Hyperinflation in SMMO-by [BA] Gooster

Inflation occurs when players can increase spending on goods and services outstripping the generation of items in the economy. Prices can rise when the celestial items' drop rates are reduced, or because players, enjoy the benefits of a booming economy, and spend their excess gold faster than the game can generate new content. Inflation is often the result of some combination of these two scenarios.

This is especially problematic when a highly sought-after tradeable resource can be purchased using cash, the process allows for new players to spend a few dollars to gain the equivalent of several hundred hours of playtime. When a gold sink is lacking in purchases, it makes it difficult to balance the amount gained by the purchasing prowess of different players in the economy. This only grows the gap larger and larger thus creating a massive disparity between paying and non-paying players.

Governing bodies can generally try to keep inflation within an optimal range that promotes growth without dramatically reducing the purchasing power of gold, so it can maintain the value it was meant to.

There are many methods used to control inflation and, while none are sure bets, some have been more effective and inflicted less collateral damage than others.

Monetary Policy

A new monetary policy is a more popular method of controlling inflation. The goal of a monetary policy is to reduce the gold supply within an economy but increase the item generation rates in the game to help force down the prices of many items. This allows players of all levels to have access to good items to keep progressing throughout the game without feeling that it's too hard to generate gold even while playing the game to the best of their capabilities. This helps slow economic growth, in turn allowing a fair distribution of wealth and assets throughout the game.

Taxation

Just adding small useful taxes to different parts of the game, like allowing QP farmers to send their gold from the knight directly to the bank for a taxed fee or to allow all gold generated during stepping sent directly to the bank for a taxed fee. Another useful taxation policy might be to allow guilds to set certain albeit capped taxation rates from all gold generated from stepping by guildmates to further fund guild raids which could be used in turn for more guild raids, without a specific player or small groups of players funding them solely.

Content Rotation/End Game Content

Rotation of content or changes in the meta of the game encourages players to invest in areas of the game that otherwise might not have been attractive to them. This system encourages players to invest time and resources into a new item or end-game content like dungeons which rewards them for progressing further into the game, giving them a new sink through which to drain their resources but still be rewarded in some way. By keeping the number of taps the same and increasing the number of sinks by having players run through new items or end-game content, the game can reverse the effects of inflation caused by players only concentrating on one option.

Incremental Mechanics

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Incremental mechanics allow for inflation by inflating both taps and sinks proportionally. As the player progresses through the game, they can build increasingly generous taps, which gives them a feeling of accomplishment. However, the cost to build the next level of tap also scales, creating a new sink. Since the sink scales with the tap, the goals are always moving and even the increased production of resources from increasingly generous taps doesn't introduce so much currency into the game that the sinks become irrelevant.

Ability to Craft High-End Items

One of the simplest ways to combat inflation is to introduce high-end items that can be crafted with gold and materials. The act of the players acquiring the needed resources from other players allows for the gold to be distributed in the economy reducing the disparity between high and low levels. Both the gold and material costs alone will help to stabilize the prices of many resources in the game overall. One of the main pitfalls to avoid when crafting super high-end items is to avoid them having a substantially negative impact on the balance of the game, by making sure they are not too easy or too difficult to craft.

Temporary Gold Sinks

Temporary gold sinks are ways of removing a resource from a game in bulk, although these tend to work for removing large amounts of a given resource at once; they are just a temporary shortstop to the initial issue at hand. After the novelty of them wears off they tend to have a large drop in ineffective use thus not fulfilling the goal of a sink, being a long-term drain.

Governing bodies have some options to stop inflation. However, if not controlled promptly and hyperinflation becomes a problem, and it can ruin the game economy for newer players joining the community.