MICROTRANSACTIONS IN AAA VIDEO GAMES – ARE THEY REALLY NECESSARY?

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Abstract

Video games, unlike other forms of media, are a business; money makes the world go round. However, the video game industry is a very unstable place in the eyes of the developers. Initially starting out as low budget projects running on the most basic of hardware, the advances in technology and rising demands from gamers result in a rise in costs for development. The downside is that the price of video games have stayed stagnant throughout the years. Therefore, a switch to using microtransactions may seem like the best option, but then again it may actually have some detrimental effect on the industry and the people who play. This paper will reflect back on how microtransactions in video games came about and the backlash they have on certain AAA games. The selected AAA titles covered in this paper have been released between late 2018 and early 2019 and will look at the various monetary features that have gained criticism from journalists and fans.

Keywords

Microtransactions, games, computer games, video games, AAA games, in-game purchases, real world currency

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1. HISTORY OF VIDEO GAME PRODUCTION

When you look at how video games got started, they were mostly cheap to make and allowed either a single or multiple people to play together on a single machine (Schultz, 2018). Games like Pong (1972), Space Invaders (1978), Pacman (1980), Donkey Kong (1981), and Tetris (1984) had very plain graphics and minimal audio which did not require major processing power for them to run. That was until the 1990s when companies like Electronic Arts, or EA for short, and Sony discovered that they could turn video games from simple home entertainment into a business that could generate a lot of profit (Schultz, 2018). It was at this point in time when the term “AAA games” were used at conventions to label these “blockbuster video games”. By the time the new millenium came upon us, many large-scale video game companies like Bungie, Capcom, Square Enix, and Ubisoft emerged or expanded from their humble beginnings to frequently develop AAA titles like Halo, Street Fighter, Final Fantasy, and Assassin’s Creed for the masses.

2. IMPLEMENTATION OF MICROTRANSACTIONS

It was not long before developers began implementing microtransactions to generate more income. Microtransactions was first noticed in AAA titles for the PC and Xbox 360 during the first quarter of 2006 (Williams, 2017). Online games especially have microtransactions as part of their services not only to give players access to additional features but also fund the developers so they can churn out more goodies in the future. When video games went mobile, microtransactions gained even more visibility due to the many people who have access to smartphones along with the onboard Apple or Google app store (Tomić, 2017, p. 241). Mobile games like Clash of Clans and Homescapes garnered a lot of players because some of the games are free while others are economically-priced, and how easy it is to whip out your phone and play on the go (Anderton, 2018).

The reason for the rise of microtransactions stem from consumers hesitating to spend money on video games, while independent developers and studios emerging yet not being able to charge the same amount as the AAA studios. In order to combat these setbacks and shift in consumer behavior, they have to adopt a new business model and make their games “freemium”, a portmanteau of the words “free” and “premium”. That way, players have the option of either taking the long road without having to spend any money or investing a little bit of cash to get a lead on other
players; it all becomes more of a gamble which is the nature of the business (Agarwal, 2017).

Figure 1: An example of microtransactions utilizing real world currency in Homescapes (Playrix, 2017).

3. ABUSING THE USE OF MICROTRANSACTIONS

While microtransactions has revolutionized the gaming business model, many gamers and critics have expressed their concerns over AAA gaming companies taking things a little too far by implementing the system in almost every AAA title imaginable, including those that do not even require it. In order to understand how this came about, we need to understand the economics of video games first. Firstly, working on video games is purely project-based. Once a project is finished, the employees working on it are completely brushed aside until they are needed for the next one. Meanwhile, production costs continue to rise to accommodate new hardware and updated graphics while the retail price of games remained the same (Martin, 2017). On top of that, the cost of games are usually highest during the first week of release, but then as time goes by, the price gets marked down especially during holiday seasons to attract people to buy until almost a year later, the amount needed to buy the game becomes less than half of the initial price tag.

That is why AAA gaming companies rely on microtransactions to cover the initial production cost and to make up part of the profits.
Nevertheless, developers are kidding themselves if they think they can get rich through microtransactions; this is merely a survival tactic to ensure they can still do business (Martin, 2017). From a social standpoint, microtransactions tend to demean a player’s status especially in a multiplayer environment where things get competitive between individuals. Tomić (2017, p. 251) stated that microtransactions are like ‘buying’ cheat codes which were a taboo in the earlier days of gaming. Evers, Ven and Weeda (2015, p. 22) have also pointed out that in spite of buying something in a game that allows microtransactions, it can be argued that the outcome feels undeserved even if the player conducts himself fairly without violating the rules of the game.

4. DIFFERENCES BETWEEN DLCS AND MICROTRANSACTIONS

It is important to note the differences between microtransactions and the other content that requires payment called downloadable content (DLCs). We have established that microtransactions are optional low-priced purchases to enhance the gaming experience and are usually a one-time-use item. In other words, they are the virtual equivalent of party favor goodies. DLCs, on the other hand, are completely new additions to the game like expanded story quests, new multiplayer maps, and additional items not included in the base game before (Duran, 2016).

Players who are conservative with their money tend to avoid microtransactions and DLCs altogether. Recent studies have shown that those who do not mind spending a few extra funds on additional game content generally prefer purchasing microtransactions over DLCs. In a survey conducted by The NPD Group in late 2016, 77 percent of players find microtransactions to be a good thing because it enhances the gaming experience; although 68 percent do not condone the pay-to-win aspect of microtransactions (Riley, 2016). Those who prefer to buy DLCs do so in order to enjoy all the game has to offer especially when they play with friends. DLC supporters also feel that purchasing DLCs is worth the money, but would still like the prices of DLCs to be cheaper (Riley, 2016).

Game developers have heard these concerns. This has led to many developers implementing season passes on the latest games. Season passes are described as a purchasable permanent extra service attached to a game title which allows players to get additional content at no extra cost (Official PlayStation Website, 2017). In other words, buying a season pass with a one-off payment allows players to download future expansion packs at no additional cost as opposed to buying individual packs the moment they are
released which takes the pressure off having to spend more money on additional content.

The NPD Group’s industry analyst Sam Naji stated that purchasing microtransactions and DLCs is at the time healthy, but those developing and distributing the games must be wary of balancing between stimulating spending growth and the value of the content they are providing (Riley, 2016). However, it seems that most of the video game developers have prioritized money over content to the point they are putting in-game stores into their latest AAA titles with highly unnecessary charges that would be better off in mobile game releases.

5. ASSASSIN’S CREED ODYSSEY – ALL ABOUT THE ADVENTURE

When you think about role-playing games, you are not just expecting to build your character and getting involved in battles but also getting immersed in the environment. Throughout the Assassin’s Creed series, players get to enjoy the scenery of various places during different time periods from the Third Crusade to the Italian Renaissance and later during the Colonial era. In the latest installment Assassin’s Creed Odyssey (Ubisoft Quebec, 2018), players are thrust into the shoes of a young Spartan trekking through the landscapes of Ancient Greece as they progress through the story.

Figure 2: Assassin’s Creed Odyssey is best enjoyed with full appreciation of the game world (Ubisoft Quebec, 2018).
The aspect of the game that is discussed the most is not the gameplay but the additional purchase options in the game store. The average gameplay time for *Assassin’s Creed Odyssey* is about 60 hours, give or take a few depending on if players tackle all the side missions. The microtransactions offered in the game revolve around giving players an EXP boost. Brian Altano and Tina Amini of IGN (2018) talked about the microtransactions and argued that since it is only a single player experience, the boosters can help to bypass the difficult and more demanding level progression during later stages of the game. They did counter this point by saying if the game is meant to be played for 60 hours spending whatever amount of time to level up and take in the sights of the game world, why would people pay to dumb down the experience to only 30 hours? If people have any complaints about the difficulty in the game, one suggestion laid out is to follow what *Shadow of the Tomb Raider* (Eidos Montréal, 2018) does by allowing free toggling of the difficulty of individual aspects of the game.

![Figure 3](image-url): A screenshot of the *Assassin’s Creed Odyssey* in-game store where players can purchase a variety of things from in-game currency and resources, fast upgrades, and even a season pass (Ubisoft Quebec, 2018).

After much debate on the Internet, the majority feel that the developers over at Ubisoft may have “intentionally designed a pacing system” where microtransactions are essential (Tyrrel, 2018). In fact, Reddit user Zaherking (2018) berates that even when there are some deluxe editions of *Assassin’s Creed Odyssey* available for purchase at $100, the
fact that they still include microtransactions is “distasteful, greedy and toxic to the RPG system”. However, it seems that many are simply trying to pay for a problem that they “created themselves” as Altano (2018) pointed out. If players were to ignore the microtransactions and invest time in the game as Tyrrel had done, they may actually find the game enjoyable without having to get frustrated over diverging from the main story to go on side missions and contracts in order to gain more experience (Tyrrel, 2018).

The season pass, on the other hand, might be more worth it for some players. At the cost of $39.00, season pass owners will have free access to upcoming DLC content. Like how you would catch a TV series season premiere as game director Scott Phillips puts it, players who have purchased the season pass will get to experience entirely new story quests that will be released periodically (Phillips, 2018). In hindsight, if players want to gain the most out of their experience with Assassin’s Creed Odyssey, it might be more beneficial spending their money on the season pass instead of going out of their way to pay-to-win and finish as quickly as possible.

After getting my hands on Assassin’s Creed Odyssey, I understand why players get frustrated with the early stages of the game especially if they are the kind who explores every nook and cranny to collect everything within a region and then halted by enemies with a higher level than their character. Despite having experienced those setbacks myself, that simply motivates me to go on additional side quests in order to improve the stats of my character; hardly any need for desperation by upgrading with real money. Sure it may seem tedious, but that is what the Assassin’s Creed series is all about: exploring the ancient world of key periods in history.

In hindsight, the previous entries to the series like Assassin’s Creed 2, 3 and 4 had a lot more freedom and were not bogged down by levels of enemies. The difficulty laid more with the different types of enemies, with tougher opponents requiring either stealthy approaches or timed dodges for powerful counterattacks. With levels implemented not only in your character but enemies as well, it is almost like the developers want players to go on a set path and later diverge from it to go back to previously inaccessible locations. This takes up time from the players, tempting some of them to even consider going for microtransactions to breeze through Assassin’s Creed Odyssey.
6. DEVIL MAY CRY 5 – SKILLS PAY MORE

Before its highly anticipated release in March 2019, Devil May Cry 5 (Capcom, 2019) has been gaining a lot of attention with many from the online community covering every piece of information the developers post. The Devil May Cry series is generally well-known for its highly complex gameplay and rewarding players based on how well they play; the better the rank, the more lucrative the rewards become.

Which is why it seems odd that Capcom would out of the blue announce that microtransactions would be available on the upcoming fifth entry Devil May Cry 5. This sparked a lot of backlash from the gaming community as they grumble over how this is killing the game way before it is even released.

For those who are new to the Devil May Cry series, the games have an in-game currency called Red Orbs which can be accumulated and spent on upgrading your weapons and ability with more being rewarded at the end of each level depending on how well you play. So to give players the option of buying more Red Orbs with real money just to buy all the upgrades at the beginning instead of filling up the upgrade tree progressively can be seen as insulting to the more veteran players of Devil May Cry.

It should also be noted that revivals after death in the middle of a level come in two options. The first is with the standard Gold Orbs that can be purchased from the in-game store, but they can also be found within the game albeit rare. The second option, which is new to Devil May Cry 5, is by actually spending Red Orbs. The amount of regenerated health upon revival is proportionate to the number of Red Orbs spent, but players should keep in mind that after every subsequent death within the same level, the required amount of Red Orbs increase; thus the essentiality of Red Orbs increase especially for players who have a hard time keeping up with the fast-paced nature of Devil May Cry 5 and die too easily. Verified YouTuber Maximillion Dood (2019) had his hands on an early preview of Devil May Cry 5 and stated that players would need to be economical in how they spend their Red Orbs; otherwise you would have wasted it all on revives instead of saving them for the good stuff like upgrades. This would make the microtransactions a somewhat necessary tool for novice Devil May Cry players who continuously spend Red Orbs on, but not so for the more experienced players.

Hideaki Itsuno, the director for Devil May Cry 5 and earlier installments, has reassured the community that the microtransactions will
not impact the gameplay in a big way as stated in an interview with Peter Brown of Gamespot:

“With giving people the ability to purchase Red Orbs, it’s something we want to give people as an option. If they want to save time and just want to get all the stuff at once, those people can do that. But on the other hand I don’t feel you have to get all the moves. You should be able to play it the way you want to play it.” (Brown, 2018)

It may not be compulsory to pay for these microtransactions, but the fact that they even exist in the game just irks everyone. In the case of Devil May Cry 5, you do not need to spend money on something that already exists in the game like the Red Orbs that simply requires a little effort to gather; it is not like you are paying for downloadable content (DLCs) that was not in the initial release of the game (D’Argenio, 2018). Ashley Jenkins and Brian Gaar of The Know (2018) also stated how ridiculous it is to pay for single player microtransactions because you are simply paying more to “not play the game” instead of riding along the narrative of the game.

Players who opt to pre-order the Devil May Cry 5 Deluxe Edition have access to some nifty bonuses. The additional in-game currency which can be used to unlock upgrades from the start of the game may seem like a nice bonus, and so do the alternate colors to change the characters’ appearances. Even battle music from previous entries will be available for use in-game for those who are feeling nostalgic. But it is the exclusive weapons that are the highlight of the deluxe edition.

**Figure 4:** A screenshot from the Devil May Cry 5 TGS 2018 trailer showing the additional content available to those who purchase the Deluxe Edition in advance (Capcom, 2019).
What makes the extra weapons unique is that they are not total game changers to give players the advantage in combat. Producer Matt Walker clarified during New York Comic-Con 2018 that the purpose behind these additional weapons is to give players more options on how to tackle battle scenarios rather than giving better options on how to overcome them.

“’Do I have to buy the deluxe version if I want the strongest Devil Breakers?’ And that’s not the way it was designed. (...) Our intent was to create a game where you get everything that you need to play and enjoy the game with the normal edition. Then we thought, ‘What can we do as a little extra for people that want something more?’ So we’ve designed these deluxe Devil Breakers and the deluxe Dante weapon with the idea that they’re going to be balanced. (...) There shouldn’t be a best regardless.”(Walker & Itsuno, 2018)

There is some merit to Walker’s statement about the deluxe edition. The bonus features of the deluxe edition are hardly an attempt at pay-to-win; rather it is an expansion of the gaming experience players will likely have as compared to the standard release of the game. Upon release, the gameplay has been praised by most critics and players; with veterans of the Devil May Cry series finding ease with the gameplay. From a microtransaction perspective, I found that even though the option is available, it is completely unnecessary but enticing to some people. The 100,000 Red Orbs that come with pre-ordering the Deluxe Edition will only give players a slight headstart, but it is still heavily insufficient to cover the costs of all the skills for all three playable characters. This is completely unlike the previous title Devil May Cry 4 Special Edition (Capcom, 2015) which has a generous bundle of 300,000 Red Orbs and 200,000 Proud Souls, which are exclusive to the fourth entry alone, that is enough to purchase almost the entire skillset of every character. Another thing to note is unlike Devil May Cry 4 Special Edition, Red Orbs are not carried over between characters in Devil May Cry 5. This makes the process of earning Red Orbs more cumbersome as you need to earn three times as much to unlock everything unless you are a seasoned player who can gain a substantial amount of skill points which translates to high numbers of Red Orbs earned.

Death also comes quick to those who are not prepared for the high octane action of Devil May Cry 5. Reviving yourself from death can come at either the cost of the in-game currency Red Orbs or through the use of special Gold Orbs. Luckily for those who prefer to do a little wandering off the beaten path, Gold Orbs are quite easy to come by after some
exploration in the middle of missions. However, it is usually around the point where players die too often and use up all their Gold Orbs and are low on Red Orbs that they might resort to microtransactions, which personally I have not had the need to rely on. To add insult to injury, *Devil May Cry 5* does not implement the use of restoration items like Green Stars for health and Purple Stars for other abilities which does not bode well for most players who are used to saving themselves from the brink of defeat with the aid of additional items, unless players purchased the deluxe edition which includes the Devil Breaker Sweet Surrender with healing functions. As a result, Red Orbs play a much bigger role than just buying and upgrading skills.

This brings us next to one of the most unique weapons in the entire *Devil May Cry* franchise as a whole: the Faust Hat. What separates this weapon from the rest is that it attacks using the Red Orbs of the players. One concept behind the Faust Hat is that you can attack enemies using the Red Orbs as ammunition; the more spent, the higher the damage. The other concept is that of a risk and reward scenario. You can attach the Faust Hat to an enemy and gain Red Orbs with interest for every strike landed; the downside of that is if that enemy hits you back, you would lose Red Orbs.

![Figure 5: A screenshot of the first death in Devil May Cry 5 (Capcom, 2019).](image-url)
Figure 6: A screenshot of the second death in Devil May Cry 5 (Capcom, 2019). Note the increase in required Red Orbs for revival.

When it comes to actually putting the Faust Hat to use, I found myself having to think economically before firing the weapon; and this is where consumer behavior and spending theories come into the picture though not in explicit detail. During the first runthrough of the game, players definitely would not have enough Red Orbs to distribute among the multiple categories of purchase, so they would have to think twice about where they spend it. Or they could take the risk and reward route and cash in Red Orbs during combat to gain back more with interest. Personally, I prioritized on buying all the upgrades first, so I was thrifty with my spending. It is also noted that some players have found certain sections in the game where you can take full advantage of the Faust Hat to “farm” Red Orbs.

As you can see, the role of Red Orbs has been dramatically expanded to almost every single facet of Devil May Cry 5. As a result, microtransactions have been naturally added to the game to accommodate players who would not mind spending a little extra cash on purchasing Red Orbs for in-game use, or even buy Blue Orbs to expand the health gauge. This, however, would seem redundant since Blue Orbs can be collected within the game with a little bit of effort put into exploring. As for the death aspect of the game, Gold Orbs are actually easy to acquire as the game will give you one as a daily login bonus. The other way is to be as stylish as the game requires players to do, and have other players rate you as such resulting in a free Gold Orb for use upon revival, eliminating the need for spending Red Orbs to revive.
Figure 7: The online *Devil May Cry 5* store page redirected from the main menu (Capcom, 2019).

Figure 8: Players will sometimes get this message upon opening Devil May Cry 5 (Capcom, 2019).
7. CONCLUSION

So the big question is: “Are microtransactions really necessary in the gaming industry?” The answer to that would be that there is a time and place for everything. Microtransactions might be beneficial for those working on multiplayer or freemium games where they need the funding to churn out new content periodically to keep players interested but certainly not AAA single player titles. Some AAA games like Middle-earth: Shadow of War (Monolith Productions, 2017) had to remove all microtransactions after much deliberation and negative criticism from players. On why they decided to remove all microtransactions, Monolith developers explained through Eurogamer:

“The core promise of the Nemesis System is the ability to build relationships with your personal allies and enemies in a dynamic open world. While purchasing orcs in the Market is more immediate and provides additional player options, we have come to realise that providing this choice risked undermining the heart of our game, the Nemesis System.” (Purchese, 2018)

As for whether the gaming industry can survive without microtransactions, the smaller independent companies might need to rely on them to cover their costs; but the big gaming conglomerates do not need them as they have investors and stakeholders already putting in money to keep their businesses going (Pearce, 2017).

In all honesty, eliminating the practice of implementing microtransactions in AAA games may not and perhaps cannot be done overnight which might not sit well with everyone. Even the recently released Mortal Kombat 11 (NetherRealm Studios, 2019) is under heavy scrutiny by gamers, even gaining a “Mostly Negative” user rating on Steam due to the microtransactions implemented by the developers just for a bunch of cosmetic upgrades (Wilde, 2019). When it comes right down to it, it is the players that ultimately decide whether to purchase them or not. They hold the power to either pay more to make their lives easier or not make a purchase and enjoy the game as originally intended.

References


МИКРОТРАНЗАКЦИИ В ААА ВИДЕОИГРАХ – ДЕЙСТВИТЕЛЬНО ЛИ ОНИ НЕОБХОДИМЫ?

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Аннотация

Видеоигры, в отличие от других форм медиа, являются особым бизнесом, так как деньги заставляют мир вертеться. Тем не менее, индустрия видеоигр очень нестабильна, по мнению их разработчиков. Если в самом начале можно было стартовать с низкобюджетных проектов, работающих на самом базовом оборудовании, то растущие требования геймеров и технологические достижения приводят к росту затрат на разработку видеоигр. Однако, сдерживающим фактором является то, что цены на видеоигры оставались неизменными на протяжении многих лет. Поэтому переход к использованию микротранзакций, с одной стороны, может показаться наилучшим вариантом, но, с другой стороны, он может оказать пагубное влияние на индустрию и самих игроков. Данная статья рассматривает то, как возникли микротранзакции в видеоиграх, и реакцию, которую они вызвали в некоторых играх ААА. Отдельные игры ААА, рассматриваемые в статье, вышли в конце 2018 – начале 2019 года, поэтому именно на их примере будут рассмотрены различные денежные особенности, вызвавшие критику со стороны журналистов и фанатов.

Ключевые слова

Микротранзакции, игры, компьютерные игры, видеоигры, игры ААА, внутриигровые покупки, реальная мировая валюта

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