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PLAYER PERCEPTIONS OF LOOT BOXES AND BATTLE PASSES

Exploring how monetization strategies have affected player
perceptions of monetization

ABSTRACT

Aleksi Ahonen: Player Perceptions of Battle Passes and Loot Boxes
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This paper explores the different player perceptions of battle passes and loot boxes in the video game industry. Appearing in different forms throughout the history of video games, the concept of generating revenue for games has been ever-changing. From the early stages of being a hobby and giving out free copies to entice players to possibly purchase the full edition, to the current stages of selling fractions of a full game through mystery boxes, we have seen immense changes in the different ways that companies attempt to generate money from their games. Player perceptions of loot boxes and battle passes have also changed due to the variety of ways games are monetized. Despite the popularity of many of these strategies, there are people who hold differing views than what could be considered as the mainstream belief, and research that attempts to investigate these perceptions are often focused on differing aims.

This thesis attempts to find these voices and to explore, analyze and understand how these loot boxes and battle passes are making people feel through qualitative and qualitative means of analysis. The work shows the broadness of opinions of what these monetization strategies are to people, how they interact with them and how it changes the way they feel about video games and video game companies. The main claims of this dissertation focus on the themes found within the thematic analysis. These themes help provide a holistic view of what this group of participants feel were the most relevant beliefs for current monetization strategies. Corporate Greed, Fairness, Meaningful Rewards and Exhaustion were the most prevalent themes. The results showed that the participants had negative beliefs and opinions about the current status quo of monetization strategies due to the problems that they bring with them. Loot boxes and battle passes, while effective, can be damaging to the game experience by creating an artificial paywall for content. While there are people who appreciate these inclusions, they often come at a cost. In this case, this cost is the experience of the player.

The concept of monetization strategies are an integral part of the games industry and games. Companies require revenue to create games, and the current methods are extremely effective. The complaints seen within this group of participants are valid, but they only represent a small group that cannot be easily generalized to a larger number of players. But it is important to understand that these feelings and beliefs exist to be able to see the deeper impact of these monetization strategies.

Keywords: Monetization, Loot Box, Battle Pass, Player Perception

The originality of this thesis has been checked using the Turnitin OriginalityCheck service.

Preface

As I write this preface, there are a lot of people I would want to thank. First and foremost, my supervisor. My deepest and most heartfelt thank you goes to Kati Alha for helping me through this process. This thesis went far smoother than I could have ever wished thanks to you. I owe thanks to people from the university who helped me along the way, Jaakko Stenros and Frans Mäyrä for their efforts of providing help and corrections when needed during the continuation seminars, as well as all my university compatriots who had the misfortune of reading my drafts. I also owe thanks to a large amount of my friends for helping me through this process. To all the people that took my survey, to all the friends who kept pushing me through the thesis, and to my mom, thank you. I would write your names here, but you know how it is with me.

I started writing this thesis while I was still doing my compulsory military service, and this thesis felt like an escape from the mind-numbing daily routines that we did. It gave me something to look forward to while I was knee deep in a muddy hole for three hours. It felt like a blessing being able to sit down and discuss university projects and courses after some hellish times, especially to help soothe my completely destroyed feet.

Thank you.

Tampere, April, 2022

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Table of Contents

Contents

1. INTRODUCTION	5
2. BACKGROUND	7
2.1 History of Microtransactions	7
2.2 Loot Boxes	9
2.3 Battle Pass	10
2.4 Justifications and Motivations for Microtransactions	11
2.5 Player Perceptions of Monetization Strategies	12
3. MICROTRANSACTION LITERATURE REVIEW	15
3.1 Loot Box	15
3.2 Battle Pass	16
4. METHODOLOGY	19
4.1 Data Collection	19
4.2 Thematic Analysis	22
5. RESULTS	24
5.1 Likert-scale responses	24
5.2 Open-ended question responses	30
5.3 Corporate Greed	30
5.4 Fairness	32
5.5 Meaningful Rewards	34
5.6 Exhaustion	35
6. DISCUSSION	38
6.1 Fair play and time spent	38
6.2 The importance of cosmetics and how corporations abuse it	40
7. CONCLUSION	42
REFERENCES	44
APPENDIX	48

1. INTRODUCTION

Monetization in video games is an important aspect of video game development and has been a crucial point ever since the first commercial video games were published and sold. What is the value of a video game? What should the price of a video game be? These are some of the different aspects of the current discussion regarding monetization. The choices that developers and publishers make for monetization are important aspects of how games can be perceived by people. These choices are influential in how players perceive the games they play, and they are often the topic of discussion within this area. This perception is important in a variety of ways due to how impactful it can be on the public outlook of a game.

Within video games, there are different monetization strategies that are being used. The currently popular monetization strategies being used in video games are Loot Boxes, in-game virtual boxes that contain random loot and Battle Passes, tiered-lists of rewards that players can earn items from. These strategies are prevalent in a large variety of different and are often the main form of monetization. Player perception is an important aspect of how these monetization strategy's function, if players feel that the monetization is unfair, then it could be likely that they will not make any purchases or worse, simply stop playing the game if they feel that the developers are prioritizing revenue over their player base. However, regardless of this, these monetization methods have been proven to be effective in generating revenue regardless of player perceptions.

This thesis will investigate how monetization has warped and changed over the years to fit with the current trends in video games and the effectiveness of these monetization strategies. These monetization strategies are found in a variety of games due to how efficient they are at generating revenue. Revenue is an important part of the game industry as games often require money to be created and are often created with the expectation of producing revenue by being sold. These monetization strategies mentioned previously function as a strategy of generating revenue after a game has already been sold as the main methods of generating revenue. Games-as-a-service is the term for games that provide content in a long-term way by creating content over time. This method generates their profits through different monetization strategies such as microtransactions or battle passes.

The research aspect of this paper will be looking into player feelings regarding these monetization strategies, specifically aimed at finding out the different player beliefs and how they feel about and perceive the strategies. With new monetization strategies being created over time, it is important to research them to understand what they do, how they do it and why they do it. With the games industry growing at a rapid pace, it is crucial that any new monetization strategies get thoroughly researched to gauge the possible effects that they could have on the world. Research has explored the different effects of loot boxes and found connections between them and a variety of gambling related problems (Russell et al., 2020; Brady & Prentice, 2020; Larche et al., 2019; Drummond *et al*, 2020).

By adding to the literature in this field, this thesis can help researchers by providing research in this area so they can focus their efforts on future research in this area. Therefore, the importance of this specific topic and thesis can be understood as being crucial for the future of monetization strategy research and the effects of these strategies on player perceptions. Within this thesis, some significant events that will be mentioned are often related to outcry, therefore acknowledging that this is one way to find discourse is fruitful. The research question for this thesis is “What is the current player perception for online video game monetization strategies?”. This question encompasses the purpose of this thesis and forms the point of inquiry for the research. By attempting to find the answer to this question, it will help reveal the different aspects and inner workings of monetization and how players perceive it. It can provide crucial information for game developers to understand how their players might feel about their monetization strategies and to better sympathize with how it feels to be a player who is exposed to such machinations.

This topic is a close to me personally, as I was active in gaming when loot boxes started appearing in many Western games that I was playing, so being affected by them from the very beginning has had an impact on my impressions of developers and publishers when it comes to the usage of this specific monetization strategy. I have played a large variety of games that include these strategies for significant amounts of time and invested my own time into understanding them. From the first major instances of loot boxes in the west in 2010 in *Team Fortress 2* to the introduction of the battle pass in 2013 in *DOTA 2*, I have been interested in these different monetization strategies, understanding how they work and why they work in their respective games. I have purchased loot boxes within games such as the previously mentioned *Team Fortress 2* and *DOTA 2*; I have purchased and completed multiple battle passes in games such as *Call of Duty: Modern Warfare* and *Genshin Impact*

2. BACKGROUND

To begin, this chapter revolves around exploring the background of this topic. Chapter 2.1 investigates the history of microtransactions in a general sense, specifically aimed at investigating different forms of microtransactions and how they were shaped by trends within the game industry. This section also explores microtransactions, what they are and how they function. Chapter 2.2 specifically looks at loot boxes, battle passes and distinguishing how they function, and how the player can interact with them. Chapter 2.3 looks at the effectiveness of these strategies through an economic lens to understand why they work and how effective they are at generating revenue. This discussion focuses on examining the different aspects of monetization by going for a holistic perspective of the entire topic to thoroughly understand all the different factors at play within this area of research. Chapter 2.4 introduces the current research that explores the public perception of monetization strategies and what the literature currently explores for this topic.

2.1 History of Microtransactions

Historical analysis of the shifting trends within the game industry for microtransaction strategies provide an in-depth look into how these strategies became so prevalent within the game industry. Microtransactions in this context are defined as in-game purchases for in-game items, often small, one-time payments. Historically, microtransactions were seen in the 2000's in online communities such as *Habbo Hotel* or *Second Life*, where players were able to purchase a premium currency with real-life money and use this currency to use within the in-game shop for cosmetic items (Berlo & Liblik, 2016). At the start of the 2010's, a variety of free-to-play mobile games appeared that could be argued to have pioneered some of the modern microtransaction approaches we are seeing today, *Farmville* and *Clash of Clans*. Both of these games had in-game stores had purchaseable currencies that let the players purchase items that reduced in-game timers (Berlo & Liblik, 2016).

The history of microtransactions has been explored in previous literature through multiple lenses. This is done to provide a holistic, informed look at the different aspects of the history of microtransactions and how they have changed over time. Perks (2019) looks at microtransaction through the lens of criticism. They argue that the average person has more weight to their argument than game critics when discussing the effects of criticism on popular opinion on video games. The

author discusses the shifts within monetization, how 'blockbuster' monetization of earlier years has started to fade while 'free-to-play' monetization alongside other microtransaction monetization strategies are becoming more popular. The article also discusses the history of loot boxes and how public outcry and criticism caused publishers to act while further explaining actions that specific publishers took to combat the criticism. Ball & Fordham (2018) looked at the history of microtransactions while examining how loot box monetization fundamentally influenced game design. In their background section, they provided an in-depth analysis of the origins of loot boxes and how it evolved overtime. Overall, these two articles help explore the current state of how microtransactions have already been analyzed, and how it can go further.

As time went on, microtransactions were becoming a popular choice for developers to have in their games. The reason for this was that it was a simple and effective method of generating revenue after the game has already sold, or if the game is free-to-play (Zendle, 2020). Microtransactions are an extremely effective monetization strategy due to the wide variety of content they can comprise of and their ease of access. By offering players different content that they can use in-game, it offers players who have the money to spend more on their favorite games.

Microtransactions come in a variety of forms based on the games they are in. A popular form of microtransactions are cosmetic items that do not affect gameplay. For example, COD:MW, nearly all the purchasable items are cosmetic, either offering unique skins for characters and unique paint jobs for weapons. They do not offer any inherent advantages to gameplay, which is another important aspect of microtransaction; avoiding giving players the option of paying for power. The term 'pay-to-win' is often discussed in the context of microtransactions and refers to the phenomena when players can purchase in-game items with real-life money that offer significant advantages to their gameplay (Zagal *et al*, 2013).

It is important to recognize that monetization strategies are focused on generating revenue throughout a game's lifecycle. If games are expected to last multiple years, then the 'blockbuster' strategy alone does not provide enough revenue to keep supporting the game, therefore additional strategies need to be implemented. The aforementioned concept of Games as a Service (GaaS) type monetization has become a driving force for how games are monetized

2.2 Loot Boxes

Loot boxes are one of the main monetization strategies that this thesis focuses on. Defined as “video game mechanics that provide randomized rewards” (Xiao, 2022), this form of monetization is popular and seen in a variety of games. The concept of a loot boxes focuses on having a container of some type which contains a randomized item from a list. The list contains a random variety of items of differing quality, with lower quality items being common and higher quality items being extremely rare. They can often vary in different ways in games. Some games give loot boxes through gameplay related means; in *Overwatch*, the player receives a loot box every time they level up for example. Some games require purchase of an item, often a key, to open the container. *Team Fortress 2*, *DOTA 2* and *Counter Strike: Global Offensive* still use this system. This creates a loop where if a player wants a specific item, they are forced to keep opening loot boxes to get lucky and obtain the item they want. Often, these games do not offer ways to get items directly. This problem is exacerbated by the item list being filled with filler items that have low value yet are more common to obtain. During these seasonal events, special, limited time cosmetics were available which was used to drive a feeling of ‘fear of missing out’ in players to encourage them to spend money on loot boxes during this time.

A prominent example of loot boxes in the western sphere was from *Team Fortress 2* after the Mann-Conomy Update in 2010 which then spread into other Valve Software games, such as *DOTA 2* and *Counter Strike: Global Offensive* which to this day still have these loot box systems. *Team Fortress 2* went from being a paid game to free-to-play less than a year after the update that introduced loot boxes and trading, which could be seen as a change to the way Valve planned to continue generating revenue with the game.

The problematic nature of loot boxes as a form of gambling is a topic that has been explored before due to the possible occurrence of children being exposed to loot boxes through video games. Research has found that loot boxes exhibit similar physical and psychological responses as other forms of gambling (Russell *et al*, 2020; Brady & Prentice, 2020; Larche *et al*, 2019; Drummond *et al*, 2020). By not offering direct ways to obtain specific items, its incentives players to keep gambling to get the item they want, which is argued to be “extremely predatory and malicious in design” (Larche *et al*, 2019). Government efforts to examine loot boxes were started and eventually countries such as Belgium and the Netherlands have put out blanket bans on loot boxes in games, arguing that they were a predatory form of gambling in an unregulated industry (Straub, 2020). Many of the games that include loot boxes often purposefully excluded information about the fact that these games contained loot boxes. Games that were often played by young adolescents could have been unintentionally

exposing them to a form of gambling. Arguably, another point of discussion is the idea of parental responsibility of taking care what their children are playing. Parents could be ignorant of the dangers of loot boxes due to the lack of warnings about them, letting children indulge in loot boxes due to a lack of understanding of loot boxes. With recent times, a lot of are opting for different monetization strategies than loot boxes due to the backlash that they have received.

The discussion of loot boxes being a form of gambling is multifaceted, it is important to also understand why they may not be considered a form of gambling in some cases. The French regulatory body ARJEL argued that due to the lack of a real-life value from these virtual items, loot boxes cannot be considered as a form of gambling (Harradence, 2018). However, this is one of the many problems of attempting to justify loot box as a form of gambling. Definitions of gambling may vary based on the body who makes the claim, as there are some definitions where loot boxes fit all the criteria of being a form of gambling (Griffiths, 2018). Arguably, it is more meaningful to look at the effects of loot boxes and compare them with the effects of gambling rather than attempting to argue the semantics. Overall, loot boxes are problematic monetization strategy. While they have shown to be effective at generating revenue, the way that it achieves this can be seen as predatory and dangerous to an extent.

2.3 Battle Pass

Battle passes were seen in 2013 within the game *DOTA 2*, a popular free-to-play game. The Battle pass consists of a tiered-list of in-game rewards, often purely cosmetic but can also include premium currencies. In order to gain these rewards, the players must advance through the tiers by leveling up, which can be achieved by completing in-game missions that provide experience points to level up. Players start at tier 1, and advance tiers by completing missions and obtaining levels through gameplay. Most games that include battle passes split the pass in half, offering a free and a paid version, with the latter offering more rewards overall. Players can purchase the paid version at any time while the battle pass is active and can obtain all of the rewards that they had earned but which were locked away.

The caveat of this system is that in order to get all the rewards. With most battle passes going between 50-100 levels depending on the game, this means the player must be willing the player must often put in a large amount of time into playing the game in order to finish it. Often, the amount of time needed to go up a tier is a significant amount, for example in *COD:MW*, roughly around an hour per level.

Most battle passes do offer a way to skip tiers by paying with real-life currencies or premium currencies to save time. Some battle passes even offer premium currencies as a reward. *COD:MW* offers enough premium currency such that the player would be able to purchase the next battle pass, incentivizing players to get the most of their money by unlocking everything in a battle pass, thus being able to unlock the next battle pass with the premium currency they just acquired. In recent times, battle passes have become more and more common within digital games as a monetization strategy alongside regular microtransactions.

2.4 Justifications and Motivations for Microtransactions

This section explores the economic justifications and motivations for loot boxes and battle passes. In the discussion for the justifications for using specific monetization strategies and the motivations for them, it is important to understand the economics behind these decisions, as well as legal reasons. This chapter will be focusing on looking at the economical justifications and motivations for microtransaction strategies and will use statistics to justify these strategies.

Loot boxes are an extremely profitable form of monetization due to it's the gambling-like mechanics and how it was implemented by the publishers (Batchelor, 2019). By creating a system that is arguably a form of online gambling with a low entry cost, loot boxes became an efficient monetization strategy. Loot boxes are used in a variety of games, offering cosmetic items in most cases. Players could obtain them by either purchasing them or receiving one through gameplay as a random drop, but to open them, it would usually cost money. There are some cases where loot boxes did not require to be purchased or require a key of any kind to open, such as *Overwatch* which gave a loot box every time the player leveled up or during special seasonal events. During these seasonal events, special, limited time cosmetics were available which was used to drive a feeling of 'fear of missing out' in players to encourage them to spend money on loot boxes during this time. Loot boxes alone created profits of over \$1 billion within two years for *Overwatch* (Bailey, 2020). Estimated total revenue for loot boxes is speculated to be around \$160 billion by 2022 (Batchelor, 2019). Player motivations for purchasing loot boxes revolve around the aspects of luck, chance and want; the similar motivations for why people take part in gambling. (Duverge, 2016; Drummond *et al*, 2020; Larche *et al*, 2019). This research provides an insightful look into some of the justification for why loot boxes could be considered as a form of gambling. As mentioned before, arguably it is more meaningful to look at the effects of loot boxes to justify it as a form of gambling rather than argue it through definitions.

Battle Passes as a monetization strategy work by giving players in-game goals for them to achieve in order to gain rewards. One way of looking at this system is that it possibly increases player retention by offering limited-time items that will be impossible to earn after the pass is complete. This would create a sense of ‘fear of missing out’ (FOMO), which has been used as a marketing tactic (Hodgkinson, 2016). In some games it is possible to use real-life currencies in order to simply skip the entire pass and unlock everything it has to offer; however, this can often be an expensive choice. The purpose of this option is to let players who do not have the time to spend on the battle pass have a way to unlock everything that they technically already paid for.

In *COD:MW*, to unlock everything in the pass it costs \$150 if the player opts to purchase tiers. The player can lessen this cost by unlocking tiers in the battle pass through gameplay, meaning they would have to pay less if they wish to purchase the rest of the tiers later. Loot boxes have received some backlash over the years, due to a mixture of government action as well as some poor decision making by publishers (Straub, 2020). Therefore, battle passes are becoming more prominent in games, potentially as a way of avoiding putting loot boxes into games. (Davenport, 2018). For instance, the first day of the third season of Fortnite, the battle pass was sold over 5 million copies, generating \$5 million in a single day (Valentine, 2018). The *DOTA 2* world championship tournament, ‘The International’ has a prize pool that is funded by the purchase of the battle pass. When purchased, 25% of the cost is put into the prize pool, and the latest total was seen at over \$40 million (Ocal, 2020). These are a few examples of how efficient these strategies at generating revenue.

The overall implications of this chapter are that these monetization strategies are effective at generating revenue. Motivations between these strategies bleed into each other, such as the ‘fear of missing out’ being prevalent within all these strategies, while battle passes focus more on increasing player retention while also offering a way to skip the entire pass to save time.

2.5 Player Perceptions of Monetization Strategies

Player perceptions of monetization strategies is mixed. Within the discourse regarding these monetization strategies, there exist a variety of different views and opinions. The concept of microtransactions is arguably not inherently offensive, they are simply a form of monetization. One notable example of a microtransaction causing outrage was in *The Elder Scrolls IV: Oblivion*, where players could purchase ‘horse armor’ for small amount of real-life money. The reaction to this was negative; players had already spent what was the ‘full-price’ for a game, \$60, and when told that they

need to pay more for an item that “should have been available through gameplay, they were not pleased” (Jones, 2020). As time passed, microtransactions became a clear choice for developers and publishers to keep generating revenue throughout the lifespan of their games rather than only generating revenue from games sales.

Star Wars: Battlefront 2 is an example of poor monetization causing significant outrage due to a lack of understanding of how players would react to the monetization. The implementation of loot boxes combined with a poorly balanced progression system created a system that forced players to purchase loot boxes in order to gain the more significant power ups. This created an unbalanced game state where players could pay for power. Pay-to-win is an example of a poorly balanced game due to letting players with more money to gain a significant advantage over those who do not have the funds to pay for power. Another aspect was the poor balancing of how much content was available at the start, and how much time was required in order to unlock the rest of it. This situation was a significant event that led to severe damage to the public reputation of EA DICE, as well as players being more frustrated about microtransactions in general due to this event (Kim, 2019).

Attempting to identify patterns in player perceptions have been fruitful. Due to the variety of different games that use similar monetization strategies, it becomes easier to examine and understand why players feel certain ways about these strategies. Players have had positive reactions to monetization strategies due to the opportunities they bring in gameplay, as well as negative ones when comparing games that have arguably poor monetization strategies. (Alha et al, 2018). The varied mix of monetization creates an environment where through small changes to monetization strategies can have large impacts on player perceptions.

Monetization itself is a varied and multifaceted area, since there exist different ways in which game contents can be monetized and presented to the player. In a study that aimed to explore how players felt about the ways in which monetization made them feel as if they were misled, aggressive or unfair, the researchers found at least thirty-five strategies that fit those categories and could also be seen as predatory (Petrovskaya & Zendle, 2021). Players seem to be aware of the predatory nature of monetization yet still purchase and actively partake in them. Another aspect of this is how transparency regarding monetization can be a positive. By being able to see the probability, the players felt more confident about loot boxes (Sakhapov & Brown, 2020). This is one of the ways in which developers can make their monetization less predatory and aggressive, by showing the players what the odds are so they can make informed choices.

Overall, public player perception is an important topic when discussing the problems with loot boxes and battle passes and understanding what the public think is important. Being able to understand what players like and dislike is crucial in creating an environment that feels inviting to a player, rather than predatory and aggressive. The previously mentioned examples of outrage showcase how poorly planned monetization can damage the player experience, the company's reputation as well as the overall public perception of monetization strategies.

3. MICROTRANSACTION LITERATURE REVIEW

The purpose of this section is to give an overview of the existing literature in order to provide a holistic view of what is our current understanding of loot boxes and battle passes. By doing this, any gaps in the literature can be identified and examined for what it offers to our current knowledge as well as being able to identify where there could be gaps. Literature regarding the contemporary monetization strategies is more prevalent for loot boxes. Due to the relatively brand-new state of battle passes, existing literature is more focused on providing an in-depth overview of the inner functions and mechanisms of battle passes and what they do within the context of the game and its community. It will also examine the literature that explores the reasons why these strategies work on a psychological level. The literature for the monetization strategies is often intertwined with the player motivation aspects.

3.1 Loot Box

Literature for loot boxes has blossomed within the last decade due to its sudden relevance and rise to popularity within the game industry. Studies that attempted to research the possible addictive effects of loot boxes were performed; Zendle & Cairns (2018) found that video game loot boxes were linked to problem gambling through a large-scale survey targeted at gamers. The link between problem gambling and loot boxes was stated to be stronger than problem gambling and other in-game purchases. They however also argued that it was impossible to tell the relationship of the causal relationship between problem gambling and loot boxes. The authors continued to perform a replicant study a year later, finding more evidence to support what they found previously (Zendle & Cairns, 2019).

Brady & Prentice (2019) found that loot boxes were causing similar physiological arousal reactions as traditional forms of gambling, as well as people with gambling addiction being increasingly less aroused by loot boxes. One of the limitations that they had in their method was that it was increasingly difficult to simulate the phenomenon. Factors such as not using the player's personal accounts and giving them money to spend rather than using their own money were a few, critical limitations within the method. Drummond *et al* (2020) examined the relationship between problem gambling and loot boxes and found that individuals who were found to have problem gambling issues were spending more money on loot boxes than others.

Larche *et al* (2019) investigated the arousal aspect of loot boxes and described how rarer rewards from loot boxes triggered larger levels of arousal alongside an increased urge to continue opening loot boxes. The overall view on loot boxes from the literature was that loot boxes are a problematic, predatory monetization strategy that requires governmental action in order to make meaningful restrictions. The research undertaken for this topic was performed due to the lack of existing, similar research at the time.

Sakhapov & Brown (2020) investigated player perception of loot boxes and analyzed the different feelings that concepts such as fairness and quality of loot could bring out from players. They performed a study that had a simple loot box game that could be edited. The results they obtained from this study showed that the ability to see the item drop probabilities have a direct positive effect on how players felt about loot boxes. By being able to see the probability, the players felt more confident about loot boxes. The researchers argued that this study supports the need for regulation in loot boxes, which has been a common sentiment in other pieces of loot box related research as well.

These studies are important for the discussion about the discussion of loot boxes being a form of gambling, as they specifically focus on the effects of loot boxes that are like the ones from other forms of gambling. As mentioned before, finding meaningful connections about how loot boxes could be a form of gambling is more important than whether loot boxes fit the definition of gambling. Definitions change often, so there are many cases where loot boxes might be considered gambling in one country, yet not considered a form of gambling in another. Yet this does not change the inherent mental and physical effects of gambling on people. Overall, this literature on loot boxes is crucial in exploring how loot boxes can affect the players who engage with them.

3.2 Battle Pass

Battle passes are limited in existing literature due to only becoming relevant within early 2010. The literature that does exist focuses on examining battle passes and providing an overview of how the strategy works. Petrovskaya & Zendle (2020) performed a mixed-methods investigation into battle passes, specifically the *DOTA 2* version. They found that while profitable, the battle pass did not increase player uptake. They also discovered that the *DOTA 2* community's feelings towards the battle pass were complex: feelings of elitism and difficulty of completing the pass alongside positive attitudes towards the pass as a whole. This article focused on exploring the different elements of a

battle pass, however it is important to note that the *DOTA 2* battle pass is unique for being laden with a variety of mini-games and more added side-content that most other battle passes do not have, therefore some aspects of the researcher's findings cannot be easily generalized onto other battle passes.

Zanescu *et al* (2020) examined the *DOTA 2* battle pass from the perspective of creating a schematic in order to catalog the nuances of the different mechanics at play within the battle pass. This article does not go in-depth into discussing the microtransactions aspect of the battle pass, instead exploring the different game systems and how they interact with each other as well as how the players interact with them. This is problematic in the context of this thesis, as mentioned before, the *DOTA 2* battle pass is unique from others and should not be the status quo of what a battle pass should be. However, the study still provides mechanical analysis of a unique battle pass, which can be used for similar studies. Both this study and Petrovskaya & Zendle's articles, while important in expanding the existing limited literature, are focusing on a very specific example that cannot be very easily used to go more in-depth in the overall discussion of battle passes.

Jang & Lee (2020) wrote an article discussing the analysis of a battle pass and how the strategy could be implemented into an MMORPG. The article goes deep into the nuances and different techniques that battle passes use. It is important to note that the article is only available in Korean and had to be translated to be understood, so it is possible that some parts within the article were misunderstood. Regardless, this article provides an in-depth analysis of the inner mechanics of a battle pass, while also suggesting ways for it to be put into different game genres. Furthermore, the article also details specific nuances within the battle pass system that are key to increase player motivations, such as adding two separate tracks, a free version and a paid version.

Joseph (2021) provided an in-depth article about battle passes. The article investigates the history, political economy of battle royale shooters and providing a mechanical walkthrough of an example of a battle pass within the game *Apex Legends*. This piece helps provide a deeper understanding of the different aspects that come together to form the core of what is a battle pass; it achieves this by combining an analytical look through the layout of the *Apex Legends* UI and how the design engages with the player. Overall, this article provides a solid, in-depth look into how a standard battle pass operates as well as providing an analysis of how players interact with it. It provides insight on the specific mechanics of the battle passes and how they affect players.

Unfortunately, the overall literature for battle passes is very scarce and limited in different ways. For example, literature that examines the potential effect of battle passes on player burnout, and how this could affect player retention. This would be research that would help developers also understand the effects of battle passes and put more consideration into whether to include them in their games. The existing literature does provide a semi-solid foundation for future research to expand upon in this direction. It provides information about some technicalities of how battle passes work as well as some insight into the potential social problems that can arise from battle passes. While some of the larger problems of battle passes are not mentioned, such as the time-investment or the potential unfairness of having limited items locked behind a time-sensitive system. This is something that future research can attempt to explore and examine in order to fill the gaps in literature.

4. METHODOLOGY

This chapter focuses on the methodology of the research and the data collection process. Then, a thematic analysis is performed in order to find the themes from within the data. After this, the results of the data are analyzed.

4.1 Data Collection

The purpose of this thesis is to investigate how player's feel about contemporary monetization strategies. To achieve this, an online survey was created. This approach fits the research design by being easy to access and being able to provide insightful results from the participants without requiring any of the physical difficulties of holding interviews. While interviews were originally planned, this was changed in favor of an online survey. The interviews were intended as a way of being able to ask the participants about their results, why they felt that way and to explore their feelings in a more open way. However, this could still be achieved by the usage of an online survey by providing open-ended questions that give the participants an opportunity to write their own answers instead of selecting pre-determined answers.

The survey consisted of background questions, a Likert-scale section, and an open-ended question section. The opening questions aimed to identify the background of the participants; age, gender, experience with loot boxes and/or battle passes, and money expenditure on microtransactions in general. The background questions in the first section asked for; age, gender, how often the participant plays video games per week, what continent they currently reside in, what games they experienced loot boxes and/or battle passes, and if they had spent money on in-game monetization and how much. The purpose of these questions were to identify the diversity of the group and to understand what the participant's populations represented.

The Likert-scale section aimed to try and understand how the participants felt about specific concepts that relate to loot boxes and battle passes. These concepts focus on general beliefs about the monetization strategies, such as fairness, enjoyment of the monetization strategies, feelings about the quality of the content, and some specific concepts related to only loot boxes or only to battle passes. The open-ended question section aimed to obtain deeper insight about how players feel about

monetization strategies. The questions ask for experiences the participants have had with loot boxes and battle passes, as well as the potential future of monetization strategies. This gives participants the opportunity to give their own insight about the state of monetization in video games and what comes next.

Examples of the Likert-scale statements;

- The games encourage me to spend money on Loot boxes.
- The contents of the Loot Boxes are not worth the money.
- The games encourage me to spend money on Battle Passes.
- The contents of the Battle Pass are not worth the money.
- I enjoy games more when they have Battle Passes in them.
- Battle Passes make me feel like I have to play the game all the time to get all the rewards.
- Battle Passes makes games fairer to people with less time to play.

The sampling of the survey was spread out by the author to an online forum that has an interest in video games, as well as handed out to friends and acquaintances of the author as well. Participants were encouraged to send the survey forward, leading to snowball sampling. With regards to the reliability and validity, the survey has some questions that check if people are paying attention. These are located within the Likert-scale section. There are some questions that are similar to earlier questions and only exist to test the consistency of the participant. An example of this would be the “Loot boxes are fair” and “Loot boxes are not fair” questions, the second question exists only to see if the participant is answering honestly instead of simply skipping through and not reading the question. If a participant has conflicting answers, their results are not reliable. Participants would also be disqualified if it was obvious within their answers that they were not answering honestly or if their answers were too short to give any meaningful detail. In total, nine participants were disqualified due to conflicting and insufficient answers.

Out of the original 62 respondents, 8 responses were ignored due to lack of quality in their responses: giving yes or no answers. This left the results of 54 participants to be analyzed through thematic analysis. A total of 18 different codes were created and were then grouped into 4 separate themes that helped convey the message that the answers had. The results of the thematic analysis were compiled at the end of the analysis and had each of the different codes as well as the number of times they were relevant next to them.

Table 1. Participant backgrounds in survey

What continent do you currently reside in?	
North America	30
Europe	21
South America	2
Asia	1

Table 2. Participant genders in survey

Gender	
Man	41
Woman	7
Non-binary	4
Prefer not to say	2

Table 3. Participant age in survey

Age	
18-24	22
25-34	32

The participants themselves had a varying set of experiences according to the background results. All of them had experienced at least one of the monetization mechanics in some way and most had invested some amounts of money into the mechanics. However, one of the key points of notice regarding the data set is the lack of diversity; a large percentage of the participants have the same age ranges and backgrounds. Table 1 shows that 60% of the participants listed themselves as North American. Table 2 shows that the majority of participants identify as men. Table 3 shows that the participants are only between the age range of 18-34. This lack of diversity is problematic as it makes the results less generalizable, but this data set can still provide insight into the beliefs and perceptions that this group has. Snowball sampling was used to spread the survey to more participants. This method of sampling has some limitations due to how it can cause specific attitudes to become more prevalent due to relying on participants spreading it. Participants could have friends with similar beliefs, thus leading to similar responses becoming more prevalent. In this case, an example of this happening could be the prevalence of negative perceptions regarding loot boxes.

4.2 Thematic Analysis

For the analysis of the data, thematic analysis was used. The purpose of this qualitative analysis method is to identify themes within a set of data that can be used to answer the research question. The thematic analysis was used on the open-ended questions at the end of the survey as these yielded the most meaningful insights. The analysis followed the process described by Braun and Clarke (2006). The quantitative section of the survey can be used to provide background context to the findings in this case rather than being the focus of the analysis. The open-ended questions were all copied into a notepad file for easier reading. This started the analysis process. The process of analysis consists of six phases. The first phase consists of the researcher becoming familiar with the data and doing preliminary coding for the data by tagging important words and concepts. It helps the researcher become familiar with the data as well as help set up the later phases.

The second phase consists of creating the first set of codes. Codes in this context refer to a set of instances that focus on a concept. During this phase, those preliminary codes were looked at again to focus them down and to re-code them. It is important to constantly look over the text as the context of the code can provide insight into the deeper meaning behind the code. At this part of the phase, 18 different codes had been created.

The third phase consists of combining similar codes into themes that accurately showcase the data. During this phase, the researcher must also recognize the prevalent themes and develop them even if they do not fit within the aim of the research (Braun & Clarke, 2006). In this context, a theme is a complex idea or concept that emerges from the data. It does not always pertain to the research being done but should still be analyzed by the researcher as part of the analysis. This is where the previous finalized codes were then combined into relevant themes. Within this data set, a total of four themes were created: corporate greed, meaningful rewards, fairness, and exhaustion. The fourth phase focuses on themes themselves and how they apply to the data and support it. The themes that were created were all very relevant to the topic as well as interesting to analyze from an academic perspective. Most of the codes that were found were prevalent in at least all of the themes at least once, with no real outliers.

The fifth phase consists of analyzing the themes, what do they show, how are they defined, and how they fit within the research. The sixth phase consists of writing the report itself, this is where the researcher has to support the data with the themes in order to create a meaningful reading of the data. This phase also involves the writing of a thick description of the data, which is a more involved and

nuanced exploration of the data that looks into the contextual aspects within the data. The themes that were found provided a solid insight into the data set as a whole; while the coding process trimmed them down into finite themes, they still provide a meaningful amount of information and context regarding the topic

5. RESULTS

The results section will be first exploring the different answers to the four open-ended questions and what they represent. Then, the themes that were found through the thematic analysis will be explored thoroughly. The research question of this thesis was “What is the current player perception for online video game monetization strategies?” and this survey provided meaningful and insightful answers to these questions.

The thematic analysis of this data set provided deep insight into the common aspects between the participants. One of the clearest aspects is the very negative nature of the participants towards monetization as many of the codes were negatively oriented; there were very few codes that were positive. This provides a look into how people are perceiving and reacting to these monetization strategies. All the themes that were found are relevant to the topic and help elucidate different parts of the problems of current monetization strategies. Different facets of the different problems that come together to form a complex phenomenon in gaming. The themes themselves are not separate but can be grouped by similar motivations. Corporate Greed and Exhaustion have distinct connections between the two themes that relate to each other, Meaningful Rewards and Fairness also share connections that help provide context to the deeper meaning of the themes themselves.

5.1 Likert-scale responses

The quantitative section of the survey revealed interesting aspects about the differing beliefs regarding the participants. The purpose of this section was to better understand how the participants felt about the different aspects of loot boxes, battle passes and fairness. This was done using the Likert-scale questions.

The first four questions in the Likert section are focused on fairness and attempt to find how the participants feel about fairness in different contexts. While the first two questions in this set had complete agreement and disagreement, the following questions had the participants split.

Figure 1. Participant responses regarding fairness of single player games

"Single player games need not be fair."

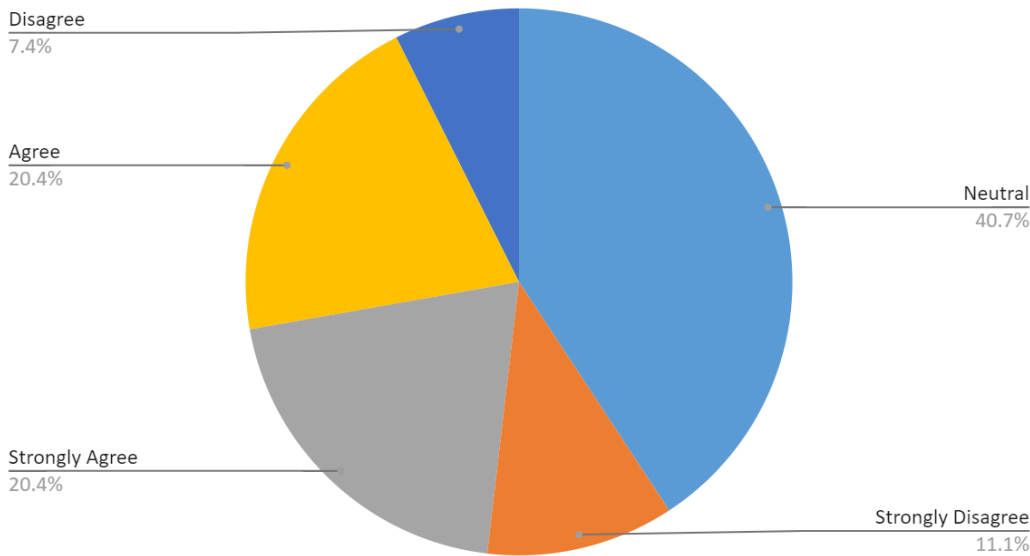


Figure 1 shows that while 40.7% of participants felt neutral about single-player games being fair, 20.4% of participants disagreed and another 20.4% heavily disagreed with this. Only 7.4% agreed and 11.1% heavily agreed with the notion of fairness. Single-player games and fairness are an entire topic of their own to attempt to discuss, but the main takeaway from this question is that the single-player games do not always have to be fair, while multiplayer games should always be fair.

Figure 2. Participant responses regarding enjoyment being more important than fairness

"Enjoyment is more important than fairness."

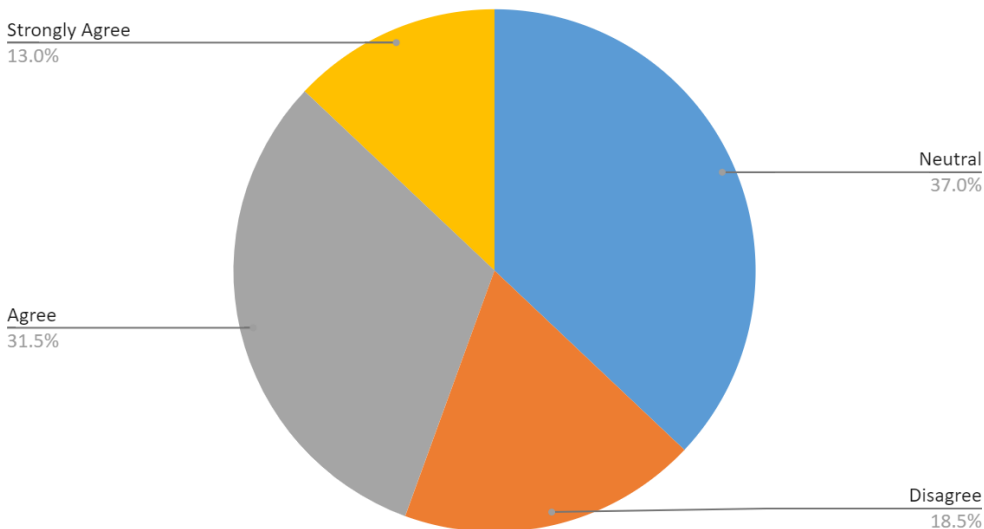


Figure 2 shows that participants were split here, similar to the previous question. In this case, enjoyment is seen as being more important than fairness. The take reasoning behind this could be that even if games are unfair, they could still be enjoyable. The *Dark Souls* series is known for being difficult and could be considered as being unfair in some cases, yet it could also be considered

enjoyable. In this case, the unfairness and difficulty of a game could be seen as a source of enjoyment in the game. This question provides some insight into the many opinions that make fairness a very divisive topic due to how it can change in different scenarios. Taking fairness into consideration requires doing it case-by-case.

Within this data set, there are several points of contention between the participants as well as beliefs that are very clear cut and universally agreed upon. Some examples of topics where the participants held the same beliefs were statements such as “I feel that Loot boxes are fair”, “I enjoy games more when they have Loot boxes in them”, and “Loot boxes are a meaningful way of getting the player to play the game more” were almost all universally disagreed upon outside of a few outliers. Battle passes had far more variance within its related answers, with six questions receiving mixed answers, while the remaining five other questions were leaning more toward one side.

Figure 3. Participant responses regarding the fairness of loot boxes

"I feel that Loot boxes are fair"

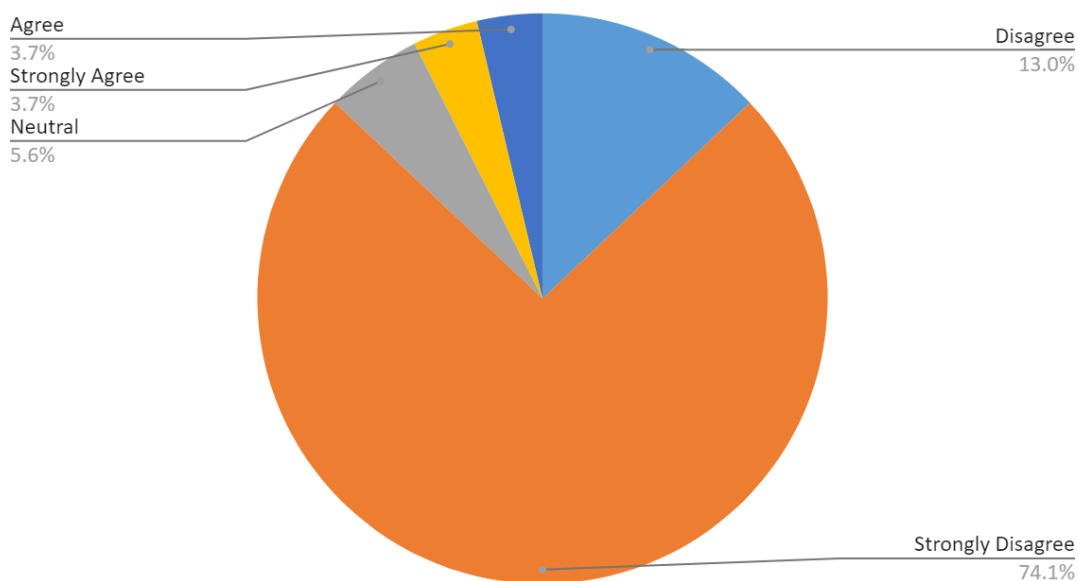


Figure 3 shows how polarizing loot boxes can be. 74.1% of participants heavily disagree with the notion of loot boxes being fair. 13% of participants simply disagree with it, which is interesting as the data shows that there are less participants who are neutral, agree and heavily agree with loot boxes being fair than the amount of people who just disagree. Loot boxes being considered unfair is expected to an extent due to the gambling mechanics involved with them.

Figure 4. Participant responses regarding the fairness of battle passes

"I feel that Battle Passes are fair"

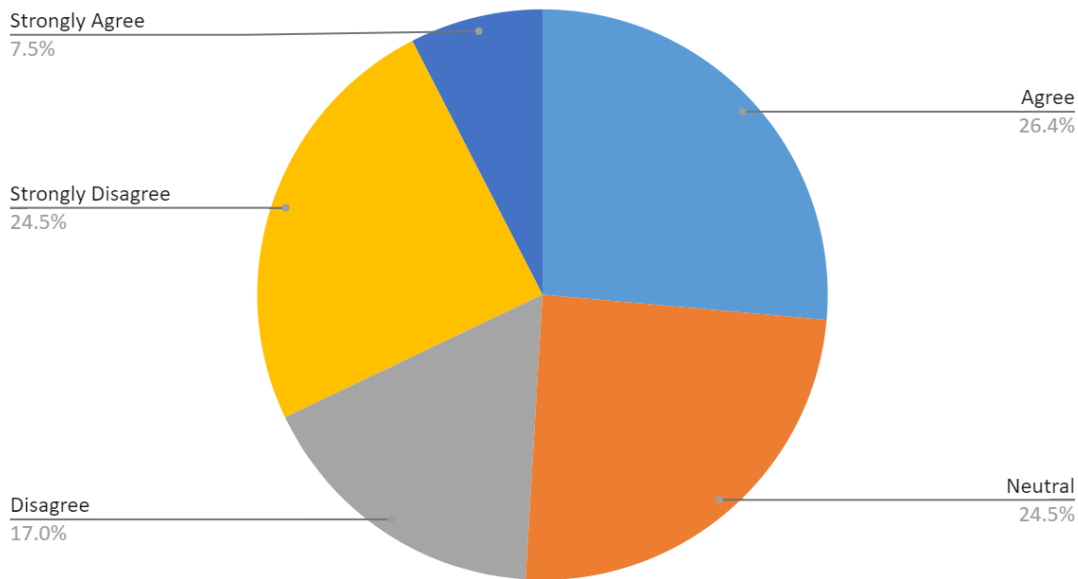
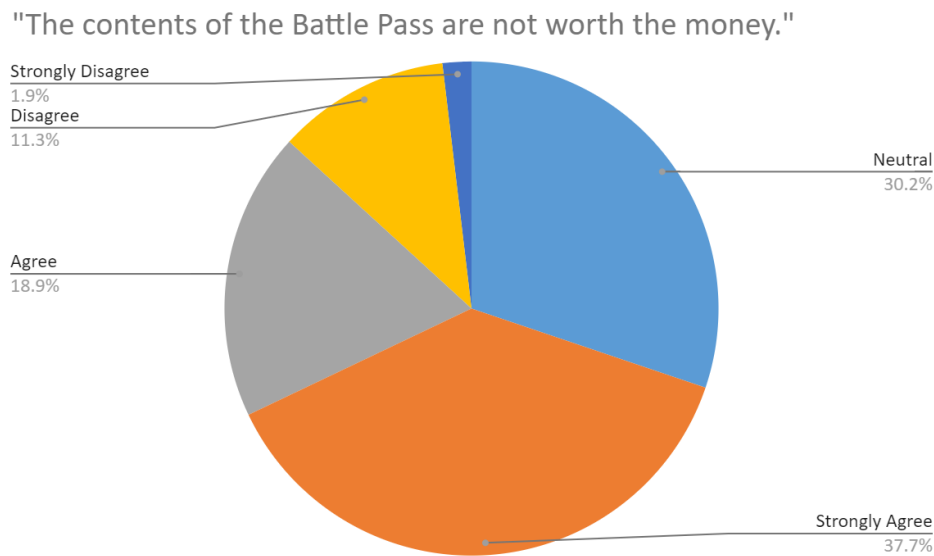


Figure 4 shows how participants feel about the fairness of battle passes. This contrasts against Figure 3 as the responses for this question are more positive. 26.4% of participants agree that battle passes are fair, compared to the 3.7% of participants who agree that loot boxes are fair. This difference in perception between these figures suggests that fairness between loot boxes and fairness are significant. This could be due to the random nature of loot boxes due to the gambling-like mechanics, while battle passes are not randomized, and the players always know what they are going to get.

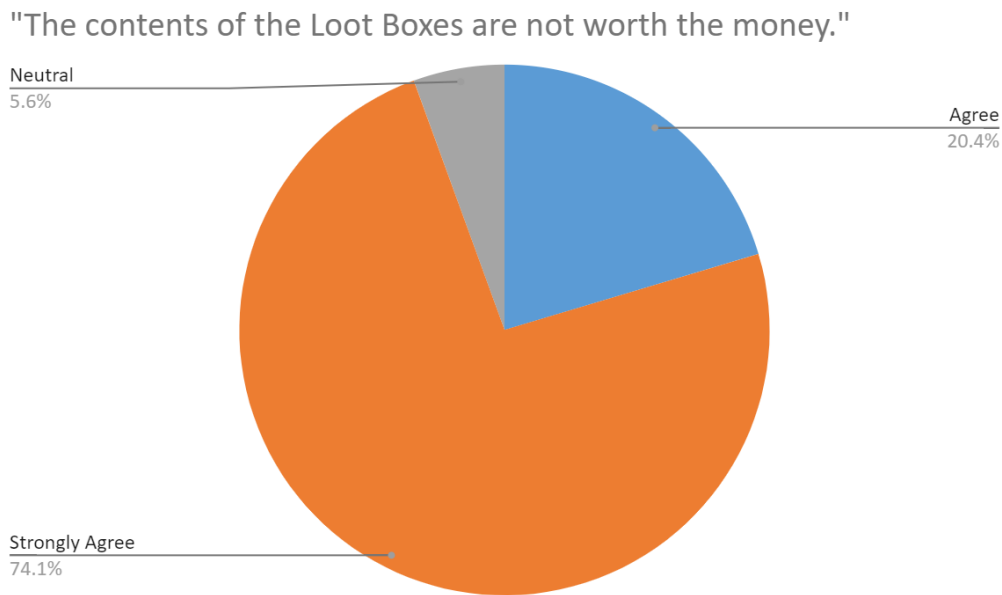
However, even though battle passes do not have randomized items, there are still participants who considered them unfair. The reasoning behind this could be the time-investment required to fully complete battle passes, creating an unfair advantage to players who have more spare time. The differing perceptions between loot boxes and battle passes is an important aspect of this research as understanding the different effects of these strategies is crucial in understanding how they relate to each other.

Figure 5. Participant responses regarding the value of contents in battle passes



The contents of battle passes are important to discuss due to them being the main draw of the monetization strategy. Paying a relatively low amount of money for a significant amount of items can be seen as a value deal, but in this case, the participants argue that these items are not worth the value. Figure 5 shows that 56.6% of agreed with the question of the contents not being worth the money, while 30.2% were neutral about it. The amount of neutrality in this answer is interesting, the possible implication being that they are fine with the value of the items. This could possibly be due to the low cost of battle passes, possibly justifying the lack of value in items. One of the relevant themes is connected to this idea of having meaningful items, where the items that come from monetization should be of a meaningful amount of value to the players since it is locked behind a microtransaction. Therefore, filler items that are often seen in loot boxes or battle passes go against this principle and actively make the experience worse for players.

Figure 6. Participant responses regarding the value of contents in loot boxes



In contrast to Figure 5, Figure 6 shows how participants overall agree with the question. 74.1% of participants strongly agree that loot boxes do not have valuable content, with 20.4% agreeing. While battle passes had some responses that suggested that the participants were fine with the value of the contents, loot boxes are on the opposite spectrum. There were no participants who disagreed with the question, suggesting that there is a significant difference between the contents of loot boxes and battle passes. Loot boxes having randomized content could be the reason why loot boxes are perceived poorly, suggesting that the ordered nature of battle passes are more valuable. The difference between loot boxes and battle passes is a point of discussion within this research as the results show significant differences in how they are perceived. This point will be further explored within the discussion.

An overall negative opinion can be seen within the quantitative data regarding monetization strategies. The questions that posed a negative view on a monetization strategy were agreed with, while the opposite is true as well where positive views were disagreed with. This points to a level of consistency and reliability within this group of participants. The participants were also heavily opposed to the concept of pay-to-win, which is worth noting due the concept of pay-to-win being often seen as extremely unfair in games. While most participants believed that all games should be fair, their beliefs regarding the different aspects of fairness of the monetization strategies were mixed. The questions that had the most variance was related to fairness including the questions that did not involve a monetization strategy. This points to the inherent highly personal beliefs regarding fairness which is an interesting point of discussion.

5.2 Open-ended question responses

The purpose of the four open-ended questions at the end of the survey was to provide deeper insight into the beliefs of the players. The open-ended nature of the questions provided the participants with the opportunity to write as much as they wanted about the topic. Overall, these questions provided very insightful answers to the question. The four questions were as follows: “Describe an experience you had with loot boxes, how did you feel?”, “Describe an experience you had with battle passes, how did you feel?”, “Do you believe the monetization mechanics you have encountered are fair? Why?”, and “Do you think there is any possibility of a new monetization mechanic being created?”. These questions provided very useful insight into the reasoning and experiences that these participants had regarding loot boxes and battle passes. This helps provide some context to the quantitative section.

5.3 Corporate Greed

Corporate Greed is the first and most prevalent theme; being recognizable within more than half of the answers. In this context, this theme represents the negative feelings that the participants have towards the game companies themselves. This theme manifests itself throughout the answers as thirty-six of the participants had very spiteful and hateful answers that paint game corporations as greedy. These responses showcase a distinct distasteful attitude towards different aspects of the monetization strategies and how they function. The codes that were combined to create this theme were ‘frustration at corporations’, ‘new ideas for monetization strategies’, ‘loot boxes are gambling’ and ‘predatory monetization’. All these codes had the common theme of blaming the game corporations for the choices they have made in creating unpleasant environments for the players.

Representing this theme within the data are a variety of participant perspectives, focused on exploring participant’s experiences with both loot boxes and battle passes. By asking for the experiences of the participants, they would provide insight into their perception of these strategies. The participants responded in a variety of different ways. Many of them admonished the usage of loot boxes due to the gambling aspect of them. Participants often mentioned that they felt disappointed in the actual items themselves that they got. Loot boxes were very negatively seen in almost all responses, only a few mentioned that they enjoyed the rush of gambling from them. Battle passes had a more balanced

response overall, but still leaning mostly towards negatives. These responses represent some of the codes. 'Frustration at corporations' refers to the general negativity aimed at corporations seen within the results. 'Loot boxes are gambling' refers to the concept that loot boxes are a form of gambling due to the inherent aspects of luck within it. The connection to the theme here is the idea that corporations are willing to put gambling mechanics into their game as a way to make money.

Participants often imply that companies are greedy within their answers, "The AAA game industry will never run out of new ways to exploit people", which implicates the entire game industry as this exploitative group that only care for profit.

"Of course there's a chance of someone inventing a new way to nickle and dime the poor playerbase.",

This question represents the previously mentioned spiteful and hateful responses. It paints the individuals in charge of monetization in poor light by implying that they only care about generating profits rather than the gameplay experience.

"I felt like I had to slough through a game I did not enjoy to get the rewards I had paid for. I felt like I had paid for a feature that was originally a part of the game I didn't have to pay for separately - progression, unlockable items or mechanics, costumes, etc. I felt like I was being ripped off.

This participant explores one of the main concerns for battle passes, the sense of having to work for content that you already paid for. In this case, the player has in reality, only paid for access to the battle pass rather than actually having made a direct purchase of items. It reveals how battle passes can make some players feel.

Corporate Greed was also directly mentioned in some cases, "Anything's possible when corporate greed is involved. Whether it will be successful or not is a different matter." These quotes as well as the rest of the answers related to this theme all showed this very distinct hatred of the corporations

that used these monetization strategies, with the implication that they do not care for their players, only their profit margins.

The last question asked if there was any possibility of a new monetization mechanic being invented. The purpose of this question was to simply see if the participants had any ideas for what a new monetization strategy would be like as a way to gauge their beliefs of what monetization should be like. The responses were quite negative; the focus of this negativity being the game companies themselves. The participants would use this question as an opportunity to make snide remarks about the state of game companies and how greedy they are. These comments were also prevalent in the previous questions as well. Participants overall did not have too many new ideas for monetization, a lot of them accepted that battle passes are the fairest strategy currently in use and would rather see it stay than having something less user-friendly become mainstream. Participants mocked companies that used these monetization strategies, with the implication that they do not care for their players, only their profit margins. Cynical and hostile responses form the core of this theme.

5.4 Fairness

The second theme, Fairness, focuses on the concept of fairness within the sphere of monetization. This theme is relevant to both loot boxes and battle passes and manifests in a variety of ways unrelated to these topics as well. Pay-to-win had multiple mentions from participants as a source of unfairness. Battle passes were distinctly seen as unfair due to the time-consuming nature of them, forcing individuals who did not have the time to spend to purchase levels in the battle pass in order to catch up with others. The codes that were combined to create this theme were ‘fairness in monetization’, ‘pay-to-win’ and ‘time consuming’. Fairness is a very complicated topic as it is very subjective and often changes between topics, but the respondents seem to have similar opinions regarding fairness and monetization.

“No, because they mean people with less time and/or money are at a disadvantage or are outright excluded from getting in-game items and takes an unproportionate and unnecessarily large amount of time and money from people who can buy into them.”

This answer explores the fairness within battle passes and argues that individuals with less money and less time are at a distinct disadvantage due to the way battle passes work. As long as players have

either time or money, they are able to keep up with the battle pass, and this is what can create unfair situations for players.

Fairness was a more complex topic for participants as it was heavily context based. Participants had different views of fairness as their context shifted, causing a mix of positive and negative responses. Loot boxes were seen as being unfair due to the inherent gambling involved with them according to some participants, while others defended it by pointing out that in a lot of games, you can only get cosmetics from loot boxes. Battle passes were seen as being overall fair due to the lack of gambling in most cases, however, some participants discussed the time commitment to a battle pass being unfair to people who did not have as much time to spend on video games. This would force them to have to pay to advance in the battle pass. Fairness had overall mixed responses, but they were consistent between participants most of the time.

The participants mentioned fairness in a variety of different contexts within this topic in their answers.

“Most of these mechanisms aren't actively trying to change the balance of the game via pay-to-win mechanics”

This answer discusses the aspect of fairness by not including pay-to-win mechanics in a game. As mentioned before, pay-to-win is considered as being extremely unfair due to being able to directly pay for power, giving people with more money a significant advantage over other players.

“In certain games where the effects are purely cosmetic, they're fair”

This response focuses on how cosmetics are considered fair due to the lack of direct effect on gameplay, instead it just focuses on player expression and letting players have character customization options.

“Generally no, it feels like a punch to the bad to pay for money in hopes to get a certain item and then just end up with something you don't want. And obviously games like Hearthstone are just incredibly unfair from a gameplay perspective, as the only way to get powerful cards is to pay for card packs or grind.”

This answer explores how directly paying for power can create an unbalanced and unfair scenario as players who get unlucky will have to pay more in order to get the powerful cards. It also explores how randomness can directly affect player power and the negative impact of that being the direct influence on a player's power.

5.5 Meaningful Rewards

Meaningful Rewards is the third theme; focusing on the actual in-game items that the players can earn from these monetization strategies. Specifically, the theme is centralized around most of the items from these monetization mechanics are usually not appealing to the player, with only a select few having meaningful value while the rest are considered filler items. The theme is often relevant within the data due to many participants complaining about the quality of the items and often being disappointed. The codes that were combined to create this theme were ‘disappointed in items’, ‘regret’, ‘unfair odds’, ‘online market’ and ‘high item cost’. This theme is very interesting in the context of the thesis as players seem to be overall disappointed with the items they can get, as these items are supposed to be a reward for the player as well as something they actively purchased.

This theme is prevalent within the two questions that focused on loot boxes and battle passes. Participants often mention directly that many of the items from loot boxes are simply not worth the money,

“Lootboxes are a waste of money. Every game I've played with one has resulted in never getting meaningful reward”.

This quote directly references the theme title and also explores how this is not a game-specific problem, but a game-wide issue of bad rewards.

“Battle passes rarely have worthwhile rewards”

This quote mentions battle passes having problems with meaningful items. It is important to note that most mentions of receiving disappointing items are specifically for the question about loot boxes; battle pass responses were less oriented at the rewards and more about how time consuming they were.

“Realizing early on that *Overwatch* skews its lootboxes to deliver a large amount of high quality items early on, then increasing their rarity as lootboxes drop less often at higher levels”.

Another facet of meaningful rewards was that obtaining rarer items is unlikely due to the odds in place. *Overwatch* has the possibility of obtaining duplicate items that you already own from its loot boxes, with the duplicates turning into a currency that can be used to directly purchase the item you want, but it takes a long time to build that currency.

Overall, this theme is focused on the quality within items as well as the problematic nature of some loot boxes being able to contain duplicates. This creates feelings of disappointment and regret due to the lack of quality, making some participants question why they even spend money on these monetization strategies.

5.6 Exhaustion

Exhaustion is the fourth theme; focusing on the different types of fatigue within gaming. This theme is more prevalent for battle passes as they are often very time consuming and require a lot of effort from the players to fully complete them. At the same time, exhaustion can also refer to a general feeling of exhaustion of the state of the game industry. The codes that were combined to create this theme were ‘time consuming’, ‘burnout’, ‘fear of missing out’, and ‘regret’. These codes are very heavily related to battle passes due to the way they function. It is interesting to note that ‘fear of missing out’ in this context might possibly become irrelevant in a few years due to potential changes in how games handle the unobtainability of older battle passes. *Halo: Infinite* is providing players the opportunity of completing older battle passes, meaning all the old content would still be available for newer players even later.

” I finished a battle pass without paying for the full edition by staying up late on the last day of the season to get the last few free items, and then when the next battle pass came out and I loved the designs, I bought the full version. However, since I was burnt out from grinding the previous battle pass, I didn't finish the one I paid for. It frustrated me because I didn't realize at the time how burnt out I was and I couldn't refund the battle pass once I stopped playing.”

This quote explicitly discusses the different feelings that battle passes can invoke in people. Burnout, frustration and regret due to the nature of what buying a battle pass can entail. One of the problems is the time-sensitive nature of a battle pass as mentioned before, but this is a solved problem as *Halo: Infinite* has battle passes that are not time-sensitive and can be picked up whenever the player wishes.

Participants often complained about the time-consuming nature of battle passes and how they were getting burnt out from the games themselves because of it. ‘Fear of missing out’ was a powerful motivator for forcing people to keep playing the game even if they did not want to play. This caused these players to get burnout which made them stop playing the game.

“...but the newer ones have been extra grindy. I'm burnt out all together from Fortnite thanks to last season's pass”

This response mentions how time consuming a battle pass is, as well as mentioning another side effect of battle passes, burnout. Burnout was one of the main codes that made up this theme which is also heavily prevalent within the responses as well, being one of the two main complaints regarding battle passes. In a lot of games, there is very little downtime between battle passes so the players can often feel overwhelmed by the constant stream of battle pass content.

“I felt that I had to finish a battle pass I paid for and would sometimes go hours and hours just to complete a battle pass. It was quite depressing because I felt I had just wasted my time looking back now but, in the moment, I felt I was being awarded for my hard work. I wouldn't repeat getting another battle pass again because it is not worth it”

This participant reflected clearly on how battle passes affected them and shows how the length and design of a battle pass can negatively affect the players. It also shows how a battle pass also makes the player feel good for their effort and time-spent as well. However, as the quote shows, regardless of how good they felt at the end, they still stated that they would not repeat getting another battle pass.

6. DISCUSSION

The discussion for this thesis will be centered around what the theme from the thematic analysis means in the context of monetization and how these responses can provide different perspectives on how these monetization strategies affect their players. It is important to note that while these answers and beliefs are representative of a small group, it is still only a very small fragment of a much larger group. To generalize these beliefs onto others would be incorrect; the more meaningful action is to understand what these respondents represent and to consider the potential advantages and drawbacks of these monetization mechanics at the same time. For this discussion, each of the themes will be thoroughly explored within the context of this thesis and compared to existing literature to help understand the phenomena at play.

6.1 Fair play and time spent

Fairness was one of the main themes within the results section that had a variety of different responses within it. One of the questions in the survey was directly asking about how the respondents felt about fairness, yet a lot of people mentioned fairness in their non-fairness related answers. As mentioned previously, fairness is a difficult belief to describe succinctly due to how subjective it can be. Players often have different values for what is considered fair and what is not considered fair, as well as this subjectivity changing based on the genre of games, whether they're single-player or multi-player, etc. Within the data, it is hard to create a concrete definition for fairness due to the differing beliefs of the participants. In one context, fairness can be seen as this ideal of games not letting players purchase power, often referred to as pay-to-win (Zagal *et al*, 2013). Players being directly allowed to influence their power is considered an unfair advantage and would indicate a poorly designed monetization system that prefers people who are willing to pay to gain power. While pay-to-win mechanics are frowned upon due to the backlash that they can cause, they still exist. *Angry Birds 2* by Rovio is a prime example of this phenomenon. Players can directly purchase power through power-ups that make levels easier, extra lives and similar upgrades. These can also be used in player-versus-player modes, providing a direct example of how players can gain an advantage over others simply because they paid for more power.

The difference between fairness in loot boxes and battle passes is worth discussing. Loot boxes are considered unfair by the participants due to the random nature of it, while battle passes are considered slightly unfair specifically towards people who do not have the time or money to fully complete them. While battle passes do not contain any randomness, they still have some problems related to fairness still. In this case, loot boxes could also suffer from this same problem of being unavailable to people who do not have money. While some games give free loot boxes to players, such as *Overwatch* which gives the player one loot box whenever they level up as an example, if the player wants more then they must either play the game more or purchase them. This echoes the problems that battle passes have, players must either find the time or the money to get the most out of their game. Battle passes are also time sensitive in most cases, meaning the players have a limited amount of time to complete them.

Exhaustion was another theme that was prevalent within the results and arguably one of the more unique themes. While the other themes were related to what the players thought about the monetization, this theme was related to how the monetization made the players feel. The time-consuming nature of battle passes is one of the main reasons for this theme being so prevalent. A single battle pass can often require a heavy time investment from a player, forcing the player to keep playing the game if they wish to keep up. However, this is on a game-to-game basis and does not apply to every battle pass. For example, *Yu-Gi-Oh! Master Duel* has a very low time investment in order to complete the battle pass due to it being active for a large amount of time, as well as being very generous with how many points the player needs to level up.

Drapeau-Robitaille (2019) argues that players might be more willing to pay to skip some parts of games if it is something they have done before due to a concept referred to as “ego’s depletion”. As a possible result of fatigue due to battle passes, some players might be more willing to simply purchase tiers rather than play the game. Currently, the game *Apex Legends* is on its twelfth battle pass, with a single battle pass lasting ninety days and there being no downtime in between battle passes. This essentially keeps the players at a constant pace of playing the game in order to keep up with the battle passes, which can cause people to feel burnout about them.

6.2 The importance of cosmetics and how corporations abuse it

The aim of these monetization strategies is to provide players with alternate methods of obtaining items in games, either by direct purchase or loot boxes or playing to earn them. Yet there is a distinct number of participants who complained about the quality of these items, leading to the question of why people would pay for them. Battle passes are often backload all the high-quality rewards to the end of the pass, leaving it mostly filled with filler items that many players would never consider paying for. It is possible that the inclusion of a battle pass persuades the player into purchasing it by opting them into it for free, then tempting players with the option of purchasing it to retroactively obtain the items that they unlocked. The fear of missing out could be enough to justify a player into playing the game purely because of the battle pass as participants stated about how simply buying the battle pass made them feel like they had to do finish it.

Drapeau-Robitaille argue that one of the motivations for players to purchase virtual goods is to “personalize their avatar with a distinct identity” (Drapeau-Robitaille, 2019). This could be one of the ways in which players justify to themselves what counts as meaningful and what does not. Cosmetics are often the main reward of loot boxes or battle passes in many games, so this motivation would be heavily linked to why the participants felt that the rewards were not meaningful. By paying for a battle pass that gives them only a few items that they want alongside a menagerie of cosmetics that they see no value in, this could lead to them having a negative view on this strategy. This also applies to loot boxes due to the randomized nature of them.

The importance of personalization and identity has been seen before within motivations for why people purchase in-game content, as it is also linked to different social motivations as well (Hamari *et al*, 2017). There is a significant depth to the importance of cosmetic items, therefore systems that involve both meaningful and meaningless items create a scenario where players must pay money for cosmetics that simply do not interest them. As the participants explored in their answers, it becomes clear that the quantity of filler items has become too much and has negatively influenced their opinions on battle passes and loot boxes due to the low quality of items.

Corporate Greed as a theme is arguably one of the most important ones. A theme specifically consisting of player’s hatred towards what the game industry has become. It is a clear sign that there are players who are unhappy with the status quo of monetization yet powerless to help it. By simply ignoring the monetization, they are forcefully missing out on content that the developers have created. This can actively harm the player experience and forces the players to make a choice; support the

game by participating in the monetization or avoid it. This is often a problem that some players encountered. They want to support the game and the developers, yet they do not agree with the way that the game is monetized and believe that it is unethical and goes against their own beliefs.

Participants explored their feelings for loot boxes and showed distinct hatred towards the predatory and gambling nature of it, which is supported by studies that focus on loot boxes (Russell *et al*, 2020; Brady & Prentice, 2020; Larche *et al*, 2019; Drummond *et al*, 2020). Predatory monetization like loot boxes still existing is a questionable ethical point in some regards. If studies have shown that they are addictive and problematic, then why do they exist within games? These monetization strategies are known to be effective and they have already existed within games for over a decade. They have become accepted as a part of monetization. While some governments took this into their own hands and simply banned them, other countries tried to play around this. The Chinese government forced companies to reveal the probabilities behind loot boxes in games. This was shown to have a positive impact on a player's perception of loot boxes (Sakhapov & Brown, 2020). Arguably, transparency from the developers about their intentions for monetization could be seen as a positive step forward. While it is true that monetization in some cases is predatory and aggressive due to the way it was designed by the developers, this does not mean that it has to stay that way.

An important aspect of this research is the different reactions to loot boxes and battle passes and why this occurs. It is important to recognize that these monetization strategies are inherently opposites; loot boxes are randomized while battle passes are static. Loot boxes have a wide range of different items that the player can get, while the battle pass will always give the player all the listed items. The responses from the participants showed significant differences in how these strategies are perceived, and these are further explored within the themes found through the open-ended questions. As mentioned before, the participants felt that loot boxes were not fair while battle pass were considered more fair. However, battle passes were still considered unfair in some cases. This suggests that even with a non-randomized system, battle passes still found a way to remain unfair to its players.

Overall, the main crux of this discussion explores the different aspects of the themes and how they all contribute to the general feelings of negativity within the participants responses and how to attempt to explain why they felt like this. The prevalent themes suggest that these monetization strategies are more complicated than they seem.

7. CONCLUSION

When I first started the thesis, my aim for this research was to investigate player perceptions of monetization strategies. This was due to my own beliefs about these strategies and how I felt about them. I wanted to understand if other people shared these sentiments and to understand why. As the thematic analysis showed, people overall had very negative beliefs about the monetization strategies and companies who use them. The participants had a variety of beliefs regarding monetization strategies, fairness, and the overall status quo of the gaming industry. Regardless, these strategies are undeniably effective for generating revenue.

It is also important to remember that this study had a small sample size, thus their beliefs are hard to generalize to the general populace. Bias is another important aspect that is hard to attempt to deal with due to not having asked directly for a potential list of biases. Another aspect of the research that could have been improved upon was the focus on fairness. Fairness is a very complicated but important topic within this area due to the different ways that it branches out into the different parts of monetization. A lot of games require a case-by-case basis in order to understand how the monetization affects the game due to how complicated it can get. It can be very difficult to gauge the effect of monetization on a game briefly as there can be some very deep-rooted issues. Regardless of the possibility of these issues, most of the participants were more amicable towards monetization overall. The importance of this study was in its attempt to identify some of the deeper concerns players have for monetization. These concerns relate to the state of monetization and how much they have begun to ask from players in both time and money. Battle passes often require a heavy time investment, while loot boxes favor gambling elements.

The unfortunate truth about monetization is that as mentioned before, it works. It generates revenue that companies need in order to continue working to an extent. In some cases, these strategies are arguably too effective. As times goes on, the game industry will keep innovating for better or for worse. In recent times, there have already been some slight shifts. *Halo: Infinite* gives players the option to unlock older battle passes, something that is unique to this game. This is a way for the developers to counter one of the eminent fears of battle passes; the fear of missing out. This is an example of how battle passes are already changing for the better by removing this troublesome aspect of this monetization strategy.

Future research in this area could focus on a multitude of different phenomena. The popularity of crypto-based monetization systems is starting to exist within this space, but their efficacy is currently unknown. The increasing popularity of gacha games in the west is another point of research, as gacha is largely an eastern mechanic but has begun to spread over due to the popularity of games such as *Genshin Impact* or *Arknights*. Gacha is a monetization mechanic like loot boxes where the players spend currencies in order to get random rewards. There is currently research on gacha in the east, but its effect on the west is unexplored. Monetization is an important part of game development and doing research on it as it develops is crucial.

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APPENDIX

List of Likert-scale questions (1, strongly disagree, 5, strongly agree)

All games should be fair.

Using money for an in-game advantage is fair

Single player games need not be fair.

Enjoyment is more important than fairness.

I feel that Loot Boxes are exciting.

I feel that Loot boxes are fair

The games encourage me to spend money on Loot boxes.

The contents of the Loot Boxes are not worth the money.

I enjoy games more when they have Loot boxes in them.

It feels unfair when the items from Loot Boxes are disappointing.

I enjoy the moment when waiting to find out what I got from Loot boxes.

Loot Boxes makes games unfair to people with less money.

Loot Boxes are a meaningful way of getting the player to play the game more.

I feel that Loot Boxes are not fair.

I feel that Battle Pass are exciting.

I feel that Battle Passes are fair

The games encourage me to spend money on Battle Passes.

The contents of the Battle Pass are not worth the money.

I enjoy games more when they have Battle Passes in them.

Battle Passes make me feel like I have to play the game all the time to get all the rewards.

Battle Passes makes games more fair to people with less time to play.

Battle Passes makes games unfair to people with less money.

Battle Passes are a meaningful way of getting the player to play the game more.

I feel that Battle Passes are not fair.

Open-ended Questions

Describe an experience you had with loot boxes, how did you feel?

Describe an experience you had with battle passes, how did you feel?

Do you believe the monetization mechanics you have encountered are fair? Why?

Do you think there is any possibility of a new monetization mechanic being created?