# Abstract

A literature review on the relationship between gaming and gambling.

This literature review is going to explore how gambling is prominent in gaming with adolescents by having an in game economy which results in giving real world monetary value to digital items. In most countries the legal gambling age is 18 or over, however by allowing teenagers to access sites which wager virtual items results in a grey area of the law.

**Key Words – Gambling – Gaming – Virtual Items - Adolescents**

In 2012 a study was conducted which showed that a revenue of $1.6 billion dollars was made by a pool of 100 million active players of social casino games (Takahashi 2012). This would imply that the amount of money in online gambling is very large.

Social gambling games do not require a monetary investment into the game in order to play, and are more based around the social media platform than the actual process of winning money. Often the games will be operating a freemium business model where players can purchase additional cre­dits or virtual items (i.e. micro-transactions) in order to play the game more often or engage in higher stake bets (Gainsbury). By allowing the purchase and wagering of virtual items to take place the game begins to align itself a lot more with gambling rather than gaming (Griffiths 2013).

However the main difference between casino gambling and gambling with virtual items is that it does not provide an opportunity to cash the original investment out (Gainsbury) once the player has bought the in game virtual items, there is no easy way to get that money back. This is relevant because the social media platform that I will be focusing on is Steam. Steam currently only allows players to buy money into the platform and not withdraw it.

A study conducted concluded that players who engaged in micro-transactions in social gambling games were 8 times more likely to migrate to more serious online gambling, than those who did not (Wald). The economic models of the games that this review will be looking at are purely based on micro-transactions; it seems likely then that the players will participate in gambling at some stage.

Furthermore the accessibility and availability of gambling has radically increased (Froberg 2006). Therefore, many children and adolescents are now growing up being exposed to various types of gambling in a completely different way compared to previous generations. In the UK, adolescent gambling is widespread particularly on slot machines due to the thousands of amusement arcades and family leisure centres throughout the country where children and adolescents can legally gamble (Griffiths 2011).

An example of the accessibly increasing would be looking at MMORPGs which are readily available to adolescents and use a virtual economy. The virtual economy allows players to try and gain as many points as possible and has been referred to as a ‘non-financial form’ of gambling (Griffiths 1991). Furthermore, some research suggests a relationship between gaming and gambling. For instance, an early study carried out by Gupta and Derevensky (1996) with school children revealed that high-frequency video game players reported a significantly higher level of gambling experience as compared to low frequency video game players.

Previous research has also indicated that adolescents perceive gambling as exciting, daring and potentially addictive, and that it relieves boredom and improves their social networks (Griffiths 2011; Skinner et al. 2004) In addition to socialization, research suggest that youth view gambling as an activity to win money (Wood and Grifftiths 2004) and have beliefs that it can be a lucrative activity (Delfabbro et al. 2006b) perhaps indicating that adolescents overestimate their chances of winning (Wood and Griffiths 2002).

The results of these studies seem to imply that adolescents see gambling as an exciting concept and a way in which to make money, which obviously isn’t true. This being coupled with the fact that video game players have a significantly higher level of gambling experience and the virtual economy seen in many new games (Overwatch, CS:GO, TF2 to name a few) is going to inspire teenagers to branch out into a gaming styled gambling experience. This wouldn’t be an unlikely jump due to the fact that gambling in amusement arcades with young children is already prevalent in the UK and other countries, meaning children have often been brought up with idea of gambling being acceptable.

In my opinion the only way to learn that gambling is bad, is through experience and education. Gambling is always going to draw attention to the younger generation because it seems like an exciting quick way to make money. The ease for gambling with virtual items in games is unbelievable and is often marketed as a get quick rich quick by YouTuber’s who have a strong influence on the younger generation.

The worrying part of this is that parents do not know it is happening; it is often disguised as a side game, potentially placing bets on outcomes of games in the eSports scene. There have been stories where children have been using their parent’s credit card to buy virtual items to gamble and ultimately lose a lot of money. In addition it’s not like the virtual items only cost a few pounds, very high value limited items have been known to be valued at well over 5 grand. It is high stake gambling which is technically classed as online casino gaming because you cannot withdraw money from the market.

Gambling in gaming is a really useful thing for game companies to implement into their game because it allows them to follow a free to play business model, where they tend to make more money from micro transactions than a one off payment, which also causes the player to ‘buy’ into the game making them automatically play the game for much longer period than they regularly would.

One of the biggest players in this gaming and gambling problem is the company Steam as they have a large market share in the virtual economy style games. Recently they have sent out cease and desist to any of the online websites who allow wagering of their virtual items; however this was implemented far too late. Arguably steam benefit from the gambling because it drives sales in their market which generates them a larger profit from their commission of buying and selling virtual items. Despite this I think it is a good step in the right direction and hopefully some laws will be brought to discourage gambling in gaming.

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