Discussion: Games and Gamification
Gamification and Gambling Mechanics

• Gamification is the process of introducing “game mechanics” into everyday applications to increase user retention and involvement
  • Usually centered around badges, achievements, leaderboards etc
  • Distills games down to “rewards for user effort”

• Gambling mechanics allow player to vie for a great reward by placing a relatively small bet
  • Elements of chance and high payoff
  • Success results in a large dopamine reward that can become addictive (similar to drug use)
  • The act of “pulling a slot machine lever” has inherent dopamine rewards as well

• Free-to-play games often centered around both gamification (investment of time rather than skill) and/or gambling (high levels of RNG)
Gambling and Regulations

• Most countries highly regulate gambling
  • Loot boxes and gambling mechanics are in a gray area legally as rewards are virtual rather than physical

• China and South Korea requires loot box mechanics to reveal odds of all virtual items

• China does not allow the sale of loot boxes for real money
  • Considered “virtual lottery tickets”
  • Can give loot boxes as “gifts” with the purchase of other virtual items

• Australia considering restricting sale of games with gambling mechanics to children under 18

• Netherlands and Belgium determined loot boxes violate their existing gambling laws
  • Belgium investigating EA for involvement in illegal activity

• US Federal Trade Commission (FTC) currently investigating loot boxes as gambling mechanics
I-Clicker Question

• How should US legislation change regarding gambling mechanics in video games

A. US should not legislate such games
B. US should restrict such game purchases to adults of legal age to gamble
C. US should require games to reveal odds as with lottery tickets
D. US should not allow real money transactions for accessing gambling mechanics
E. US should require some combination of B, C, and D
Mental Health and Gaming

• American Psychiatric Association publishes the Diagnostic and Statistical Manual of Mental Disorders (DSM) to help with diagnosing mental health issues

• The DSM-5 (published in 2013) recognized gambling disorder as a mental disorder
  • Only behavioral addiction recognized in DSM
  • Addictions general substance-based

• The DSM-5 recommended further research into Internet gaming disorder to determine if addiction to online video games constitutes a mental health condition
What are Whales?

- Whales are small percentage of player population that make up majority of free-to-play game revenue in spending
  - Usually have some form of gambling addiction
  - Can lose their money and their relationships to predatory game design decisions
Why Exploit Whales?

• Free to play games need to make money somehow
  • Games are expensive and risky to create
• Many players are unwilling to spend money on game – hence the rise of “free-to-play” mechanics
• Free-to-play mechanics coming full circle and being reintroduced into more traditional games
What does this suggest for broader gamification?
I-Clicker Question

• How should companies approach mental health issues associated with gamification reward systems?

A. Companies do not need to consider potential for gambling addiction
B. Companies should restrict such gamification mechanics to adults of legal age to gamble
C. Companies should reduce rewards to reduce likelihood of addiction
D. Companies should only use gamification mechanics when designing systems to “better” the user
E. Companies should do some combination of B, C, and D
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