—instead of having to ask a parent to “call now.” Microtransactions should be on every parent's radar; they are not going away.

There has been research that indicates that loot boxes “fire” the same reckless parts of the brain as traditional gambling. According to a prominent nursing journal, *Mental Health Nursing*, “The risk-taking findings from our binomial logistic regressions suggest that emerging adults engage in video games for other reasons other than opportunities to take risks...increments in risk-taking behaviors significantly predicted higher odds for gambling engagement, problematic gambling engagement, and problematic gaming engagement” (King et al.). This study shows that emerging adults are not seeking to gamble when partaking in microtransactions while gaming. Furthermore, people are unknowingly sentencing themselves to higher risks of pursuing traditional gambling metrics. A consumer should know these risks in the same way businesses are required to include cancer labels on potentially harmful products—like cigarettes. Moreover, another psychological study surmised that, “The ESRB/PEGI warning [E for everyone] appears to fail in supporting comprehension of what ‘(Includes Random Items)’ means and introducing alternative wordings may improve understanding (i.e., including the term “gambling” in the warning” (Garrett et al. 13). Should consumers expect “Includes Random Items” to equate opening themselves, or their child, up to gambling? This misleading language is one of the biggest issues surrounding microtransactions within gaming. As this study suggests, we must educate ourselves and require companies to truthfully label their products.

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In our current era, we have the inevitable chance of going into quarantine at any given moment. As we have seen with COVID-19, we have pushed into a new threshold of reliance on technology in our everyday lives. A recent study conducted on adolescents in China during the most recent pandemic found, “Nearly 80% of high risk problem gamblers were female...evidence has shown that females have higher stress levels and were more likely to have depression and anxiety compared to males during the COVID-19 pandemic” (Tang et al.). Within a heavily weighted male community, like video games, it is especially alarming that these statistics were found in women during the pandemic. Every academic device can access gaming platforms or applications, how many “new” gamers were founded amongst the necessity and boredom of staying at home? Of those “newfound” gamers, were any of them properly aware of the risks associated with microtransactions in said games? Subsequently published at the Kelley School of Business, “There’s an old saying, ‘you may not be interested in politics, but politics are interested in you.’ The same thing applies here: You may not be interested in gambling regulation, but gambling regulators are interested in you” (Lumb). This issue is integral to our society as we know it. Everyone is an actor, whether they know it or not. Mental health should be in the forefront while we grasp the newest technology—it is clear there is an effect on people, especially marginalized communities.

The weight on the coin purse is an exasperated complaint amongst many consumers when discussing video games. Since their creation, video game consoles have settled around \$200 regardless of inflation. This is a heavy expenditure for many families, and it does not include the actual game, or accessories needed to enjoy the gaming experience. These prices are attributed to video game companies relying on contractual work by *Galactica Media*, a reliable journal of media studies, “working on video games is purely project-based. Once a project is

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finished, the employees working on it are completely brushed aside until they are needed for the next one...The downside is that the price of video games have stayed stagnant throughout the years” (Tan (a) 129). The salary of workers should not be dependent on the buying of consumers. These organizations, which Galactica describes as AAA companies, are well established within the gaming community, and can pay their programmers and voice-actors a living wage, regardless of future sales. On the other side of the spectrum, “freemium” games also have a microtransaction illness encroaching upon the market found within tablets. Application games disguise themselves as free to play to garner support and the most downloads possible. As any tablet-owning person can attest, many of these applications require cryptocurrency to speed wait times, real life money to get rid of a molestation of advertisements, and subscription-based online play—to link up with friends.

Conversely, there have been studies that suggest social impacts, frequency of microtransactions spending by friends and online social media influencers, are a greater motivation than the biological symptoms of gambling. According to a study published in *Addictive Behaviors*, “Those who spent higher amounts were older and more likely to use more payment methods... and the perception of game items as representing good value for money” (King et al. 5). A consumer should be allowed to use their wage in any way that suits them—such is the American way. This finding does not however excuse the outliers of younger participants and the previous findings of biological harm from microtransactions. *Addictive Behaviors* also writes, “From the perspective of behavioral economics, some loot box purchasing situations may facilitate an escalating financial commitment or sunk cost in pursuit of the desired payout, whereby players may perceive they have invested too much to quit” (King & Delfabbro). Hence, when looking into regulating microtransactions, money already spent should not be

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refunded and the “loot” given should be deemed “retired.” The law should encapsulate all gamers—from the underrepresented children at risk to the hard-working citizen who is supporting their favorite series.

Microtransactional purchases within video games and applications are detrimental to the developmental state of children in our country. It is critical to the mental and financial well-being of our youth, that we update regulations to impede the encroachment of microtransactions in all forms of media—including, but not limited to, video games and applications. These regulations should not be to the detriment of consumers, especially those who are apt enough to understand the transaction, but to better support a positive environment within the business sector of the entertainment industry. Responsibility lies within both the personal and corporate sectors of our society.

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