VIDEO GAMES AND THE SHIFT TO A MIRCOTRANSACTION BASED MONETIZATION SYSTEM

Jesse R Smith

English, Utah Valley University

ENG2010-011

Professor David Fairchild

October 7, 2025

Audience Justification Statement

The audience that I am going to be speaking to in this essay is my older brother, David Smith and our mutual friend, Throne Amaris.

I grew up playing video games with my brother and we have both become gamers as we have grown up and have played different games. Both of us also play games and interact regularly with Throne. I already know that the two of them are going to be familiar with the different terms and ideas that I am presenting. They cannot do a whole lot within the industry to change anything, but we can have a meaningful discussion about this shift in monetization and how that has influenced the games and communities that they are in. They both already have a pretty set idea and opinion on this topic so if I can, I would like to inform them on a more academic level and either reinforce their opinion or change it with the new facts provided. I am going to use an informal tone to connect with them and keep my language consistent with what they have experienced in the past.

David and Throne are both very analytical people, so I am going to use logos to speak with them as I have experienced that their brains respond better to that. I am also going to use pathos to have them connect with the broader community sentiment regarding this and have them reflect on their own experience when it comes to microtransactions and a live service game model. I am going to then boost my ethos with the two of them and show them that I have done research into this topic and can have an academic and meaningful conversation with them about this topic and I can grow closer to them as friends.

Essay

I am sure that you have noticed a shift in how you spend your money in the last decade and a half or so while playing different video games. I did a bit of research into this shift, and I want to present the sources and ideas I found in a condensed version and talk about their strengths and weaknesses as sources and what rhetorical appeals they used to speak with their audiences.

I was able to find three main sources regarding this topic. First, a paper discussing the rise of three types of video game monetization between 2010 and 2019 in the form of cosmetic transactions, pay to win microtransactions, and loot boxes. Second, a source discussing a general player experience around predatory and aggressive forms of monetization and the lack of player representation in regulations and fair consumer practices. Lastly, a source comparing the amount of time spent on the development of a game and how many copies the game sold to come up with a general critical reception score. In each, there were some similarities and differences within the pool of sources as well as different strengths and weaknesses. For example, some of the sources used different rhetorical appeals than others.

To start, there was a paper that talks about how exposure to microtransactions has significantly risen over the last decade or so. In this essay, a couple of researchers created a program that would look at the most popular games played on Steam from 2010-2019 and looked at three different types of microtransactions. Loot boxes, pay to win, and cosmetic microtransactions. The paper concluded that microtransactions had risen significantly between 2010 and 2019 and that pay to win microtransactions hit a peak in 2015 and then fell off to a minor number nearing the end of the decade. The paper also concluded that loot boxes rose over 70% and cosmetic transactions rose 80%. This data set just goes to show the change that has happened to video games over the last decade and a half now.

Moving on, the next source talks about how players or consumers response to viewing misleading or aggressive monetization practices have been negative and how policy makers need to look at a wider picture. What this source concluded in their research was that a significant number of players experienced thirty-five different practices that are unfair, misleading, or aggressive. Many conflicting with policies relating to consumer protection. This shows just how players feel upset about these types of monetization.

Going on, the last source I was able to find talks about how there is no correlation between time spent developing and overall critical reception rating. This study was conducted looking at the amount of time spent developing a game and the number of copies sold. After looking at the most popular games in a variety of genres, researchers concluded that there was no correlation. Showing that changes in the video game industry can and will, change how a video game has been received upon release.

While all these sources are unique in their own ways, they each share similarities. For instance, all three sources speak to the fact that a larger audience and changes to a video game industry affect not sales of games, but also the entire community surrounding those games. Speaking of a larger discussion about how communities form around games and how the player perception of a game can affects how monetization occurs.

Indeed, all the sources are similar, but they also have stark differences. In the first source about the rise of loot boxes and cosmetic microtransactions, they use specific data driven research to come to their conclusions. Showing the rise in exposure to certain monetization practices. Whereas in the second source about player experience, they use research gathered from a wide community of players and experiences. While still focusing on the same problem, they come at it in two completely different directions. Comparing cold facts to raw human emotion. This shows that even in a broader discussion, it is important to look at both sides of the story to get the full picture and to fully grasp the discourse happening around a certain topic.

Each article has its own strengths and weaknesses. For example, the first source’s weakness is that it relies too heavily on the facts from the research conducted. According to David et al. (2020) “Over 70% of gamers played a game with loot boxes in by the end of the studied period; over 80% played a game with cosmetic microtransactions… suggest these features may have risen to a dominant position in desktop games as early as 2014.” This shows that while their research was conducted, the paper did not tie that into the larger narrative surrounding the industry.

Whereas one strength of the second source is that it takes the experiences of humans and compares that to the current regulations surrounding consumer protections. This source does a great job at taking the context surrounding the topic and conducting research to show how player and community feedback has not been considered when creating legislation. This shows that the authors are thinking of their audiences while setting up their research and how they used player experiences to statistically vent frustration at current regulations.   
 Each source uses different rhetorical appeal. However, each is proficient in using either logos, pathos, or ethos.

The first source thrives with using logos to show the points presented. This source is mostly data driven and shows the findings of the research in a clear and concise manner. For example, David et al. (2020) states “…leading to high levels of exposure by April 2019: 71.2% of the sample played games with loot boxes at this point, and 85.89% played games with cosmetic microtransactions.” This shows that they are looking at the numbers and calculating the exact percentages of exposure in the most played steam games.

The second source convincingly uses pathos to prove their points. The entire research study is established on the basis of listening to different people or experiences and finding the consensus of those experiences. Stated in the research of Petrovskaya and Zendle (2022) “We asked 1104 players of video games to describe a time when they had been exposed to transactions which were perceived to be misleading, aggressive or unfair.” Showing that they started their research by asking people how they felt and what they experienced. This connects to the audience because they can relate to wanting to discuss a problem and wanting change to come about from that.

The third source excels at using ethos to guide the conversation. Not only was the source published in a peer reviewed, scholarly journal, but the authors engage with earlier works to base their research off and to enter the conversation with their findings. According to Ritzki et al. (2019) “Hadzinsky concludes that the video game industry is a dynamic and complex one with an unpredictable future due to many decisive factors and the number of people…” Showing how the authors were able to use their ethos to communicate with their audience to prove they know what they are talking about and are experts in their field.

ANNOTATED REFERENCES

Source #1: “The changing face of desktop video game monetisation: An exploration of exposure to loot boxes, pay to win, and cosmetic microtransactions in the most-played Steam games of 2010-2019”

This source is about the rise of exposure microtransactions in the most popular steam games between 2010 and 2019. David Zendle, Rachel Meyer, and Nick Ballou got this paper published in a peer reviewed journal called *PLoS One.* The authors conducted an empirical quantitative study by creating a program that would sort through player numbers from SteamDB.

The main point of this source is that between the years of 2010 and 2019, the games played on Steam increasingly used loot boxes and microtransactions compared to the one-time purchase of a product. The researchers developed a system that calculated the average amount of exposure a player had to cosmetic microtransactions, pay to win microtransaction and loot boxes rose significantly in certain cases. They looked at public player counts and calculated the exposure percentage for each of these categories. Their takeaway was that pay to win microtransactions rose slightly until 2015 then fell to low levels of exposure in 2019. Compared to cosmetic microtransactions and loot boxes, which jumped to over 70% of gamers being exposed to these types of monetization.

I am going to use this source to show there has been a rise in microtransactions. I am going to use this to talk about how games started to implement this and how they tried to do so. I am going to use this source to show the main reason pay-to-win microtransactions were not popular is because of the community reaction to them. This leads to their replacement in the form of cosmetic microtransactions and loot boxes.

Source #2: Predatory Monetisation? A Categorisation of Unfair, Misleading and Aggressive Monetisation Techniques in Digital Games from the Player Perspective

The main point of this source is that there is range of monetization techniques that player communities view as more problematic and harmful to their experience. Elena Petrovskaya and David Zendle wrote it and got this peer reviewed and published in the scholar journal called *Journal of Business Ethics.* They conducted empirical quantitative research by asking players about their experiences and observations of a time when they perceived a transaction to be “misleading, aggressive or unfair.”

The relevant ideas in this source and something that I really want to focus on is how it goes into depth about regulation and policymaking surrounding video game monetization. The source talks about how a significant amount of these experiences gathered from players show signs that the games are not following existing UK regulations surrounding consumer rights and regulations. The source talks about how the player side of this discussion is often, left out in these discussions and how policy needs to take that into account.

I am going to use this source in my essay to enhance the point I am making that players and communities are a huge part of the story when it comes to video game monetization. I will use this source to show that there has not been a whole lot of player feedback when it comes to these decisions regarding policy or other types of regulations. This source also talks about how the regulation surrounding video games has focused on loot boxes and that there is more research that needs to be conducted surrounding the other types of monetization. I am going to use this source to show that there have been some legal things surrounding the shift to a live service and microtransaction based video games but that players are really the focus when it comes to this shift.

Source #3: Relationship between development and quality of video games.

The authors who published this source in the *Journal of Physics: Conference Series* were N M Ritzki, A Mukharil, and Y A Hermawan. They conducted empirical qualitative research in their study that looked at the amount of time spent developing a video game and the number of copies sold to find a perceived critical reception.

The purpose of this source is to compare the quality of a game and the amount of time spent developing the game. To do this, the source looks at 20 different video games from different genres from multiple different AAA developers in the last 10 years and compared the success of the game to the development process and marketing of said games. The main finding that they had was that a video game’s quality does not, in fact, translate to a longer development cycle. The source does talk about how the video game industry is constantly changing and evolving and thus the success of a game is also constantly changing and evolving.

I am going to use this source to further prove my point that video games and how well they do are dependent on the community reaction surrounding a game and the release of said game. I am going to use this source to talk about how the video game industry is ever changing and there are a significant number of different factors surrounding a games release that can affect how well it does.

I personally have experienced this happening a lot where people look back on a game that came out with so much love and joy but if that same game had come out today, the same people who loved that game would think that it was bad. For example, when *World of Warcraft: Classic* came out, the fans and community were BEGGING for the developers to make no changes to the game and fully release it in its original form. (#nochanges) However, when they started to play that version, they started to want different things and eventually trusted the developers to make #somechanges. Anyway, just a personal example of how audience perception of a game can really changes how a product is received. (How the audience is feeling and what the market is missing is going to really be something to think about when releasing a game).

References

Petrovskaya, E., & Zendle, D. (2022). Predatory Monetisation? A Categorisation of Unfair, Misleading and Aggressive Monetisation Techniques in Digital Games from the Player Perspective: JBE.*Journal of Business Ethics, 181*(4), 1065-1081.

Ritzki, N. M., Mukharil, A., & Hermawan, Y. A. (2019). Relationship between development and quality of video games.*Journal of Physics: Conference Series, 1402*(6)

Zendle, D., Meyer, R., & Ballou, N. (2020). The changing face of desktop video game monetisation: An exploration of exposure to loot boxes, pay to win, and cosmetic microtransactions in the most-played Steam games of 2010-2019.*PLoS*