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Hidden Gambling Addiction in Online Video Games

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Abstract: With the wide availability of personal computers and smart phones, today's young generation are spending several hours a day playing online video games and socializing. The modern video game publishers are trying to take advantage of this rapidly growing industry by releasing new and new methods for players to spend their real money on video games. The loot boxes are a new type of treasure chests which can be bought for real money. After the purchase, players are getting a randomly selected item which most of the time is worthless, so they lost their spent money, but with a small chance it is very valuable, so they won the jackpot. This new method of moneymaking is working just the same as the classical slot machines or scratch cards which are strictly forbidden for children. So, the question is, can loot boxes cause the same type of gambling addiction as the classical forms of gambling? and if yes, why can the young generation freely purchase them in basically any video game?

Keywords: gambling, children, lootboxes, addiction

1 Introduction

In the last two decades video games are getting more and more attention from the young and the adult as well. Playing video games became a standard to spend our free time after tiring days, hopping into virtually created universes and chatting with our friends online. Most of the young generation is spending its free time online on social media sites and with playing online games with their friends. Even multinational corporations started to see the potential in the rapidly growing player base of online video games. These companies started to invest into the gaming industry by buying out smaller developer teams and starting to employ them in their huge projects. These large companies' main goal was not anymore to create fun and entertaining games but to search for methods in order to make the biggest revenue possible on this very fresh field.

These companies started to reformat the gaming industry by starting to sell more and more content to games which could be purchased separately from the base game. In-game virtual money and other accessories appeared which could only be



bought by spending real money on them. Developing new and quality games is a very long and consuming process for developing teams so the goal was to keep players playing with the given game as long as possible by releasing new and new content overtime which had to be bought separately. In 2016 we finally reach the base of this research and the newest invention of the gaming industry which legality for young children is considered undecided to this very day.

2 Lootboxes

To better understand the researched topic, let us see a small example how this new sales technique works. Let us imagine that we are walking in an ordinary clothes store. We can see the clothes that can be purchased in every size and color. There are cheap T-shirts, skirts and leggings and there are very expensive dresses and suits as well. The catch is that we cannot try the clothes on anymore nor can we decide which one we would like to buy in which color. The only option is to buy a locked box on a given price which will contain one of the clothes from the store. The cloth which we will find in the box is chosen completely randomly. There is no way to predetermine which cloth are we going to get. With a very high chance we get a cloth from the cheap section and we lose our money because the cloth worth less than the money we spent on purchasing box, but with a very low chance and luck we can get one of the expensive clothes and we made profit because this one is worth lot more than the box.

Even though we got the most expensive skirt, there is a chance that we did not want that one or we wanted it in another color, so we must keep spending money and opening boxes until we get the one, we wanted in the first place. This overall, leads to spending more money on getting the wanted piece of cloth than we would have spent if we could just buy it straight up.

Lootboxes, first appeared in online video games in 2016 and they work exactly just like the example above. In most of the games, players could already spend real money in order to buy virtual items for their in-game characters but the lootboxes locked these purchasable items into boxes so players have to roll the wheel of fortune every time they want to get something new for their characters.

This means that young children who are still very far away from the age of eighteen can spend their or their parent's hard-earned money in online video games to open crates without exactly knowing that what will be inside them. The boxes will most likely contain a worthless item so the player lost its money or there is a very low chance the player will find something expensive and useful in them. The value of these items contained by the boxes based on their rarity are spreading out between completely worthless and more thousand real life dollars.



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So, the question is given, can we call the lootboxes an official form of gambling based on the facts that the player is paying real money on a chance to win something. The lootboxes found in online video games has the same aspects in every way just as the classical and well-known lottery tickets which purchase is strictly forbidden for children under the age of eighteen in Hungary. How is it possible then, that the lootboxes do not fall in any kind of gambling regulation? Is it possible for them to cause addiction in young children just as the classical forms of gambling can even in responsible adults?

3 Secondary research

The topic researched by me was closely inspected by Professor Mark D. Griffith in the last three years in England. He started his research in order to find an answer to the fact that in Great Britain after several years of decreasing, the number of young children suffering from gambling addiction started to grow again in 2017. The correlation was very hard to prove between the appearance of lootboxes in 2016 and the growing number of young gambling addicts, but he continued his research, and the connection is obvious by now. Professor Griffith states that children who are able to get their hands-on games which contains features of gambling are more likely to return to the classical form of gambling when they get older. The problem is that despite the virtual world, forms of classical gambling are much less forgiving, and these people can find themselves in a very bad situation, very fast. Its sadly proven that gambling addiction can lead to problems of financing and aggression problems, tearing families apart and destroying lives. (Griffith, 2018)

In several countries the questionable side effects of lootboxes had been inspected by the government and worried groups of parents. Survey's asking children in the United Kingdom about their gaming and online spending habits, showed that 93% of the young generation spends their time playing with video games every day of the week. The asked more than seven thousand children spends 300 pounds on average on video games annually. (Parentzone, 2019)

Children had the opportunity to share their thoughts on the topic as well and I found it important to highlight two children from this sea of very interesting opinions because these two children showed me the biggest problems with lootboxes. The 10 years old Nina feels like that spending money on video games is basically mandatory for her, because she feels like that her friends and other players are looking down on her if she does not play with one of the newest available accessories all the time. The 16 years old, FIFA player (Soccer game), Tim is completely aware of what he is doing is gambling. He spends money and he gets something useful or he just completely wasted it. Every week the game provides



him lootboxes that are free to open. On these days he cannot think about anything else in the school until he gets home and get to know what he got from the boxes.

3.1 Motivation to spend money

The method of opening lootboxes is often like rolling a wheel of fortune. The players can see the items that could have been won, but of course the wheel in the end stops on something very common and worthless. The system got perfected through the years, every aspect of opening lootboxes motivates players to purchase more and more of them. The players constantly ask themselves, what if the next one will contain something good? In the end the constant urge to spend money on something unsure can be already titled as gambling addiction. The rare and expensive items owned by other players can cause envy and desire in the other team members. The players admire rare virtual items, just as men cannot look away if they see an expensive sports car on the street.

Large game publishers are taking advantage of holidays and special events through the year to sell rare items that are only available under given periods. This means that gamers under these holidays are even more motivated to spend money on these special boxes, because these items will not return to the shops again. Players can get quantitative discounts if they are willing to buy large numbers of boxes at the same time. This would seem like that the player saved money, but this just involves them in gambling even more. They will most likely open the already purchased boxes even faster than they would have been if they had to buy them individually.

The randomness of getting items from these mysterious boxes gives the players a type of constant excitement and hope of getting something valuable. There is always a slight chance to get one of the rarest items of course, as there is a chance to win the lottery as well in real life, but this chance is so slight that it can be tagged as basically giving false hope to most people. After opening hundreds and hundreds of boxes the player will only remember the one crate which contained the most desired item for them. The cognitive dissonance means that the player will convince themselves that money spent on the item was worth it even though the spent amount is much higher than the value of it. This is the biggest threat of purchasing lootboxes, the player is never precisely aware of the value earned from the boxes and it is very hard to keep track of the spent amount of money overall.

3.2 Steps in order to protect children

In many countries, like in Belgium the government already decided and banned lootboxes from online video games. Games that contain lootboxes that can be purchased for real money cannot be published in Belgium. Germany and many other countries started their own investigation in the Lootbox topic in late 2019 and 2020,



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but in Hungary there is still no precise regulation about this new form of gambling. The Hungarian law of gambling still does not contain anything about online forms of gambling in video games not even at the level of mentioning.

4 Primer research

So, the problem is given, summarizing the secondary research, it turned out that the younger generations spend several hours playing video games daily and socializing with online friends. Capitalizing on the growing number of video game players the publisher's companies moved from selling separate games on fix prices to micro-transactions, side contents, and other marketing techniques to keep the players playing the same game and make them spending money on it on a regular basis. The appearance of lootboxes caused the biggest disagreement in gaming history yet, and it is still undecided in several countries that they can cause harms to children or not. They could be responsible to the again growing number of gambling addiction in Great Britain. Based on the described research above, the children can be in huge danger because most likely their parents do not even know about this new kind of threat nor about what are their children spending money on exactly. The bases of the problem could be the lack of communication between children and parent about the online world and the lack of information that parents have about this dangerous virtual universe.

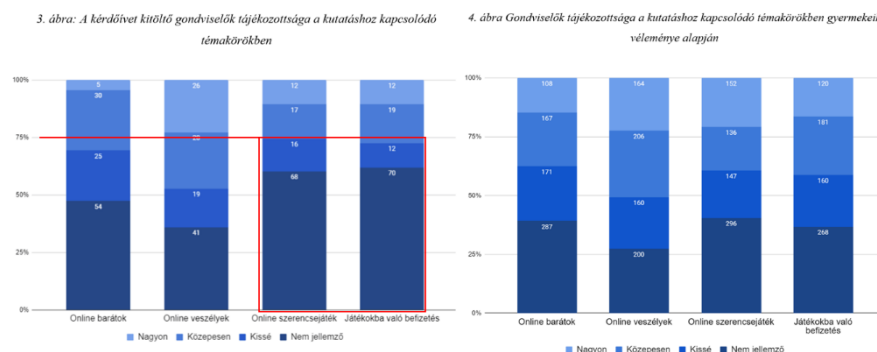
My goal was to discover the gaming and spending habits of children and the amount of communication with their parents about given topics within the subject of online video games. My other aim was to question the parents about their knowledge and experience in the online world and to see whether they heard about the expression "lootboxes" at all. In the end the sent-out survey managed to get more than 980 children's answers and information from up to 120 adults with smaller children.

4.1 The results

From the results it can be said in general that 99,5% of the people completed the survey plays with video games on a frequent basis. Up to half of them plays video games several hours a day and about 25% of them spends real money on video games at least once a month. 31,2%, so about the third of them used to purchase lootboxes.

4.2 Parental control

The survey examined in detail the parental awareness and the frequency of communication with their children. The given topics in which they could rate themselves between not informed and well informed were, online friends, online threats, online gambling and purchasing in game content in video games. The results were shocking. In the most important, online gambling and purchasing in game content topics, 75% of adults checked in the not or very a little bit informed options and the children valued their parents experience about the same as well. 85% of parents never heard about the expression “Lootbox” ever before.



1. picture: Parental knowledge on the given topics

1. Source: Own editing

4.3 Frequency of communication

Children who completed the survey could rate the amount of communication between them and their parents about the topics given before. From the answers from 980 children from Hungary it turned out that at least 65% of them in every given topic is never or very rarely communicating with their parents. This most likely means that parents in most cases do not know precisely what their children are playing, who are they playing with, or what they are spending the money on which they ask for from time to time.

With a correlation analysis I searched the strength of the connection between parent's amount of information in the given topics and the frequency of communication with their children. Based on the answers the Cramer coefficient gave a 0,2339 value. This value means that the connection cannot be proven only based on this analysis, but from the perspective of the research this number is significant and indicates a clear connection between the two examined aspects. If the adult does not have the necessary information about the online world and its threats, there is a bigger chance that the adult will not communicate with the



children about it. Of course, how could we defend someone from a threat we do not even know existed. How could the parents defend their children from the dangers of lootboxes if they never heard about them before?

4.4 Motivation to spend money

The third series of questions in the survey were focusing on the motivation of spending money on online video games. From the research it was given that players often spend money to lower the envy and longing for given objects that they see in the game owned by other players. In contrast, analyzing the answers given by the Hungarian players it seemed like this is not the case in Hungary. Most of the players are spending money on video games to get one given item they want or to try their luck in making profit from opening boxes. This was obvious that the survey was mostly answered by children who clearly knew what they wanted to get, and this factor motivated them mostly to spend money on given games.

It is important to mention that about 5% of children felt like they are being pressured to spend money on lootboxes. These players feel a constant urge to purchase loot boxes and open them in order to get something rare and valuable. This group of children may be getting closer and closer to gambling addiction and would require immediate help from their parents, but the case was here the same as well as earlier. Filtering the multitude by these children it turned out that more than 60% of their parents has zero or very little experience and knowledge about online games and the online universe in a whole.

4.5 Lessons learned

From the answers of the survey, it turned out that the amount of information that the parents have about the researched topics is by far from satisfactory. The results from the questionnaire pointed out that in most of the cases parents are not informed well about the trends of the online world and they tend to communicate very rarely with their children about what is happening exactly in their online games. There is no doubt that the young generation knows the online universe the best, but sadly this does not mean they can already protect themselves from every danger that threatens them. The frequent communication with children and the constant interest in the gaming world from the parent's side could be the solution for parents to get information about this rapidly changing environment and with their experienced knowledge reveal the threats that may have a huge impact on their valets and their child's life later.

5 Conclusion

After several years of opposition and studies against lootboxes, countries started to ban them from video games, but the publishers still say that lootboxes cannot be called gambling because players always get something from the boxes even if its worthless in contrast to the classical forms of gambling. This long-lasting argument between worried parents, the government and game publishers still put the lootboxes in an undecided position where their purchase is allowed even for the young. The goal of this research was to open the eyes of the parents in Hungary and direct their attention to this new kind of threat that dangers their children. Frequent and curious communication with the children about their games they are playing, would be the easiest and at hand solution to protect them and to reveal the dangerous catches of online games. In order to alert parents this research was already presented on several Hungarian and foreign conferences as well as published in magazines for parents with young children.

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