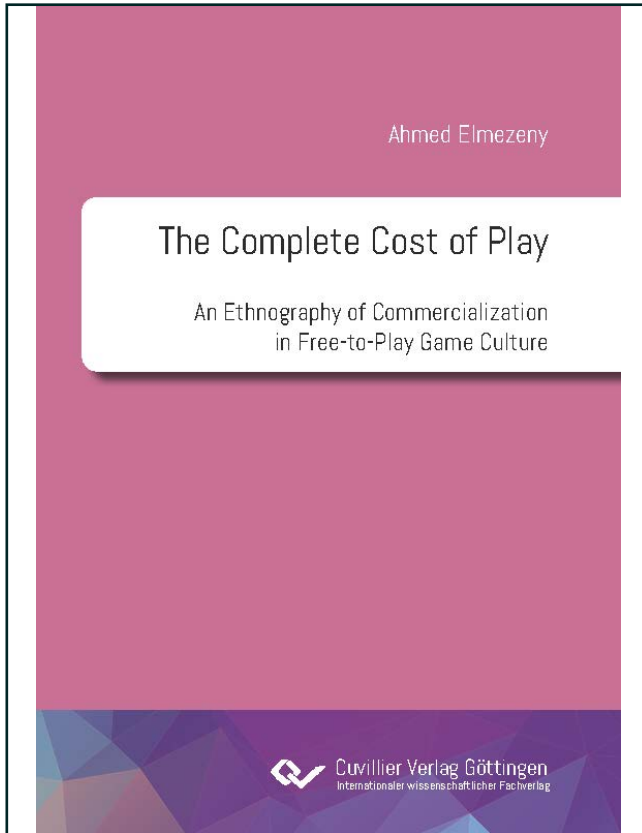




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The Complete Cost of Play

An Ethnography of Commercialization in Free-to-Play Game Culture



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1.0 Introduction

The work presented in this book is an ethnography of a free-to-play game, its players, community and online communication channels. The investigation of this game culture, which is a type of media culture, is conducted to look at a specific meta process: commercialization, or more precisely, the influence of utilizing the free-to-play business model in games.

This ethnography is an empirical work based on the scientific method, characterized by systematic observations, a position of skepticism adopted towards these observations, and the formulation and modification of research questions. Therefore, for the sake of coherence and clarity, the following book includes specific chapters which detail the scientific method adhered to in the current investigation.

1.1. Popularity of Free-to-Play

In recent years, free-to-play gaming has been gaining popularity; it has become quite a common form of entertainment, present in most homes and pockets. This could be attributed to several factors, including modern developments in handheld and phone technologies, but it could also be credited to the widespread usage of smartphone devices worldwide.

Free-to-play (F2P) games utilize a business model commonly labelled 'freemium' in the business world. Freemium business models can be generally defined as those that provide a combination of products: one at no cost at all, and the other for different prices (Pujol, 2010). There are variations of this model, including providing the entire game or all of the software for free, and offering the core game for free, but requiring that in-game purchases or additional downloadable content (DLC) are made at a price. Within most mobile F2P games, the most common form of freemium is one that sees the core game provided for free and gives the user options for in-game purchases. These purchases are commonly referred to as microtransactions, and they are often used for either decorative or functional items that assist the user in the game.

There are several reasons for the popularity of the F2P model in the mobile games market, and, to a certain extent, even the regular console market. Part of the attractiveness of F2P in the games industry is due to a large portion of revenue in the market being generated by game app purchases (Puppe, 2018). While this includes the purchase of actual mobile games, it also covers both onetime and frequent microtransactions in F2P games. Moreover, this revenue does not factor in the amount generated from microtransactions in games which are not considered apps, and therefore do not fit the "game app" label, since there are also a large number of non-mobile games that use the F2P model as well. These include PC games of the battle arena genre, such as Fortnite (Epic Games, 2017), The League of Legends (Riot Games, 2009), Defense of the An-

cients 2 (Valve Corporation, 2013), Heroes of the Storm (Blizzard Entertainment, 2015), and even some Massively Multiplayer Online Role-Playing Games (MMORPGs), like Guild Wars 2 (ArenaNet, 2012), EVE online (CCP Games, 2003), Maple Story 2 (NSquare, 2015) and Runescape (Jagex, 2001). With so many applications across numerous genres, the F2P model has become a common sight in the industry, and not just in the mobile gaming market. F2P games, while causing some debate among game users¹, have been mostly well-received; they have therefore caused the migration of players from the traditional games market, in a movement that started as early as 2004 (Lin & Sun, 2007).

With F2P games generating more revenue than traditional or subscription payment models in the market (Strickland, 2020), they have attracted the attention of both mobile and regular console developers. Most gaming industry professionals have positive stances towards F2P games (Alha, Koskinen, Paavilainen, Hamari & Kinnunen, 2014). In fact, the F2P model has now been implemented by several industry leaders, many of whom would never in the past have considered using the model for their games, the best example of which is Nintendo. While not utilizing the payment model for any of its console games specifically, the industry giant has released several F2P mobile games (in collaboration with smaller developers), which are intended to add to and support their existing intellectual properties. Nintendo's releases, such as Mario Run (Nintendo, 2016), Animal Crossing: Pocket Camp (NDCube, 2017), Pokémon: Go (Niantic, 2016), Pokémon Masters (DenA Co Ltd, 2019) and Fire Emblem Heroes (Intelligent Systems, 2017), are all games which utilize the company's well-established intellectual properties and the freemium business model to cultivate enormous communities of dedicated gamers, while also generating a vast amount of revenue. It was estimated that to date, various F2P Pokémon titles, which include Pokémon Shuffle (Genius Sonority, 2015), Go and Quest (Game Freak, 2018) but not Masters, have generated \$2.5 billion (Cao, 2019). Pokémon Go is by far the most popular, with 550 million global downloads and \$2.45 billion in revenue (ibid).

As illustrated through some of Nintendo's example games, even though F2P games exist on PCs and consoles, they are much more commonly found in the mobile market, by far. One could argue that this is purely because the mobile market has more releases and a higher turnover of games in comparison to the traditional or indie markets, both of which might require more financial investment and labor resources to develop each title. Nevertheless, the flurry of mobile and F2P games in today's gaming market could also be a sign of the casualization of the market, or the growing influx of video-game players, as well as less mentally taxing (in this case, F2P) games that are aimed

¹ For a full overview of discourses and representations of F2P games in game culture, please refer to Subchapter 2.4.5.1.

at them. This transformation began as early as the mid-2000s, with online gaming portals featuring casual games, as opposed to their hardcore and engaging counterparts (Juul, 2010). However, the transformation has recently been picking up even more speed with the increasing penetration of F2P and casual games, a phenomenon that could possibly be attributed to the increasing diffusion of smartphones among individuals worldwide.

The fact that a majority of F2P games are played on mobile phones is another contributory factor to their popularity, due to ease of access. Smartphones are much more portable than consoles or PCs, and usually carried around by individuals throughout the day. This provides a person with several chances to fit a play session into their schedule. It might occur during their commute, while sitting in the waiting room at the doctor's office, or during lunch and coffee breaks. When compared to traditional console games, F2P/mobile games are not only more available, but can also provide a player with shorter and less engaging (casual) play sessions, making them more accessible to most individuals. One final reason that adds to the accessibility of F2P games is in the name itself: it is the price tag, the fact that they are free. Individuals do not have to commit to buying a certain F2P game just to try it out, as they would with console games. Hence, people can download as many F2P games as they like from the iOS and Google Play app stores, sample them and either continue playing them as they are, or make microtransactions to enhance them, if they enjoy the experience. Purchases do not necessarily have to be made in F2P games unless the user is sufficiently invested; this gives any user with a smartphone a vast library of games available to download and experience for free.

1.2. New Generation of Players and Culture

One of the theories posited by this research is that the popularity and spread of F2P games, which can be partially attributed to the casual revolution described by Juul (2010), have created a whole new generation of gamers: both young ones growing up with the influx of F2P games, and new casual gamers recently introduced to the hobby. Compared to players of traditional pay-to-play and subscription games, it can be assumed that this new generation of players also has new playing styles and media practices that reflect the more casual nature and the business model utilized in F2P games, focused on more consumer-oriented play. This research attempts to characterize these players as part of a new subculture: F2P game culture, which could be defined as a slice of overall macro game culture², which it has the potential to change due to the total size of the subculture's population and the available products (games) on the market.

These assumptions regarding what we will term F2P culture, and its placement in overall macro game culture, create gaps in the current state of research that this study hopes to address, both concerning F2P game culture itself and the current or future state of macro game culture. These are gaps that need to be addressed by looking at F2P games and the various new media and cultural practices which accompany them. One such practice is virtual consumption. While capital accumulation is central to many games, and the process of purchasing items with fictional money might also be quite common, in F2P games, most virtual consumption usually comes at the expense of real money, which has "forced a re-evaluation of the status of fantastical consumption play," (Lehdonvirta, Willska & Johnson, 2009, p.1060). The real money trade of virtual assets (Lehdonvirta, 2005) paves the way for several phenomena that had not existed before in traditional games and their cultures, which should be analyzed to better understand F2P games and both their own and regular game cultures. For example, individuals will invariably interact differently and assign different (perhaps changeable) value or meaning to the virtual or digital objects they purchase, depending on whether or not the purchase is made with real money. While there have been some observational studies made on the matter regarding certain games, such as Farmville (Gruning, 2013), or Habbo Hotel (Lehdonvirta, et al., 2009), detailed studies that address virtual objects in free-to-play games, and how they interact with other cultural practices, have yet to be undertaken. This creates an explicit need to explore how players perceive and interact with objects in this game genre (Gruning, 2013).

Some virtual objects that can be purchased in F2P games largely perform decorative functions; however, most of the items purchased in these games provide some form of

² For a detailed definition of game culture on the macro, micro and meso level, please refer to Subchapter 2.2

functional benefit. Depending on the game's design, purchasing benefits can become instrumental to victory in the game, and a central strategy for many players. Known as Pay-to-Win (P2W), this is a new sort of cultural practice that is unique to F2P games and results from their business model (Jordan, Wayne, Silva & Rosenbaum, 2016), which is yet to be thoroughly explored in game studies, or media and communication science literature.

It is evident that several aspects of F2P gaming focus on spending, and this is why numerous academics have raised the need for further research on various aspects of this matter. Alha et al. (2014), after speaking to gaming professionals, note that aggressive monetization in these games is seen as negative, and state there is a need for research on the ethically questionable subject of those who might spend too much. Jordan et al. (2016) echo these thoughts, noting that the model is yet to be domesticated, with unethical use being rampant. In the same vein, Evans (2015) states that there is a need for media and cultural studies to "consider the social, cultural, economic and political implications of impatience," (p.563) something frequently capitalized upon in these games to incentivize purchasing. For all these reasons, one could argue that F2P still needs proper regulatory procedures, which can only be achieved through the adequate examination of player and industry habits (Woodford, 2013).

In light of all these new cultural practices brought on by F2P games, and the business model itself, it is important to distinguish the transformations that are being made to individuals and gaming communities in various cultural contexts. F2P's repercussions on gameplay, an individual's identity, and the gaming community as a whole should also be thoroughly examined in light of its unique business approach, which is quite distinct from the traditional games that preceded it. One should be asking whether the different ways of play and various new practices introduced by F2P have led to the rise of a new culture altogether (F2P subculture), or to a transformation of the overall macro game culture instead. A change in ways of play and gameplay styles can, after all, also indicate a change in digital media culture itself (Evans, 2015, p.565).

Hence, there is a research gap that needs to be addressed, looking at the change in gameplay, and specifically looking at whether there is a trend towards more commercialized and consumer-oriented playstyles in the overall macro game culture. This needs to be further explored through observing the impact of the F2P business model on overall game culture. For example, is the business model transforming the practices of the entire industry? With the influx of F2P games, an entire future generation of individuals now exists that have started their gaming careers with these sorts of games. These individuals have arguably been exposed to a specific type of experience that is of a more consumer-oriented or commercialized nature than pre-existing, collaborative games. Therefore, when this new generation of gamers moves from F2P games into

traditional pay-to-play gaming spheres, they will bring their expectations of F2P games with them. To accommodate and cater to this rising generation of new audiences, perhaps producers and developers might begin to integrate characteristics from F2P games into traditional ones, or even focus entirely on creating F2P games with different levels of detail and complexity.

To a certain degree this trend can already be observed in the gaming industry, with developers borrowing certain characteristics from F2P games (P2W elements, seasonal content or even microtransactions) and utilizing them for pay-to-play games and triple-A titles. Examples of these types of games are abundant. One very recent example is *Mortal Kombat 11* (NetherRealm Studios, 2019) on the Nintendo Switch, which encourages microtransactions to unlock additional items and skins after its initial box price. One publisher and developer notorious for implementing these kinds of microtransactions in their already-purchased games is Electronic Arts (EA). EA games such as *Star Wars Battle Front II* (DICE, 2017) or their sports games series like FIFA, NBA and Madden (but especially *Battlefront II*, which caused huge controversies after its initial release) have all garnered negative user and media attention for utilizing microtransactions to offer additional content that should ideally have been part of the main software, especially since players essentially spend €60 to purchase the game. Therefore, it is important to investigate the impact of the current F2P trend on the overall game industry, and to do so, this study proposes an approach that attempts to typify F2P game culture(s), their characteristics, and what possible influences they could have on overall macro game culture.

1.3. Addressing Gaps in Media and Game Culture Research

This research also attempts to address a few gaps in literature concerning media/game cultures. As mentioned previously, sparse literature exists focusing on free-to-play culture, in both media and communication science and game studies research. Most existing literature researching free-to-play games observes specific game practices, like purchasing, the games image in public discourse, or certain game mechanics. There has yet to be a study that observes multiple aspects and contexts of free-to-play gaming simultaneously, attempting a comprehensive approach by studying the culture as a whole. This study attempts to address this gap through applying specific theoretical frameworks that observe free-to-play games in several possible contexts. More importantly, through a detailed ethnography of free-to-play culture, this study is able to bolster and update existing literature and theories on media culture. Through this research, one can document the new cultural practice of microtransactions, as well as other financial aspects (such as payment or budgeting), exploring how these practices relate to cultural manifestations.

Finally, as a consequence of investigating the financial aspect of free-to-play game culture, and how they relate to the identity of gamers or their gameplay, the role of the payment model in the value and meaning generated through media products (e.g. games) can be examined. This study hopes to expand on this literature, exploring how players feel about, and identify with their virtual goods or properties, and how their spending behavior influences these feelings.

The next chapter introduces the theoretical framework utilized in this study, highlighting primary theories and the core structure utilized in the investigation of free-to-play games and their culture. Afterwards, the research questions are introduced and explained in detail, clarifying the specific wording and scope covered by the question. The methods are then specified in details and background information is provided about the game selected for the ethnography, as well as the developer. The findings are then presented, and their implications are discussed in a subsequent chapter. Finally, the last chapter provides a wrap-up of the research along with an examination of its limitations and suggestions for possible future research.

2.0 The Cultures of Free-to-Play

The study of games has become increasingly common in recent years and for good reason: today, games are an established form of entertainment culture and have become a staple of the lives of individuals all over the world (Paavilainen et al., 2016). In Germany alone, there are a reported 34 million self-identified gamers, which constitutes around half of the entire population aged over 14 (Wilken, 2016).

The recent surge in videogame players can be attributed to the casualization of the gaming market, described by Juul (2012) as the ‘casual revolution’ in game culture. This process describes the growing market for casual games as beginning in the mid-2000s, as people began frequenting online game portals. Casual games can be differentiated from classically defined ‘hardcore’ games because they tend to have positive fiction, their gamers require less knowledge to play, and the games themselves need less of a time investment (Juul, 2012). One contributing factor to this casualization is considered to be the development and spread of mobile technology (Evans, 2015). With the spread of smart phones, individuals are now able to download countless apps on their phones that provide ‘casual’ gameplay, and that utilize both familiar and new economic strategies (ibid). Since casual game apps have become so common, monetization strategies are seen to be a “foundational ethos of the casual gaming market,” (ibid. p. 578) helping competitors differentiate themselves and encouraging use of their products.

In addition to new economic models, like free-to-play, the casual revolution also brought about novel phenomena in gameplay. Villi Lehdonvirta (2005, 2009) documents one such phenomenon in his research on the real money trade of virtual assets. With so many different monetization strategies implemented in today’s games, the purchasing of virtual assets (in both casual and hardcore games) has become normalized. Lehdonvirta (2005) analyzes how users feel about this sort of transaction, stating that it has the potential to break the magic circle³ by helping players obtain assets that circumvent the rules; hence, some gamers consider virtual asset purchases a form of cheating (Lehdonvirta, 2005). Nevertheless, these opinions have not stopped the development of these transactions, and in recent years, “it has become increasingly common for virtual goods circulated in consumption games to be exchangeable for real money,” (Lehdonvirta et al., 2009, p. 1059). The popularity of these payments, and other variations of the free-to-play model, has changed how the players of these games think about digital objects (Gruning, 2013). In addition to functional value, players also attach symbolic value to their digital goods (ibid), making them essential to social or identification practices of players and emphasizing the virtual game world as a much more con-

³ For a detailed definition of the magic circle see Subchapter 2.4.3.5.

crete part of real life. These new phenomena, which were not present in the days of classic box purchases of games, are not only changing the consumption of the game medium, but also overall game culture.

Casual games come in a variety of formats, platforms and genres, each catering to a different audience and gaming need, while utilizing different business models (Paavilainen et al., 2016). However, today most casual games tend to be synonymous with free-to-play games.