Consumer perspectives towards monetization and its impact on AAA game designs

Faculty of Arts
Department of Game Design
Author: Jubril Ahmadu
Course: Master Thesis in Game Design, 15 hp
Program: Master's Programme in Game Design
Supervisor: Rainforest Scully-Blaker
Examiner: Lina Emilsson
May, 2023
Abstract

Monetization is now a fundamental aspect of video game creation and currently, all developers are trying to utilize it in the various designs of their games. Contemplating the monetized aspect of video games, this research has seen a gap in the studies pertaining to monetization from the perspective of the consumers, who are also the gamers and the buyers of these monetization designs. This paper approaches monetization from the perspective of consumers to bridge that lacuna. It aims to gain insights into the consumer mind by initiating a conversation between previous theories and present discussions to arrive at a middle ground on monetization in AAA games between consumers and game designers. It achieves this by the use of an online survey and semi-structured interviews with core and casual consumers. Furthermore, this research is supported by a discourse analysis on YouTube by game critics and reviewers. The results of the study showed that monetization is beneficial to independent developers and mobile games, it is also beneficial in AAA games if it is left to the part of the game design that does not affect the quality of the game. For example, cosmetics and DLCs, as long as those DLCs are not gated game lore that consumers are forced to buy. The impact of monetization on AAA games is a fifty-fifty issue on the part of the consumer and developer. The financial impact consumers project to developers justifies the rationale for the continuity of monetization models regardless of the quality of the games design. In the future research is needed to better understand consumer perspectives on monetization, particularly among consumers who have grown up in different gaming eras. Additional studies with larger sample sizes should be conducted in order to make valid generalizations and capture the perspectives of teens. Future studies should also focus on games and game studios that have implemented micro-transactions successfully, considering game design quality, revenue, and customer satisfaction.

Keywords: Monetization, microtransactions, consumer, consumer market, game design, video games
Table of Contents

1 INTRODUCTION ........................................................................................................................................... 1
  1.1 PROBLEM STATEMENT ............................................................................................................................. 2
  1.2 CONTEXT .................................................................................................................................................. 2
  1.3 METHODS ............................................................................................................................................... 3
  1.4 OUTCOMES ............................................................................................................................................. 3
  1.5 LIMITATIONS ....................................................................................................................................... 3

2 BACKGROUND ........................................................................................................................................... 5
  2.1 THEORETICAL FRAMEWORK .................................................................................................................. 5
    2.1.1 Blind purchase ...................................................................................................................................... 5
    2.1.2 Time and place ..................................................................................................................................... 6
    2.1.3 Purchase motivations .......................................................................................................................... 6
  2.2 LITERATURE REVIEW .............................................................................................................................. 7

3 METHODOLOGY ....................................................................................................................................... 12
  3.1 POSITIONALITY ...................................................................................................................................... 12
  3.2 REFLEXIVITY ......................................................................................................................................... 12
  3.3 METHOD ................................................................................................................................................ 13
    3.3.1 Survey ............................................................................................................................................... 13
    3.3.2 Discourse analysis ........................................................................................................................... 13
    3.3.3 Interviews ....................................................................................................................................... 14

4 RESULTS .................................................................................................................................................. 15
  4.1 SURVEY RESULTS .................................................................................................................................. 15
  4.2 DISCOURSE ANALYSIS RESULTS .......................................................................................................... 20
  4.2 INTERVIEW RESULTS ............................................................................................................................. 21

5 LIMITATIONS .......................................................................................................................................... 23

6 DISCUSSION ............................................................................................................................................ 24
  6.1 SURVEY DISCUSSION ............................................................................................................................. 24
  6.2 DISCOURSE DISCUSSION ....................................................................................................................... 26
  6.3 INTERVIEW DISCUSSION ....................................................................................................................... 28

7 CONCLUSION .......................................................................................................................................... 30
8 REFERENCES ................................................................................................................................. 32
8.1 VIDEO REFERENCES .............................................................................................................. 36
9 APPENDIX A ............................................................................................................................. 37
10 APPENDIX B ............................................................................................................................ 43
1 Introduction

Video games are not only changing due to technical innovation but are also changing due to new game design and monetization approaches within elite gamer groups. These groups are the ones with financial in-game-investments co-financing all users of free-to-play-games (F2P) (Dreier et al, 2015). This change has been more pronounced during the last years due to video games having come a long way with regards to how game companies and policers profit from their games. That is how they drive profitability, how they break even and how they design games specifically with monetization strategies to maximize cash flow for the company. The gaming industry is a juggernaut boasting around 197 billion US dollars (Statista, 2022).

The tremendous rise of F2P games, especially on mobile platforms, has largely contributed to this rise of monetization at the core of their designs. Monetized games are largely free to play games, with most of them being microtransactional regarding game design intention and game mechanics. Innovative games, for the purpose of this paper, fall under the category of serious or transformative games that support learning, education, or growth (Gonzalez al, 2022). Triple A (AAA) games are financially successful games that are bought at full price with no microtransactions or recurring payments. This paper also considers massively multiplayer online (MMO) that are considered to have done microtransactions quite well and are AAA titles as well.

According to (Statista, 2022), in quarter three (Q3) of 2022 approximately 490 thousand F2P mobile gaming apps were available in Google play store. This represents 2.57 percent compared to the previous quarter. While on Steam approximately 10,963 games were released in the total year of 2022. In one quarter versus an entire year, we see approximately 4470 percent of F2P games released compared to Steam. Where games on Steam released around 2 percent compared to F2P games.

The main reason for the necessity of monetized game-design-intentions is that companies need money. This money is in turn, used to create other projects or improve the value and marketing of the current game, such as economics of scale: low-cost high yield, short-length games, and high financial gain. Guintcheva Sapino in 2017 breaks it down as a business model geared towards revenue increase for publishers that lead to traditional publishers taking an interest in F2P and focusing on profit. He highlights the strive of publishers to generate income solely by implementing strategies that encourage players to buy in order to advance: the pay-to-win model.

Furthermore, Sapino shows that monetization can produce a constraint for publishers due to the focus on solely generating income at the risk of players feeling less satisfaction from the gaming experience. A situation due to the players feeling trapped in a game design experience that is more commercial than creative (Sapino & G, 2017). From an economic standpoint, there should be no reason why companies should stop microtransactions as data suggest huge numbers to keep them going for this model.

However, economics is not the sole conduit for sales of games or profitability of games as proven by games such as Microsoft Flight Simulator, Elden Ring, The Legend of Zelda Breathe of the Wild that have achieved tremendous financial success without monetization elements as their design intention. However, there are games that have done a great job at monetization design
elements without too much impact on the gameplay, design mechanics or overly creating unfair advantages for rich players. These games have achieved a form of balance between monetization and innovation. An example of such a game is Final Fantasy XIV, whose monetization elements focuses on cosmetics, skins, subscriptions. Most importantly, when the developers offered pay-to-skip to level 70 for player-characters it was more detrimental to the players than an advantage as other players would immediately notice the lack of skill of said player who purchased this level skip.

This paper approaches the research from three main standpoints: firstly, from the work done by previous scholars on monetization in AAA games and in general game design as a placeholder for speaking on the behalf of monetization. Secondly from the perspective of the consumer through an online survey, a review of online videos by consumers whose prevalent attitudes towards monetization speak a set of opinions held by many. Lastly an interview of the participants who took part in the survey will be conducted.

This approach is intended to gain insights into the consumer mind by initiating a conversation between previous theories and present discussions to arrive at a middle ground on monetization in AAA games between consumer and designers. The research does not claim to have a definite theory or framework that can provide a definite answer to whether microtransactions are needed. Nor does this research seek to say monetization is inherently bad rather it aims to wade through a sea of answers, responses and analysis from players that can lay a groundwork. In a future perspective this research may provide a looking glass by which game designers and companies can use to find a balance or see the possibility of balance existing between monetization and AAA games.

1.1 Problem statement
This research aims to discover what the “Consumer perspectives towards monetization could be as well as evaluate its impact on AAA game designs?”. As an avid AAA game consumer, the difference in the quality of modern AAA game designs in terms of storyline, gameplay, game mechanics, and incompleteness compared to games of older designs. Pursuing this observation led to articles and video essays by many scholars and consumers who discussed monetization and its effects in a broad spectrum, such as: in business terms related to games as a service (King et al, 2019). In many situations, this was discussed in respect to monetization being a deliberate dark design pattern to deceive players into spending more and more (Zagal, et al 2013). Furthermore, it was also discussed what part consumers have in the fact that monetization is gaining traction and how it is now perceived (Diaczok, 2019). This has led to the following research sub-questions:

1. “How do consumers perceive monetization in AAA games?”.
2. “Do consumers see monetization as a requirement in AAA games?”
3. “Under what conditions are consumers willing to tolerate or invest in monetized elements in AAA games?”

1.2 Context
The contextual framework of this study is based on a couple of theories from previous researchers. The first theory, Rogério Tavares’ Blind purchase, is about gamers’ reaction to the use of Non-
Fungible Tokens also called *NFTs* in AAA video games by consumers. Specifically, this theory proposes that companies adopt monetization as a strategy for collecting financial assets through selling of characters, weapons, and clothes with several items in which players purchase these upgrades and unknown items for a certain period of time (Tavares et al., 2023). The second theory is Time and Place, concluded by Edwin and Phil in their research; are microtransactions really necessary in the gaming industry with a focus on AAA games (Edwin et al., 2019). Which basically proposes that monetization depends on when and where it is used, based on multiplayer, single player or freemium games, as well as on small independent companies and larger companies (Edwin et al., 2019). The third theory is Purchase Motivations coming from Diaczok and Tronier’s investigation of monetization strategies in AAA games that showed the complex relationship between customer needs and their impact on intention to purchase virtual goods.

1.3 Methods
To answer the questions put forth by the research based on the set theories three methods are implemented. An online Google form survey intended to approach the research from a list of questions given to participants to answer and gain insights from the perspective of the consumers. The second will be a discourse analysis on online videos on YouTube from core gamers that further adds to the pool of the survey already collected to further enhance or complement the survey findings. The third method is an interview of the participants on the survey to shed more context to the rationale behind their consumer opinions, thoughts, and insights towards monetization in AAA games.

These methods make for one big pool of consumer perceptions and motivations with the intention to discover whether blind decisions are made by consumers during buying or the right time at the placement of these microtransactions by developers could be the purchase motivations for monetization in AAA games.

1.4 Outcomes
The criticality of this research is focused on knowing if consumers are responsible for monetization or are developers responsible for its exponential and tremendous growth. It is a given that monetization is here to stay as we can see based on the financial and analytical data stated in the introduction that 490 thousand percent of monetized video games produced alone in the third quarter of 2022 versus its Steam counterpart. As such this research hopes to shed more light on the consumer market perspectives and developers can glean an insight from that perspective and find a balance in AAA monetization design games.

1.5 Limitations
Possible limitations to this research may stem from the number of participants in the survey, the subjective opinions of the consumers, the difference in region may further affect or bias the market opinion, that is: the market in Europe, America and others may be based on their market opinions thereby not creating enough data-diverse opinions. Another possible limitation could arise from too many Gen-Z (gamers born between 1997-2012) versus millennials (gamers born between 1981-1996), because Gen-Zs grew up with and into monetization while millennials started out without it, hence depending on the higher number of participating consumers the data may be skewed.
The marrying together of the chosen methods that enhance, solidify, and complement each other hopes to reduce how much or combat these limitations as much as possible to create a viably acceptable result.
2 Background
Monetization has been studied in games by several scholars (Hamari, Hanner & Koivisto 2020; Ivanov, Wittenzelner & Wardaszko, 2021; Karlsen 2022; Petrovskaya & Zendle 2021). Where monetized games are largely F2P games, with most of them being microtransactional regarding game design intention and game mechanics purposes. Microtransactions can be said to be the opportunities that gamers have to purchase virtual goods in a video game beyond that of the base game, such as downloadable content (DLC), characters or cosmetics, amongst others (Almaguer, 2018).

This study will look at monetization from this definition, everything from DLCs, in-game purchases, loot boxes, cosmetics, virtual currencies, basically everything that does not accompany the game purchase at launch is regarded as monetization.

2.1 Theoretical Framework
One major aspect that has not been covered to the fullest extent is the perspective of the consumer base, those who play and pay for these games. Even if their opinions will be subjective in relation to their respective experiences and preference, such as individual financial capability, choice of platform, single player or MMO games. However, if the opinions are solicited from players of specific games, then it is possible to group responses according to shared themes while also attending to whether the game is a AAA or not.

This commonality will be the key focus for the construction of this study so that it can gain insight into under what conditions consumers are willing to tolerate or invest in monetized elements in AAA games. opinions of the consumer base in relation to monetization in games. This construction will then be based on three theories as mentioned in the context namely Blind purchase, Time and place, as well as Purchase motivations.

2.1.1 Blind Purchase
The article investigates gamers’ reaction to the use of NFT in AAA video games and it proposes that companies adopt monetization as a strategy for collecting financial assets. This can for example be done through the selling of characters, weapons, clothes, lootboxes. Furthermore, several items in which players purchase these upgrades are unknown items, so called “Blind purchase” (Tavares et al, 2023). The theory rest on the conclusion that players who are financially knowledgeable take advantage of the profit aspect of monetization, that is, the transformation of their time, skills, and knowledge, into financial assets greater than those invested in the game.

Another way of saying this is that players turn a blind eye to what they are purchasing because its financial return is greater than the concerns inherent to the game, such as its narratives and gameplay and some players profit off of it. This involves the research sub-question 1 and 3, respectively, on how consumers perceive monetization in AAA games and under what conditions consumers are willing to tolerate or invest in monetized elements in AAA games. Specifically, when consumers buy items, they do not need to blindly spend more than they usually would, just due to bragging rights or to make more money, as most items can be sold to other players to make...
more money. This means that under the right conditions, they would blindly take a dive into monetization.

2.1.2 Time and place
With a focus on AAA games, Edwin and Phil (2019) ask the question, are microtransactions really necessary in the gaming industry. They concluded that a Time and Place for it would make it viable to many degrees in the consumer market. In the current study, their theory on microtransactions basically proposes that monetization depends on when and where it is used. For example, if it is a multiplayer, single player, or freemium game, and if it is based on small independent companies or larger companies (Edwin et al, 2019). Edwin and Phil’s study helps this research by asking if monetization is a requirement or a necessity in AAA games if implemented with the right design at the right time. A good example of these are independent developers who require the funds to keep the game running or produce the next game and because consumers do not see most independent games as AAA monetization can be a requirement for these as against big companies, big budget titles.

2.1.3 Purchase motivations
Purchase motivations occur on many complex factors as theorized by Diaczok and Tronier in their investigation of monetization strategies in AAA games. They showed the complex relationship between customer needs and their impact on the intention to purchase virtual goods. The results identified major customer backlashes due to business-related decisions taken by the game creators. Furthermore, these could be seen to greatly overlap with the inclusion of microtransactions in their games. Notably, they understood that these games come with great risk and rewards and as such, their investigation led them towards the existence of extreme negative consumer reviews.

This stemmed from monetization controversies resulting from the need of consumers to purchase these monetized items and should not be disregarded by game developers as this can in the long run impact the sales of the game. It can also increase negative reviews as well as negative and increased valence, factors that can negatively influence consumer perception and purchase behavior which could have a direct effect on sales and brand equity (Diaczok et al, 2019).

Purchase motivations involve the sub-question 1 and 2 of this thesis. Specifically, regarding how consumers perceive monetization and if consumers see monetization as a requirement in AAA games and if it is based on their purchase behaviour or if it drives motivation towards it. A good example of purchase motivation is the armor monetization element that was implemented in Elder scrolls IV: Oblivion where it was met with negative reviews by consumers yet it still sold so much. It was not a requirement, but players still perceived it as a necessity probably to fit in into the world of the game itself or to not be the only player without it or to have bragging rights. Basically, consumer motivation to have purchased the armour in Elder scrolls IV despite their vehement dislike for it showed the high probability of consumers motivation towards monetization. And this can be perceived by developers and companies and in turn elicits a business response to create more monetization strategies.
2.2 Literature review
In recent years the rise and impact of microtransaction in games have been well researched. Some researchers argue against the proposed identified measures, to combat predatory monetization in video games, and how these measures are unlikely to be adopted due to the economic interest and gain attributed to its unhindered implementation of monetization (Xiao et al, 2021).

Microtransactions could be said to have four focuses, in-game currencies, random chance purchases, in-game items, and expiration. However, microtransactions are not limited to these four focuses as an increasing number of new ways and forms of creative monetization methods arise on a daily basis. Purchases that happen around these four focuses and grant players specific features or give special abilities to the players, at the cost of real money, are called microtransactions (Agarwal, 2022). Furthermore, this paper also shares those similarities, based on the economics of scale in which monetized game designs come into creation. It also looks ahead at what the possible outcome would be if these transactional designed games continue en masse to the point that their designs start to overwhelm innovative games. There are also discussions whether microtransactions are necessary in triple-A games, where it is recognized that unlike other forms of media, games are also a business and require revenue to make it possible for game designers to work with game development.

Certain aspects of monetization designs can offer better gaming experience to players willing to pay for the experience by focusing on cosmetic microtransactions. The study of Boffel and others experimentally explores this potential by objectively measuring the effects of character customization with cosmetic microtransactions on objective and self-estimated player performance (Boffel et al, 2021). A study conducted by subjective identification with the avatar, fun and the players' perceived competence. Furthermore, this type of research allows conversation stating that monetization designs in gaming are a valid approach to finding a balance between monetization and innovation as the research provided fun, competence and was largely unaffected by the manipulation of monetization schemes aimed at unfair play.

In 2022 it was shown that the gaming industry is now bigger than the movie and music industry (Parreno, 2022). Furthermore, this was also previously shown by BBC, stating that the game industry is worth £3.86bn ($4.85bn) which in 2019 was more than double its value in 2007, according to the Entertainment Retailers Association (ERA) (BBC News 2019). This increase in value is to a large degree due to many monetization models, including DLCs, paid updates, season passes and lootboxes as well as video game companies running, the gamut of selling so many other items repeatedly (Parreno, 2022). This is supported by Kostić, who studied how games have been implemented as a service-based model based on the continuous flow revenue. Including the sale of additional content in an already distributed game (Kostić, 2022). In detail, Kostić used questionnaires to evaluate the attitudes of players in Serbia and Poland towards microtransactions and determined the attitudes of players towards different types of microtransactions.

It has also been shown that qualitative reasoning and the attraction of winning have a great influence on consumers (Nicklin et al, 2021). In this study was an analysis used to categorize
reasons for buying into seven “themes”; opening experience; value of box contents; game-related elements; social influences; emotive/impulsive influences; fear of missing out; triggers/facilitators (Nicklin et al, 2021). It is noteworthy that the euphoria of monetization rewards is a lens through which to consider why gamers keep paying for monetization schemes. The feeling of obtaining a prize, the fun and excitement of discovery to gambling. Hence, players invest more money for a feeling which can grow into joy of winning, which can develop into an addiction, that in turn becomes a motive to keep paying for freemium service. This research opens up a conversation about the possible outcome monetization has over players from the perspective of wanting to win. This ultimately takes away the player’s propensity to explore the game for its creativity, it rather creates a need to win, which can be achieved by investing money to gain social influences such as bragging rights etc.

According to Dreier’s (2015) and Lovell (2011) ten percent of players are highly financial gamers, so called “Whales” and they spend 20€ on F2P. 40 percent of players spend 5€, and these players are called “Dolphins” and 50 percent of players called “Minnows” are the low-end spenders, that spend 1€. The last classification of players are those who do not spend on games and they are called “Freeloaders” (Dreier et al, 2015). The concept of player categorization is important for research that is investigating what kind of players are contributing to the rise in monetization designs. Companies target these whales, who carry all other players along and support the business decisions or models for video game publishers. 50 percent of players already support the monetization designs, the other 50 percent by the companies who capitalize on user data to keep facilitating these designs. It is an interesting perspective to what will be the future outcome if this approach continues.

In King’s article of 2019 unfair play, he looks at the gaming industry from the eyes of a service-intended approach, with games such as World of Warcraft, and Fortnite, as a “games as service” model. The microtransactions in those games, offered by AAA companies, consider the rapid rate of use of virtual currency or items. Furthermore, purchasing options in these games were compared to gambling, loot box mechanic and how in some countries the ban placed on this design intention was put in place. Recognizing the massive revenues gained by microtransactions also pointed out the potential behavioral effects, particularly among children and adolescents, of gaming excessively. Including among others mental health problems, social and developmental impacts, addictive use of video games, and negative impact on school performance (King et al, 2019).

Harviainen and Ojasalo’s article examines the freemium game design approach: a partial pay to play approach for F2P games. It speaks to game design from the perspective of monetization as a service for gamers. It acknowledges that most monetized games provide inferior services to gamers. It shows that F2P games rely on methods that focus on purchases and then optimizes that approach. The reason for this is that the revenue will be reliant on players that want to pay extra, and hence the extra revenue comes from a sacrifice of the game design perspective geared towards pay to win thereby risking the quality of the game designed (Harviainen et al, 2018). This source guides the current thesis to look at monetization from the perspective of the customer.
Perks article offers insight into the impact game critiques have on a game design decision by firstly speaking on world building, narrative, player actions, and game representations (Perks, 2020). It focuses on monetization and recognizes that developers face issues due to their monetization models, and that the criticism received contributes to a larger industry change. It explores the relationship between critics and developers, who, in response to public pressure generated from journalist commentaries, reflect upon, and change their games accordingly.

Alcid, Bandril, Guzman and Lopez’s paper wrote about how games were once developed for the sole purpose of entertainment. They reported that games have had benefits for users, such as the opportunity to create strong friendships and emotional relationships, meet new friends and family members, express their feelings. Furthermore, a new form of entertainment, leisure, and relaxation, as well as those games, can be utilized as training material. Furthermore, this study also noted that games should be evaluated by actual game users and that the games not evaluated by experts in the gaming industry can lead to game developers, game designers, and game enthusiasts having a different set of opinions towards the game (Alcid et al, 2017). This research gives an understanding of the need for more analysis to be done in the gaming industry in general.

Liu and Choi’s paper examines the Google app store as a case study and shows how it was designed with a key monetization strategy at play, i.e., a free and premium approach for consumers. It explains from a financial data and statistical view the business viability of offering digital-based goods, and additional content purchases. It presents data on how consumers make purchases and how gamers are led in a vicious loop which in turn boosts sales for games. What is interesting is how F2P games are used as a lure for players as a “free version” of the game and later made to purchase in-game products as they progress (Liu et al, 2014). This source shows how monetization game designs are made into a vicious loop for players to keep purchasing and uses Google app as a case study to show this.

Bongard et al, says dark patterns direct user behavior towards choices that may offer advantages like ease of use, free services, and immediate gratification. However, such choices may have an adverse impact on individual welfare (e.g., invasion of privacy, financial loss, behavioral addiction) and collective welfare (e.g., harm to competition, erosion of consumer trust). Dark patterns are believed to work because they exploit cognitive biases and human bounded rationality. The authors focus on a specific form of online manipulation: dark patterns. They are defined as “design choices that benefit an online service by coercing, steering or deceiving users into making decisions that, if fully informed and capable of selecting alternatives, they would not make.” This article investigates the user’s perspective, and aims to identify requirements for effective countermeasures, that can either act on the individual or on factors lying outside the individual (Bongard et al, 2021).

Chen et al, studies show that recently the video game industry standard has shifted toward the freemium model, where access to a game is freely given to customers, and in-game virtual items can be acquired via microtransactions. In other words, virtual items that help players in the game are purchased with in-game or real-world currency. In many of these games, microtransactions are
conducted via a randomized mechanism known in the video game industry as a loot box. The
authors look from the perspective of the developers and give a thorough analysis of the profitability
of loot boxes, yielding guidelines for how to design and price loot boxes so as to maximize
revenue. It is shown that the unique box strategy is asymptotically optimal, whereas the traditional
box can garner only 36.7% of the maximum revenue. While from the perspectives customer’s
perspective the traditional loot box strategy is preferred, and the unique box strategy does not yield
any customer surplus. Further, it is also shown that the introduction of a salvage system has
surprisingly little effect on customer surplus when facing traditional loot boxes, with a potential
gain of only 1.4%. Most importantly, this article shows that customers may be at risk of seller
manipulation (Chen et al, 2021).

Costes and Bonnaire’s article (2022) speak to how F2P has spread widely all over the world in
recent years and how the current economic model for these games is based on microtransactions,
where gamers can purchase additional items. They group microtransactions into three types,
cosmetic microtransactions (e.g., aesthetic changes within the game like alternative costumes) pay-
to-win microtransactions—that can increase the gamer’s chances of in-game success by
purchasing items or bonuses—and loot boxes which provide players with a randomized reward of
uncertain value, introducing randomness to in-game purchases items or services inside the game.
Their study showed that the practice of F2P is widespread in the general population, in men and
women, and that a large proportion of gamers spend money inside these games, and that this
behavior (spending more than 20 euros per month) is strongly associated with IGD (internet
gaming disorder) (Costes and Bonnaire, 2022).

In Dryzghalovych and Katernyak’s article (2022) the aim is to analyze modern solutions for
monetization in video games, their impact on the design of already existing successful franchises
and new, unique projects that have introduced examples of both positive and negative correlations
of key product design into the industry. Furthermore, they also aim to investigate selected
monetization solutions, in terms of cooperation, interaction, and conflict resolution of the
developer with customers. In more detail. This study is based on scientific literature regarding
monetization in video games in combination with an analysis of reviews posted on game distribution
platforms. A strategy that provides a fairly high level of sample independence, since selected
platforms do not allow to leave feedback without the purchased product and conduct an active
campaign against bots and review-bombing. It is also based on internet sources which describe
and criticize video games, as well as gaming press focused on historically significant events in
terms of the developmental cycle (Dryzghalovych and Katernyak, 2022).

Pay to win and pay to cheat has also been investigated in more detail (Freeman et al, 2022). This
research suggests that advent of various in-game purchasing systems has led to several ethical
concerns in contemporary gaming ecosystems. Including the monetary dark patterns in game
design and the potential harms on gamer wellbeeing by introducing cheating, gambling, and
addictive mechanisms. It is highlighted that there is, yet no consensus regarding fairness of
gameplay in competitive gaming that allows in-game purchases. In turn, this indicates that game
designers, developers, and companies may need to walk a fine line between providing players with
enjoyment and healthy competition dynamics, while still maintaining enough room for skills to
matter more than the benefits of players’ spending. Currently, these are concerns that have resulted
in the rise of tensions regarding the impacts of in-game purchases on players who pay versus those
who do not pay, such as their perceptions of "fairness" in highly competitive gaming contexts
when spending is involved (Freeman et al, 2022).

A study by Fristedt and Lo found that having a well-designed game is important to make players
purchase content, where many players made purchases based on emotional reasons such as
wanting to look cool. Players also made purchases to avoid grinding and to gain competitive
advantages. It is shown that people playing these games think that their purchases were justifiable
since the games are free. However, the common consensus is that while cosmetic items are
acceptable, pay-to-win items which provide a competitive advantage are not. Their results showed
that players have different motivations for purchasing depending on the content type. In fact,
players prefer to purchase content in games they enjoy playing (Fristedt and Lo, 2019).

Regarding dark patterns designs of games Zagal studies gameplay and monetized designs and how
companies use monetized designs to get players to keep on paying. From a research perspective
monetization design practices are mostly written about in the negative due to how consumers
perceive it (Diaczok, 2019). However, this practice has gained heavy traction and is today no small
part to consumers themselves, accept this monetization. Which today has resulted in a successful
approach for companies, where it has even become vital for the survival of both indie game
companies, developers, and AAA companies.

Nieborg draws upon multisided markets and critical political economy stating how platforms
operate app stores that sustain the transformation of games as fixed, physically distributed products
that follow a transaction logic, into digitally distributed, freely accessible, or “free-to-play” apps
using the game candy crush as a case study (Nieborg, 2015). This writeup of Nieborg shows the
choice made by the company to choose a monetized strategy design from the game’s inception and
the outcome achieved.

In conclusion, recent studies of various researchers recognize that monetization will continue to
be a large part of gaming designs, where over four thousand percent of monetized designs exists
in comparison to non-monetized game designs. Considering this it is vital that games research
addresses the possible outcome of this large amounts of monetized designs. Hence, in this thesis
will a perspective of the consumer market towards monetization in AAA games be addressed
through survey and interview data from various customer-based players.
3 Methodology
This thesis aims to investigate consumer perspectives towards monetization and its impact on AAA game design. To accomplish these two phases were used. The first included an online survey using a Google form, described in Appendix A. The second phase relied on the semi-structured interview of the participants shown in Appendix B.

3.1 Positionality
As an avid gamer and a heavy consumer of games myself, I am positioned from a standpoint of being able to afford monetization elements and I have done so in the past. Another positional standpoint is my years of data analytical experience, business development background, computer science studies and currently game design studies. Taking all of this into account I come from the angle of those this research relies on the consumer, while at the same time having an objective view of the data received. Also considering that video games and their development is grounded in computer science and programming. This, in line with my current game design knowledge has further positioned me in a place to want to know what the market is saying about AAA monetized video game designs.

3.2 Reflexivity
Borrowing the popular Ralph Waldo Emerson’s phrase that sometimes the journey can be more valuable than the destination. I can say the process of conducting this research has been quite a unique eye-opening experience in how it has come to shape certain future decisions to consider when I decide to make or be involved in the process of creating a video game. What design elements to consider, what business strategies to implement and how much I can push the envelope of quality game design while giving consumers the best experience possible.

As a millennial my first real foray into AAA titles were games like *The Legend of Zelda: Ocarina of Time*, *Final Fantasy IX*, *Street Fighter II Turbo*, *Super Mario World* to list a few. What these games had in common versus what I started to notice as gaming obviously grew was that they were full priced one-time purchase games, that is; when the games were released the first payment made by a consumer was also the final and full payment and the consumer got a full game, no DLCs, no cosmetics, no skins, no need to pay for characters and these games were considered highly successful without monetization elements. This shaped my belief that games did not need monetization to succeed or be lucrative as this belief somewhat predisposed my rationale towards monetization as a whole.

Ironically in 2015 I was introduced to *Final Fantasy XIV* MMORPG and in one year I found myself having spent a significant amount of money on the monetization elements the game offered. Then I started to question my thought processes, values, assumptions, and wondered if I was prejudiced towards monetization as a whole. I also questioned my habitual actions that had shown through my actions towards monetization.
Around the same time I came across YouTube videos from core gamers who reviewed, critiqued monetization designs and their impacts in video games especially in AAA titles, their views and opinions were backed up by articles published by reputable journalists or the game companies themselves and interestingly I realized they were people out there who were talking about what I was trying to figure out from a consumer standpoint and I found their insights, my curiosity a good way to provide some light to what consumers like me could be thinking and this could approach the research from an objective point of view with as little as possible of my personal opinions impacting the research.

3.3 Method
To answer the three sub-questions: how consumers perceive monetization, if they see monetization as a requirement and under what conditions would they be willing to tolerate it in AAA games. And these sub-questions were put forth by the research question on consumer perspectives towards monetization and its impact on AAA game designs. The research method is divided into three parts. The first is an online Google form survey intended to approach the research from a list of questions given to participants to answer and gain insights from the perspective of the consumers described in Appendix A.

The second part is a discourse analysis on online videos on YouTube from core gamers that further adds to the pool of the survey already collected to further enhance and complement the survey findings. The third method is a semi-structured interview of the participants on the survey to shed more context to the rationale behind their consumer opinions, thoughts, and insights towards monetization in AAA games shown in Appendix B.

3.3.1 Survey
The survey started out with a form of disclaimer to put participants at ease and not collect any personal information, so participants were free to give their opinions without restrictions. The survey has been praised for its questions and the seemingly wake up call for gamers who did not like how many AAA games have recently turned out. The survey gathered responses from 45 participants from 12 different countries and 5 diverse racial groups. The responses were coded into similar patterns that emerged across participants of closely related opinions and insights. Interestingly the responses challenged my expected reflexive-thought process on monetization, that is quite a number of players worth considering do not really dislike monetization. This discovery was an interesting challenge that spurred further analysis: A discourse analysis.

3.3.2 Discourse analysis
To enhance, complement and further delve into the perspectives of the survey discovery a discourse analysis of the perspectives of online video reviewers who often share their critique and opinions on monetization was utilized. 20 YouTube gaming review videos were analyzed from various core gamers. The reason why these perspectives matter is that they are evidence of the
prevailing attitudes towards microtransactions, popular commentaries which speak for a set of opinions held by many.

This analysis was coded into pros and cons of similar pattern. Looking at Wood and Kroger what most people do is talk, or rather discourse. This has the salutary effect of breaking down the artificial barriers between the various fields concerned with the analysis of everyday life. This turn to discourse has been accompanied by the development of new methods, these methods are designed for the close analysis of talk and, of course, writing. The methods are sometimes called discourse analysis, which is also a perspective on the nature of language and its relationship to the central issues of the social sciences (Wood et al, 2000).

3.3.3 Interviews
A semi-structured interview (RWJF, 2023) was conducted with 10 of the participants for more context into the online survey which quickly showed gamers never really thought through or fully thought about how they were spending on microtransactions or gave much thought to monetization as it felt natural for most, a feeling of “that’s the way things are, or I never gave it a thought, or I felt like I just woke up” as repeated by many participants. This part lent credence and further expanded upon the pool of the online survey to create a robust encapsulation of the methods used.

The best part of the method would be the diverse nature of the participant’s nationalities as the survey yielded opinions from 5 racial and diverse groups of people, that is an iota of 5 consumer markets can be said to have been touched upon perspective-wise of this research. This also created an unexpected and interesting mix of participating consumers with interesting insights that can be seen from the current responses to the questions I sought to ask to aid my research.
4 Results
The outcomes of this research have provided insight on the research about consumer perspectives towards monetization and its impact on AAA game designs, however the outcomes should be treated with caution due to the limitations of the research due to time constraints.

4.1 Survey results
45 responses in total were accrued from the survey out of which 65.1 percent were male, 23.3 percent were female, 7 percent preferred not to say and the rest non-binary. 52.4 percent were casual gamers, 42.9 percent were core gamers and 4.7 percent were neither. 41.9 percent of the participants were aged between 25 to 35, 30.2 percent aged between 16 to 25, and 25.6 percent were aged 36 to 45. By region split the participant’s regions comprises of 7 participants from Europe, 2 from Asia and 1 each from Africa, Middle East and America as shown in table 1.

By country we have 18 participants of Filipino descent. 5 of Nigerian and Swedish descent apiece. 3 of British and Chinese descent. While the rest of the participants are 1 of each descent from Saudi, Bulgarian, French, American, German, and Dutch each. A total of 40 participants who signified their ethnicity.

Table 1. Participants by country and region.

<table>
<thead>
<tr>
<th>Region</th>
<th>Participants</th>
</tr>
</thead>
<tbody>
<tr>
<td>African</td>
<td>1</td>
</tr>
<tr>
<td>Europe</td>
<td>7</td>
</tr>
<tr>
<td>Middle east</td>
<td>1</td>
</tr>
<tr>
<td>Asian</td>
<td>2</td>
</tr>
<tr>
<td>America</td>
<td>1</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Country</th>
<th>Region</th>
<th>Participants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nigerian</td>
<td>African</td>
<td>5</td>
</tr>
<tr>
<td>Swedish</td>
<td>Europe</td>
<td>5</td>
</tr>
<tr>
<td>Saudi</td>
<td>Middle east</td>
<td>1</td>
</tr>
<tr>
<td>British</td>
<td>Europe</td>
<td>3</td>
</tr>
<tr>
<td>Bulgarian</td>
<td>Europe</td>
<td>1</td>
</tr>
<tr>
<td>Filipino</td>
<td>Asian</td>
<td>18</td>
</tr>
<tr>
<td>French</td>
<td>Europe</td>
<td>1</td>
</tr>
<tr>
<td>American</td>
<td>America</td>
<td>1</td>
</tr>
<tr>
<td>German</td>
<td>Europe</td>
<td>1</td>
</tr>
<tr>
<td>Dutch</td>
<td>Europe</td>
<td>1</td>
</tr>
<tr>
<td>China</td>
<td>Asian</td>
<td>3</td>
</tr>
<tr>
<td>Polish</td>
<td>Europe</td>
<td>1</td>
</tr>
</tbody>
</table>
88.1 percent enjoy games which involve a one-time purchase that is single payment games off the shelf without additional ongoing payments or recurring charges while 9.5 percent were indifferent. 57 percent of participants believe monetization models impact their enjoyment of their games in a negative way, 22 percent claim it impacts in a positive way, 13 percent say no it doesn’t impact the game and 8 percent were indifferent in fig 1 below.

![Pie chart showing the impact of monetization model on game enjoyment.](image)

Fig 1. Impact of monetization model on game enjoyment

50 percent of the participants claim to enjoy games which are free at first but feature small in-game purchases or microtransactions, 33 percent do not enjoy it, for 12 percent of the responses says it depends if it does not affect gameplay, and 5 percent are indifferent as shown in fig 2.
Fig 2. Perspective on enjoying free at first but feature small in-game purchases or microtransactions.

On a scale of 1 to 5 with 1 being completely disagree and 5 completely agree, 37 percent of participating consumers were neutral in the perspectives that game studios should have no restrictions on how they want to monetize their AAA games, 32 percent disagreed, 22 percent completely disagreed, while 7 percent and 2 percent completely agree and agree respectively that game studios should have no restrictions on how they want to monetize their AAA games.

Table 2. Consumer perspective on monetization in AAA.

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Game studios should have no restrictions on how they want to monetize their AAA games</td>
<td>22%</td>
<td>32%</td>
<td>37%</td>
<td>2%</td>
<td>7%</td>
</tr>
<tr>
<td>Game studios should not be allowed to monetize games meant for children.</td>
<td>17%</td>
<td>7%</td>
<td>24%</td>
<td>12%</td>
<td>39%</td>
</tr>
<tr>
<td>Microtransactions enhance gaming experience in AAA games</td>
<td>49%</td>
<td>27%</td>
<td>15%</td>
<td>5%</td>
<td>5%</td>
</tr>
<tr>
<td>Microtransactions are necessary in AAA games</td>
<td>58%</td>
<td>18%</td>
<td>13%</td>
<td>8%</td>
<td>5%</td>
</tr>
<tr>
<td>The presence of microtransactions affects the quality of AAA games</td>
<td>10%</td>
<td>10%</td>
<td>24%</td>
<td>20%</td>
<td>37%</td>
</tr>
</tbody>
</table>

39 percent of participants completely agree that game studios should not be allowed to monetize games meant for children, 24 percent remained neutral, 17 percent completely disagree, 12
percent agree, and 7 percent disagree. Following that 49 percent completely disagree on the point that microtransactions enhance gaming experience in AAA games, 27 percent disagree, 15 percent remain neutral, and 5 percent agree and also 5 completely agree. To that effect 58 percent of participants completely disagree microtransactions are necessary in AAA games, 18 percent disagree, 13 percent are neutral, 8 percent agree, and 5 percent completely agree. 37 percent completely agree that the presence of microtransactions affects the quality of AAA games, 24 percent remain neutral on this perspective, 20 percent agree with this, 10 percent disagree, and another 10 percent of participants completely disagree as seen in the table 2 above.

For the most part most at a rate of 65 percent participants are not okay with microtransactions in AAA games that are classed as high-budget, high-profile games that are typically produced and distributed by large, well-known publishers and these games often rank as “blockbusters” due to their extreme popularity. The next group at 25 percent are okay with it and the remaining 10 percent remain indifferent as seen in the fig 3 below.

![Fig 3. Perspectives on microtransactions in AAA games.](image)

76.2 percent of the participants have paid money to play a game other than at the time of initial purchase, 23.8 percent have not. Following that 39 percent of the participants buy cosmetics, 21 percent buy in-game currency, 15 percent buy DLCs, another 15 percent buy anything, and the remaining 10 percent buy nothing.
Fig 4. Perspectives on microtransaction in AAA games.

On a scale of 1 to 5 with 1 being an emphatic no and 5 being an emphatic yes. 83 percent of participants say an emphatic no to paying another player to farm items for them in a AAA game, 7 percent say no, and another 7 percent are neutral while 2 percent say an emphatic yes. 68 percent of participants would pay to start a AAA MMORPG on a higher level, 17 percent remain neutral, 7 percent say no 5 percent say an emphatic yes and 2 percent say yes. 29 percent remain neutral on if they would pay for cosmetic items, 24 percent say yes they would pay for cosmetics, 20 percent give an emphatic yes to paying for cosmetics, 17 percent say an emphatic no and ten percent say no. 59 percent of participant say an emphatic no that they would not pay for powerful weapons and armor sets to gain an edge, 24 percent are neutral, 7 percent say a no, another 7 percent say an emphatic yes and 2 percent say yes.

Table 3. Consumer perspective on paying for monetization.

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Would you pay another player to farm items for you in a AAA game?</td>
<td>83%</td>
<td>7%</td>
<td>7%</td>
<td>0%</td>
<td>2%</td>
</tr>
<tr>
<td>Would you pay to start AAA MMORPG on a higher level?</td>
<td>68%</td>
<td>7%</td>
<td>17%</td>
<td>2%</td>
<td>5%</td>
</tr>
<tr>
<td>Would you pay for cosmetic items?</td>
<td>17%</td>
<td>10%</td>
<td>29%</td>
<td>24%</td>
<td>20%</td>
</tr>
<tr>
<td>You would pay for powerful weapons and armour sets to gain an edge?</td>
<td>59%</td>
<td>7%</td>
<td>24%</td>
<td>2%</td>
<td>7%</td>
</tr>
<tr>
<td>Would you pay for downloadable content or DLC?</td>
<td>2%</td>
<td>2%</td>
<td>24%</td>
<td>17%</td>
<td>54%</td>
</tr>
</tbody>
</table>
54 percent would say an emphatic yes to paying for DLCs, 24 percent remain neutral, 17 percent say yes, 2 percent say no, and another 2 percent say an emphatic no to paying for DLCs as seen in table 3 above.

According to the perspective of the participants 38 percent say the impact of microtransactions and other alternative monetization models on AAA game design leads to poor and bad game quality, design, experience, gameplay, creativity and innovation, 32 percent say it leads to a negative impact, 27 percent say it is okay in AAA games and 3 percent say it has a double-edged impact, both good and bad.

Fig 5. Impact of microtransactions and alternative monetization designs on AAA games.

4.2 Discourse analysis results
A couple of pertinent analyses and groundwork that has also been laid, has been by YouTube video game reviewers and their analysis on an extensive level is valuable albeit subjective. However, it comes from the perspective of consumers directly analyzing the games they love. And the results of the discourse analysis are based on the review said consumer videos on microtransactions and monetization models on the number one streaming site in the world YouTube, acts as the next perspective considered. 20 videos were reviewed based on the search question microtransactions in AAA games. After analyzing these videos, the results were coded into pros and cons of monetization impact from the perspective of these online content creators. As shown in table 4 below.

Table 4. Pros and cons based on the perspective of game content creators on YouTube.
<table>
<thead>
<tr>
<th>S/N</th>
<th>Pros</th>
<th>Cons</th>
<th>Content creators</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Microtransactions could help the longevity of the games</td>
<td>Monetization in AAA games undermine game mechanics</td>
<td>MrMattyPlays, 2017</td>
</tr>
<tr>
<td>2</td>
<td>Microtransactions is alright in F2P and MMO games</td>
<td>Monetization in AAA full priced games is greed</td>
<td>RedGamingTech, 2013</td>
</tr>
<tr>
<td>3</td>
<td>Economies of scale: low cost of production high returns</td>
<td>Microtransactions have replaced classic progression systems</td>
<td>BFG, 2023</td>
</tr>
<tr>
<td>4</td>
<td></td>
<td>Monetization is predatory when it becomes pay to win</td>
<td>How Money Works 2022a</td>
</tr>
<tr>
<td>5</td>
<td></td>
<td>Microtransactions isn’t about covering cost but making more money</td>
<td>IGN, 2017</td>
</tr>
<tr>
<td>6</td>
<td></td>
<td>Microtransactions should not be in single player games.</td>
<td></td>
</tr>
</tbody>
</table>

**4.2 Interview results**

Semi-structured interviews were conducted to support the survey or further delve into the streamlined perspectives of participants.

Table 4. Interview questions to survey participants.

<table>
<thead>
<tr>
<th>Questions 1</th>
<th>Questions 2</th>
<th>Questions 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Knowing monetization could affect gameplay, give an edge to players, it may generally affect how the game is played, why still pay for it?</td>
<td>How much do you think you may have spent on average on microtransactions</td>
<td>Do you think microtransactions are cheat codes</td>
</tr>
<tr>
<td>Answers 1</td>
<td>Answers 2</td>
<td>Answers 3</td>
</tr>
<tr>
<td>I felt that was just the general order of things. It never felt out of place</td>
<td>Maybe $10000 roughly over 10 to 15 years but i never really think about it</td>
<td>Not really</td>
</tr>
<tr>
<td>I never gave it a thought</td>
<td>About $500 a year, never really know</td>
<td>Yes, definitely</td>
</tr>
<tr>
<td>I felt like I just woke up to what this question might be telling me</td>
<td>Probably $2000 I think, not that it matters</td>
<td>Maybe</td>
</tr>
<tr>
<td>Felt normal</td>
<td>I never think about it</td>
<td></td>
</tr>
</tbody>
</table>
I work and have no time to really grind the games

Table 4 contd. Interview questions 4 to 7 to survey participants.

<table>
<thead>
<tr>
<th>Does the feeling of winning trump the accomplishment?</th>
<th>Is Monetization a short term gratification</th>
<th>What does monetization affect</th>
<th>Can monetization stop?</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Answers 4</strong></td>
<td><strong>Answers 5</strong></td>
<td><strong>Answers 6</strong></td>
<td><strong>Answers 7</strong></td>
</tr>
<tr>
<td>No it does not</td>
<td>Well.....in a way yes</td>
<td>Bragging rights</td>
<td>It is a physiological move, can't stop</td>
</tr>
<tr>
<td>In a way yes, like there was more to have been done</td>
<td>Too many games are been released you just want to play so many so you pay and don't get to enjoy them but get to finish them</td>
<td>Fuels my ego</td>
<td>I think the amount people pay for it won't make it stop</td>
</tr>
<tr>
<td>Kinda, not sure, but yea kinda. Now that you ask it</td>
<td>Not really</td>
<td>Superiority complex</td>
<td>It is business nothing personal</td>
</tr>
</tbody>
</table>
5 Limitations
Possible limitations of the study are attributed to the sample size data, it is not large enough to be a representative data set even though the diversity of participants enhances the findings. Another limitation may be the subjective opinions of the consumers, the difference in region may further affect or bias the market opinion, that is: the market in Europe, America and others may be based on their market opinions thereby not creating enough data-diverse opinions. The chance to have interviewed the video creators would have been ideal, however timing was of the essence, as an interview could further shed light into other thought processes the creators could not capture in video-content.
6 Discussion
The outcomes of this research have provided insight from the consumer perspectives towards monetization and its impact on AAA game designs. However, the outcomes should be treated with caution due to the limitations of the research in its current form. This chapter also explores the three sub-questions: how do consumers perceive monetization in AAA games, do consumers see monetization as a requirement in AAA games, and under what conditions are consumers willing to tolerate or invest in monetized elements in AAA games. Furthermore, these research questions are addressed through the three stated theories of blind purchase, time and place, and purchase motivations.

6.1 Survey discussion
The study results show a certain conundrum that consumers face when it comes to monetization models in AAA games. While being relatively clear and aligned on some perspectives some critical questions still pose relative challenges to their acceptability of monetization in AAA games. The sheer diversity of participants helps broaden the scope of perspectives of the consumer base even with its limited sample size.

The study immediately brought out an interesting discovery that led to a contemplation of how the results may have turned out if too many Gen-Z (gamers born between 1997-2012) versus millennials (gamers born between 1981-1996), have been abundantly present in the survey. Considering that Gen-Zs grew up with and into monetization while millennials started out without it. Hence depending on the higher number of participating consumers, the data and results may have taken an interesting outcome, as this is based on the 30.2 percent of participants being aged from 16 to 25, with more participants of the survey being in the average age range of 25 to 35 was 41.9 percent.

Interestingly, consumers share a couple of perspectives, i.e., preferring one-time purchase games rather than recurring charges on games, and that monetization models impact their enjoyment of these games in a negative way. Furthermore, most study participants believe microtransactions are not necessary in AAA games, and that it affects the quality of the AAA games. In addition, an even larger amount of participants are not okay with microtransactions in AAA games. Most would not pay others to farm items for them in a AAA game and also would not pay to skip levels in a AAA MMORPG. Gaining an edge through powerful items like weapons and armor set is a no for the majority of consumers.

Most perceive the impact of microtransactions and other alternative monetization models on AAA game design as a contribution to poor and bad game quality, design, experience, gameplay, creativity, and innovation, while another perspective take on it agree that it leads to a negative impact on players. These perspectives answer how consumers perceive monetization and if they see it as a requirement. Furthermore, the majority do not see monetization models as a requirement, and it is perceived overall as a detriment to AAA games. However, under the right condition’s consumers agree on the perspective that they have paid money to play a game, other than at the time of initial purchase. Most study participants also enjoy games which are free at first, then small payments at later times, where they mostly will pay for cosmetics items and DLCs.
In these outcomes, it is seen that if monetization is not immediately introduced or made so it to obviously affect gameplay and design of the games, i.e., placed at a much later pacing of the game, consumers may be more receptive to it. The right time and placement of these monetized strategies are paramount to the purchase motivations of consumers and if done right many will end up buying more items than planned unknowingly (blind purchase). Highlighting, that the combination of these theories can be a double-edged sword if companies misuse it.

Interestingly even with the above-mentioned perspectives, players expectations led to some unexpected perspectives that should be recognized as players understand and recognize the negative impacts of monetization. However, the results indicate that players seem to struggle to agree on various applications of its use, i.e., where when and why it should be used. Expectations of this research where players identify monetization as not needed in AAA games, while DLCs and expansion would be acceptable, was dispelled with a few critical responses that could be interpreted as follows. More players preferred one-time purchases over ongoing payments. However, players almost equally don’t believe microtransactions impact the enjoyment of the game.

Another unexpected finding was that while players agreed more on not wanting microtransactions in AAA games, half of the players also preferred games being free at first with small in-game purchases, with most stating that it is actually more cost-effective as you can control how much you pay in the long run for the full game. This could imply that while players do not want microtransactions in AAA games they could be merit in it, if the AAA game is free at first and they then can control their payments.

Cosmetics are the most acceptable form of monetization based on findings which are inclusive of skins, costumes, mounts, hair and generally any items that do not give other players an edge over others in gameplay. The important factor is that it doesn’t ruin the game experience by locking parts of the game under payment. A major part of consumers believe game studios should have restrictions on how they monetize their AAA games. An even larger part is neutral to this, implying that they are indifferent to what studios do. This is interesting as the expectation of consumers was that they were completely for restrictions.

From a consumer perspective, monetization of children’s games should not be allowed. An overwhelming agreement among consumers is that monetization does not enhance the gaming experience in AAA games. The reason, according to conducted interviews, were implied to be the predatory nature of monetization in an already expensive AAA title, followed by the games being made extremely difficult to progress in order to frustrate the consumers just enough to dig into their wallets to pay-to-progress. Followed by the stifling of creativity in the game studios and a lackluster release of the same game designs for consumers to consume, with little to zero effort being put to actually make those games.

Monetization is not necessary in AAA games, especially in single-player games. In MMO it should stick to items that do not affect the game mechanics or experience of the game, such as giving an unfair advantage to pay-to-win players, which nullifies the essence of the game. Also, keeping in mind that the AAA game was made by developers who spent years making the game to give
consumers hours of play. To package all that effort in a paid lootbox making sixty plus hours of play become ten hours of play doesn’t help the game. This monetization design rather lessens the quality of the game. This effectively ignores the grind the consumer is meant to go through. The immersion of the gamer experiences in its world, makes a robust quality experience of the game. What is interesting is that an almost equal number of players also buy in-game currencies and anything which is inclusive of cosmetics, as well as in-game currency used to purchase coins, stronger players, and characters, all with the goal of giving them an edge over other players.

There is an interesting discovery here that as much as players prefer monetization in cosmetics, they also would pay to get ahead, implying some sort of middle ground between the player-base in a decision. They really don’t seem to be able to choose a side leading to their true opinions on how much of an impact monetization may have in AAA games. There is a general agreement based on findings that monetization in AAA games leads to poor game design, bad game quality, poor design, poor experience, frustrating gameplay, stifles creativity, stifles innovation and has a negative impact on players as it is done wrongly from the opinions of the consumer.

These findings can be said to show that monetization is detrimental to AAA games as perceived by consumers, and it also could be implied that it has led to poor game design decisions in games such as: Fortnite, Apex Legends, War Thunder, Call of Duty, Assassin’s Creed Syndicate, Ghost Recon Breakpoint and FIFA series as the monetization strategies inculcated into these games can be perceived as predatory design (Petrovskaya et al, 2021).

6.2 Discourse discussion
Analyzing the consumers pros on monetization, most consumers understand and agree where microtransactions are needed such as the longevity of the game. This for most consumers is required in MMOs where the need for additional content is necessary to keep the player based engaged and with the cost of production on making MMOs. According to the consumers its ok with monetization since subscription payments are not enough for companies, so in order to keep the games running for as long as feasibly possible other revenue streams make business sense such as monetization models.

The second pro is directly in relation to F2P games, notably for their free at launch purchase. F2Ps cannot be expected to survive on a model of download for free, play for free and be expected to thrive as games need to make return on investment to help developers or companies keep the game going, fix bugs, release other versions of the games amongst a few. According to the consumers and video reviews, this model is especially true of indie developers.

The third pro, agreed upon by consumers, was economies of scale: where the 2006 Bethesda optional horse armor release for Elder Scrolls IV had a financial success as the 9th best-selling DLC (How Money Works, 2022a), monetization design was deemed a very lucrative business model cemented by the extremely low cost of production of creating it. Consumers agree that low cost and high returns make good business sense for any company. In addition, this could also provide more content for gamers. However, more cost is required by more purchases, and this is
where a vast number of consumers agree that the cons currently seem to outweigh the pros and are seemingly leading to a downward spiral of quality, good games in AAA titles.

The con that weighs heavily on gamers that immediately were identified from the video reviews, was that monetization games undermine game mechanics or gameplay. This is when games are made to be a grind fest, i.e., that it takes a long time of playing before making progress or that the designers make the game exceedingly difficult to frustrate players enough to open their wallets to pay for microtransactions (Downward Thrust, 2017).

This is also extended to making players pay-for-convenience: this is focused on working-class players who have 9-to-5 jobs and have little to no time to focus on long hours of play or grinding through the game for long hours after work. For this population of players, companies design the monetization model so that those players can make it through the game at a convenient pace without being left behind. The problem with this is the predatory tactic-design element focused on paying for convenience rather than introducing an easy mode with far less grinding. The problem most players have with this is, that this eliminates easy, normal, or hard modes as any mode becomes easy gameplay with paid content.

The second con focuses on monetization in AAA games in relation to greed. Where the games are already fully priced games, but still include progression content that is locked behind paid walls, blurring the actual price of the game. In addition, these games are often also made frustratingly hard, with players left with little to no choice but to do cash payments to be able to play the game. This is seen in many AAA games, and while consumers agree on cosmetic DLCs and additional story content DLCs, an overwhelming 20 out of 20 videos agree no monetization models should exist in AAA games.

The third con speaks on microtransactions replacing classic progression systems: the system created for players to be enjoyed in order to augment and extend engagement, became an artificially extended checklist designed to annoy players. With the goal to increase revenue of the company, by getting players to spend money rather than engage in grind (BFG, 2023).

The fourth con is the predatory aspect of monetization when it focuses on pay-to-win, this is due to the fact that selling games at a fixed amount at launch, with no microtransactions, means that there is a set amount to be made from that game, independent on how many platforms it is released and bought on. The probable way for companies to make maximum profit is to make every individual consumer pay the maximum amount possible for that game, which can be challenging with a one-time direct sale. i.e., full priced games at launch, so the companies offer games that get slightly more expensive after launch.

The fifth con makes points against the pro that monetization accounts for economies of scale in a sense. It approaches it from the point that games are becoming expensive to make and therefore should naturally cost more. However, people are buying more games than before. For example, in a video review of IGN, it is stated that in 2017, 2.3 billion gamers were expected to generate 189 billion in revenue without the extent of monetization models at its core. Hence, IGN believed
microtransactions isn’t about covering cost but rather making more money (IGN, 2017). For example, Electronic Arts (EA) made 1.3 billion in DLC microtransactions annually. Another example is FIFA which costs an average of 18 million dollars to make and has a revenue of roughly 800 million dollars, and that is after the physical full-priced game has been sold for 60 dollars.

The sixth con says microtransactions should not be in single players games because it makes life less convenient. Single player games mostly drove immersion through other elements of the game rather than monetized designed intentions to make them unnecessarily grindy, laborious and difficult as against their usual standardized norms like immersive and deep storytelling game design. The microtransactions reality of spending real money has the risk of affecting certain fundamental parts of gameplay, mechanics, design, and experiences. It is hypothesized that it can potentially break the magic circle of play, being a space where the player can leave the real world behind and immerse themselves in this newly designed atmosphere of the game. This is hypothesized since the magic circle gets stronger as the players feel more involved and connected to the game, whereas large investments in the game increase the likelihood of strong connection. (Huizinga, 1955).

6.3 Interview discussion
Based on the interviews with some of the participants their is a lack of realization that they were actually spending a reasonable sum of money, that eventually cumulates to a higher cost than the price of the game if it was a one-time payment, as monetization was a part of the intended design.

Knowing monetization could affect their overall gameplay, and give an edge to them, most still paid for it with responses that pertained to blind purchases such as “I felt that was just the general order of things. It never felt out of place”, “I never gave it a thought”. To these consumers, it had become the same as a game mechanic that was supplied at the right time to be bought to progress along with the game. Another interviewee did not even realize it was not the norm: “I felt like I just woke up to what this question might be telling me”, and another seemingly said it “felt normal” like it was just part of the game like just another level design to get past or progress. However, a valued response was “I work and have no time to really grind the games”. This is a valid purchase motivation, and this response was relatable to those who probably want to enjoy these games but with increase in game releases versus their work schedule and daily life it is a viable business angle to cater to monetization.

Whales, coined by Dreier (Dreier et al, 2015), are good example consumers who spend thousands of dollars on monetization. When asked how much they spent on average on microtransactions the responses led to an interesting realization as some interviewees said, “maybe $10000 roughly over 10 to 15 years but I never really think about it”, “about $500 a year, never really know”, “Probably $2000 I think, not that it matters”, “I never think about it”.

These responses are very interesting in that it brings to mind the 2006 Bethesda optional horse armor release for Elder Scrolls IV charged at $2.50, where people hated this decision at the time, and thought it was unacceptable of Bethesda, while today cosmetics are the norm and completely accepted. Also interesting is that this lack of realization or concern on how much consumers really
spend may cause compulsive shopping where consumers keep spending on poorly designed games and in turn validates the companies to keep developing games with stifle creativity, because once money is made it tends to validate to the company that creativity is not needed. Hence, developers and publishers channel their attention to microtransactions as against AAA creative innovative designs.

No conclusion could be made regarding the question of whether microtransactions are cheat codes, the responses were more towards “not really”, or “maybe”, with only a solid “Yes, definitely” from a few.

Participants were asked if the feeling of winning trumped the accomplishment as regards to paying for monetization to progress or gain an advantage. The majority of the interviewed participants say yes, it does, with only a few saying it does not. Responses such as “in a way yes, like there was more to have been done”, and kinda, not sure, but yea kinda. Now that you ask it...” This relates to the question of why consumers still purchase monetization, where the answer is subjective, i.e., probably due to personal purchase motivations of each individual.

The interviewees' responses if monetization was a short-term gratification were also mainly deemed as yes such as “Well.....in a way yes”, and “too many games are been released you just want to play so many so you pay and won't get to enjoy them but get to finish them.” With the outpour of so many games in modern times, consumers seem to want to play as much as they can, of their favourite games. Indicating, that it is the short-term glory that has eaten into the pockets of the consumer turning some into whales and others into dolphins and minnows. A situation that can lead to that game company getting richer while they keep creating more poor-quality games.

The question what does monetization affect elicited responses such as: “bragging rights”, “fuels my ego”, “superiority complex.” The euphoria created by the rewards of monetization purchases is more than enough motivation for consumers to keep buying. Not only that from these responses we can gather that the ability to show off weapon collections, skins, powerful armor, powerful weapons, higher level ups for many consumers is a “feel good” moment. A feeling that keeps them going within the game regardless of how much they are spending. The interesting part of these responses is the conclusion that monetization is also largely a factor of consumers. Where, consumers say that generally they do not want it, but at the same time, they still pay for it. Which means that for the companies it exists enough whales to make the monetization model commercially valuable.

The last question was whether monetization can stop and in a nutshell the answer from this study is no, as seen by some of the responses: “it is a psychological move, can't stop”, “I think the amount people pay for it wont make it stop”, “It is business nothing personal.” This relates to an article by Bongard and colleagues (2021) stating that even if consumers are aware that business models are directing their behavior and choices the immediate gratification triumphs the feeling of fairness (Bongard et al, 2021).
7 Conclusion
The thesis aimed at seeking consumer perspectives towards monetization and its impact on AAA game designs by answering three sub-questions based on the underlying framework. This thesis is also not considered to be a one-size fits all. Nor does it claim to have an answer based on its limitation regarding representative sample size. In addition, it is conducted within a limited scope to understand the anecdotal experience through the perspective of consumers and how monetization is perceived. Furthermore, this research cannot fully generalize its findings as the sample investigated only represents the youth consumers who grew up in this era of microtransaction. This means that their first experience playing mobile games was free-to-play which would probably lean in favour of monetization, thereby affecting the results of our findings.

For the first research sub-question that is how do consumers perceive monetization in AAA games. Consumers perceive monetization as a no-no to a large extent in AAA games and prefer its limited use to cosmetics, however it is viable for free-to-play, mobile games and independent games but tends to be a money grab or predatory use in AAA games.

The second sub-question is on how consumers see monetization as a requirement in AAA games. It is not a requirement in AAA games as the games already cost a premium price. Most consumers currently pay for monetization but are fast realizing the duplicity in its existence in AAA games, and the majority of the players also consider it to affect the game design. As a consequence, it is possible for developers to not work hard at offering quality games but rather opt for low-cost high returns game designs.

For the third sub-question, under what conditions are consumers willing to tolerate or invest in monetized elements in AAA games. This is tolerated in free-to-play games, in cosmetic and DLC purchases mainly. However, it is also tolerated as bragging rights, a show-off, a feeling of superiority to other players.

So, the big question is: “Consumer perspectives towards monetization and its impact on AAA game designs.” The answer is that from a consumer perspective it depends on the time and place.

Monetization is beneficial to independent developers and mobile games; it is also beneficial in AAA games if it is left to the part of the game design that does not affect the quality of the game. For example, cosmetics and DLCs, as long as those DLCs are not gated game lore that consumers are forced to buy. The impact of monetization on AAA games is a fifty-fifty issue on the part of the consumer and developer. The financial impact consumers project to developers justifies the rationale for the continuity of monetization models regardless of the quality of the games design. As players ultimately decide to purchase or not purchase, they hold the power to either pay more to make their lives easier or not make a purchase and enjoy the game as it was originally designed (Edwin and Phil, 2019).

This study highlights the power of consumers not to purchase monetization on poor-quality games to motivate developers and publishers to design games with quality. Furthermore, this study sees an opportunity for consumers to invest in monetization to support independent developers and free-to-play games; however, consumers should also pay attention to design
methods used to pull them in for these purchases. And lastly, if consumers want to invest in monetization to support qualitative game design, game reviews often have valuable add-on knowledge before taking the decision to pay for monetization.

Further research is needed as the nature of monetization, based on consumer perspectives, can be subjective depending on the population studied. Specifically, regarding consumers that grew into the mobile gaming era versus consumers that grew alongside the SNES era where games were only fully priced. This is due to the possibility that growing into monetized games could mean you do not see it, or it is just recognized as part of gameplay. While those who came from AAA full-priced gaming see it differently. Furthermore, it is also important to increase the population size investigated to obtain more objective data. Finally, future studies should also capture teens to get a wider pool of results to make valid generalizations as well as study additional games and game studios that used microtransactions and got it right regarding game design quality, revenue, and customer satisfaction.
8 References


Diaczok, M. P., & Tronier, P. AN INVESTIGATION OF MONETIZATION STRATEGIES IN AAA VIDEO GAMES.


Dryzhalovych, V., & Katernyak, I. PROBLEMS OF MODERN BUSINESS MODELS IN VIDEO GAMES AND THEIR POTENTIAL SOLUTIONS. *Collection of scientific works "Electronics and information technologies",* (17).


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

8.1 Video References


9 Appendix A

1. What is your gender?
43 responses

- Male: 65.1%
- Female: 23.3%
- Non-Binary: 7%
- Prefer not to say: 3%
- Autobots: 0%

2. Pick the option that you most strongly identify with?
42 responses

- Casual Gamer: 52.4%
- Core Gamer: 42.9%
- Neither: 4.7%

3. How old are you?
43 responses

- 16 to 25: 25.6%
- 26 to 35: 41.9%
- 36 to 45: 30.2%
- 46 and over: 2.4%
4. What is your Nationality
43 responses

6. Do you enjoy games which involve a one-time purchase before you can play? (A single payment without additional ongoing payments or charges)
42 responses
Question 7 - Does this monetization/microtransaction model impact your enjoyment of these games? Please say why or why not?

Yes in a negative way: 57%
Yes in a positive way: 22%
Indifferent: 8%
No, it doesn't impact the game: 13%

8. Do you enjoy games which are free at first but feature small in-game purchases or microtransactions? Please say why or why not?

Yes enjoys them: 50%
No, doesn't enjoy it: 33%
Depends, if it doesn't affect gameplay: 12%
Indifferent: 5%

1 = Completely agree, 5 = Completely disagree

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Game studios should have no restrictions on how they want to monetize their AAA games</td>
<td>22%</td>
<td>32%</td>
<td>37%</td>
<td>2%</td>
<td>7%</td>
</tr>
<tr>
<td>Game studios should not be allowed to monetize games meant for children.</td>
<td>17%</td>
<td>7%</td>
<td>24%</td>
<td>12%</td>
<td>39%</td>
</tr>
</tbody>
</table>
Microtransactions enhance gaming experience in AAA games
49% 27% 15% 5% 5%
Microtransactions are necessary in AAA games
58% 18% 13% 8% 5%
The presence of microtransactions affects the quality of AAA games
10% 10% 24% 20% 37%

10. How do you feel about microtransactions in AAA games? (AAA are high-budget, high-profile games that are typically produced and distributed by large, well-known publishers. These games often rank as “blockbusters” due to their extreme popularity)

- Ok with it 25%
- Not ok with it 65%
- Indifferent 10%

11. Have you ever paid money to play a game other than at the time of initial purchase?

- Yes 76.2%
- No 23.8%

42 responses
12. What do you buy with microtransactions?

<table>
<thead>
<tr>
<th>1= Emphatic No, 5= Emphatic Yes</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Would you pay another player to farm items for you in a AAA game?</td>
<td>83%</td>
<td>7%</td>
<td>7%</td>
<td>0%</td>
<td>2%</td>
</tr>
<tr>
<td>Would you pay to start AAA MMORPG on a higher level?</td>
<td>68%</td>
<td>7%</td>
<td>17%</td>
<td>2%</td>
<td>5%</td>
</tr>
<tr>
<td>Would you pay for cosmetic items?</td>
<td>17%</td>
<td>10%</td>
<td>29%</td>
<td>24%</td>
<td>20%</td>
</tr>
<tr>
<td>You would pay for powerful weapons and armour sets to gain an edge?</td>
<td>59%</td>
<td>7%</td>
<td>24%</td>
<td>2%</td>
<td>7%</td>
</tr>
<tr>
<td>Would you pay for downloadable content or DLC?</td>
<td>2%</td>
<td>2%</td>
<td>24%</td>
<td>17%</td>
<td>54%</td>
</tr>
</tbody>
</table>
14. What, in your opinion, is the impact of microtransactions and other alternative monetization models on AAA game design (if any)?

- Leads to poor and bad game quality, design, experience, gameplay, creativity and innovation (32%)
- It is okay in AAA games (27%)
- Has a double-edged impact, both good and bad (3%)
- A Negative Impact
10 Appendix B

<table>
<thead>
<tr>
<th>Questions 1</th>
<th>Questions 2</th>
<th>Questions 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Knowing monetization could affect gameplay, give an edge to players, it may generally affect how the game is played, why still pay for it?</td>
<td>How much do you think you may have spent on average on microtransactions</td>
<td>Do you think microtransanctions are cheat codes</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Answers 1</th>
<th>Answers 2</th>
<th>Answers 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>I felt that was just the general order of things. It never felt out of place</td>
<td>Maybe $10000 roughly over 10 to 15 years but i never really think about it</td>
<td>Not really</td>
</tr>
<tr>
<td>I never gave it a thought</td>
<td>About $500 a year, never really know</td>
<td>Yes, definitely</td>
</tr>
<tr>
<td>I felt like I just woke up to what this question might be telling me</td>
<td>Probably $2000 I think, not that it matters</td>
<td>Maybe</td>
</tr>
<tr>
<td>Felt normal</td>
<td>I never think about it</td>
<td></td>
</tr>
<tr>
<td>I work and have no time to really grind the games</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Questions 4</th>
<th>Questions 5</th>
<th>Questions 6</th>
<th>Questions 7</th>
</tr>
</thead>
<tbody>
<tr>
<td>Does the feeling of winning trump the accomplishment?</td>
<td>Is Monetization a short term gratification</td>
<td>What does monetization affect</td>
<td>Can monetization stop?</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Answers 4</th>
<th>Answers 5</th>
<th>Answers 6</th>
<th>Answers 7</th>
</tr>
</thead>
<tbody>
<tr>
<td>No it does not</td>
<td>Well.....in a way yes</td>
<td>Bragging rights</td>
<td>It is a phsycolgical move, can't stop</td>
</tr>
<tr>
<td>In a way yes, like there was more to have been done</td>
<td>Too many games are been released you just want to play so many so you pay and dont get to enjoy them but get to finish them</td>
<td>Fuels my ego</td>
<td>I think the amount people pay for it wont make it stop</td>
</tr>
<tr>
<td>Kinda, not sure, but yea kinda. Now that you ask it</td>
<td>Not really</td>
<td>Superiority complex</td>
<td>It is business nothing personal</td>
</tr>
</tbody>
</table>