Free-to-Play Games Between Good and Evil: the Case of Rewarded Video Ads

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Introduction

Luckily or not, the main subject of my study has spoken for itself once again since the initial draft of this paper had been submitted. Even though we don't have time today for the infamous case of loot boxes, I would rather surely expect that so-called 'rewarded ads' have the potential to become the next big controversy in free-to-play games after the gambling problem is legally regulated. Watching rewarded ads is presented by game marketers as players' own choice. Still, I argue that it is a form of exploitation because, eventually, it takes away agency from the player.

Firstly, I present the current state of criticism of free-to-play games. Then, I reveal exploitation in so-called 'good' free-to-play games that are based on rewarded ads. In the third part, I problematize negative assessment of exploitation. Finally, I make my own assessment of exploitation in case of rewarded video ads.

The Unneccessary Evil

Due to critical stance of academics such as Ian Bogost, with his rhetoric of 'exploitationware' and 'shit crayons' (Bogost 2011), it is a hard job to discuss exploitative game design analytically and in a reasonable manner. Most critical articles about free-to-play games simply list marketing techniques used in them as arguments for these games being 'evil'. Meanwhile, proponents of gamification propose to implement the same manipulative techniques for the greater good: in education software, work management and healthcare. For them, appropriation of the subject's agency is acceptable as long as it corresponds to their own moral values (and Bogost also joins this team with 'persuasive games') – I would call it a syndrome of Clockwork Orange.

Still, there is enough evidence that free-to-play games can be morally ambiguous to say the least. Generally, critics accuse free-to-play game publishers of exploitation of cognitive biases in sake of making money. Specific examples may include gambler's fallacy, near miss effect, hot hand fallacy, sunk cost fallacy, loss aversion, overjustification effect etc. Within the context of games, technically, they are based on manipulative randomness (the case of 'gacha', or 'loot boxes', as English-speaking players call them, goes here), manipulation of game difficulty and misrepresentation of game costs (intermediate currency). There are also game-specific examples of direct economic exploitation: paywalls ("progress gates") and "ante games" (paying your way to success), or "purchases that short-circuit game dynamics" (McNeill 2012). In another example, to evaluate exploitation in a game, the publisher should

imagine a hypothetical customer who is making an informed and rational decision (retains their agency, as we would say), and ask himself if such customer would play his game (ibid.)

As a response, the game industry distance is trying to distance from the 'evil' kind of free-to-play by calling it a different name. While even more major publishers of AAA games design their products as free-to-play, they prefer to refer to them as 'games as a service' (Schreier 2017), a term coined after 'software as a service'. This concept has been occasionally used by game designers for several years, most notably, by a British game designer and marketer, Oscar Clark, who published a book on game design in 2014 named *Games As A Service: How Free to Play Design Can Make Better Games* (Clark 2014). From this point of view, free-to-play games can be good if designed with responsibility, and the ultimate goal of the developer is to serve the needs of a player. Oscar Clark stresses the importance *of "the deliberate choice to not use a potential monetization method, to preserve the integrity of playing experience"* (Clark 2014: 265).

The concept of games as a service is broader than free-to-play games, which are only one specific case. Generally, there are three main ways to make 'games as a service' commercially viable: subscription, in-game purchases, and advertising. We'll focus on the last, because it seems least coercive and is often framed as the most 'fair'.

Evolution of So-Called 'Rewarded Ads'

"Rewarded video ads" are often presented as a remedy against 'exploitative game design' in free-to-play games (Clark 2014). One model example is *Crossy Road.* The player can either watch advertising to earn in-game currency or abstain from watching it and still play for free. Virtual objects that can be bought for this currency don't contribute to the player's success in the game (which was an important point in loot box debates), so the game doesn't become "rigged" in favor of ad-watching players. Nevertheless, despite its enormous popularity, *Crossy Road* reportedly earned not much more than $3 million (30% of their profits) from advertising in the first three months, making about 20 cents per player (Tach 2015). Such revenue would be insufficient for commercial free-to-play games that usually spend more than a dollar to attract one new player.

Although initially praised by game journalists, the "ecology" of rewarded ads is not unproblematic. Firstly, indie developers tend to forget who pays for advertising and shares marketing budgets as rewards for watching advertising. Most of these best-paying advertisers actually own big and openly exploitative free-to-play titles, and exploitation of their players is exactly the case why they can afford to buy advertising space for such high price and finance less exploitative games as a by-product.

Also, watching advertising is also paying: not with real money, but with player's attention. His or her valuable time is bought and sold by social platforms and ad networks just in the same way as abstract man-hours in the Marxist model of industrial economy. So, from the Marxist perspective, it is still exploitative, because the player's time is alienated when they voluntarily become "audience commodity" (Fuchs 2014).

Alienation becomes even more sensible if a player confronts it with refusal. Who is watching if the player makes the choice to play rewarded ads without actually watching them? At this

moment, players are alienated from themselves, as, for the obligatory 3 to 30 seconds of the advertisement playing in background, they cease to be players and drop out of the game. From the marketing perspective, at this moment, they are a form of fraud, a null subject who exists only as a node in the advertising network where capital is circulating.

The logic of capital behind free-to-play monetization reveals itself more clearly in the following, more commercially successful forms of monetization. After *Crossy Road* was released in 2014 to big critical success, its model was adopted and further expanded by a vast number of developers and publishers. In the most popular version of ad implementation, players can continue the game after they lost it by watching an advertising video. In this case, the game is always rigged against those who choose not to watch advertising videos.

As a result, today's market of mobile arcade games is dominated by two flourishing French publishers, *Ketchapp* and *Woodoo*. Games from their portfolios often don't have in-game currency, and many of them don't even have any in-game purchases, apart from "Ads Free", which is, in truth, "Forced Ads Free": ads by choice remain, so the purchase doesn't leave the player with an uninterrupted game experience they desire. Let us take a closer look at extremely successful games such as Snake *VS Block* and *Flappy Dunk* published in 2017 by *Woodoo*. They offer both on-demand and disruptive ads in the same game: the player basically has a choice between watching rewarded and non-rewarded advertising, which clearly means no choice and very little agency.[1]

Mutually Beneficial Exploitation

The most powerful counterargument in the free-to-play debate is that millions of players seem to be satisfied with this economic model. Generally, game-specific forms of exploitation are a marginal case in normative understanding of exploitation: if the player accepts the game, it means that he accepts the rules of the game even if they are against his or her interests.*"Of course, benefitting from another's vulnerability is not always morally wrong—we do not condemn a chess player for exploiting a weakness in his opponent's defence, for instance",* Matt Zwolinski and Alan Wertheimer write in the entry *Exploitation* for the online version of *The Stanford Encyclopedia of Philosophy* (Zwolinsky 2016). In case of rewarded ads, this weakness is in the assumption of players that the spare time of their lives is 'free' and 'exchangeable'. Nevertheless, a player's attention is an unrenewable resource, as the time of their lives is finite. Is 30 seconds of our lives worth exchanging for a few more second of playing *Flappy Dunk*? And if yes, what is the fair exchange rate?

From this point of view, free-to-play games can be seen as an example of 'mutually beneficial exploitation'. Based on Zwolinski and Wertheimer's definition, mutually beneficial exploitation allows both sides to achieve their aims, although it can be ethically problematic. The player wants more in-game resources, and the publisher wants more real-world resources, so they enter a more or less fair exchange (attention for life, in our latest

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[1] In the meantime, another form of games benefits the most from rewarded ad monetization, and these are idle (clicker) games. They tend to get more than a half of their revenue from rewarded ads. It happens because ads don't disrupt game experience, which is idle by definition, e.g. doesn't require much choice by design.

case). But what is morally wrong about it? Firstly, we need solid arguments against exploitation, and, strangely, we don't have them.

As it appears, Marx never explicitly stated what exploitation is and why it is bad; neither he stated that capitalism as such is unjust (Wood 1972). The voices of the authors of *The Communist Manifesto* clearly speak against brutal, impoverishing, economically enforced exploitation of early industrial workforce, so obvious that it doesn't need to be specified. Since then, understanding of injustice and social change evolved, and today we are talking about much more subtle forms of exploitation that doesn't feel like coercion: alienation that happens by choice.

This problem is not new: Marx's followers have always been problematizing relationships between exploitation and injustice in his works. For example, in his essay *Should Marxists Be Interested in Exploitation?* J.E. Roemer interpreted exploitation in terms of the labor theory of value. According to him, exploitation is a result of uneven distribution of means of production (Roemer 1985: 65). So, for him exploitation was purely material and technical: *"It is only by appealing to conceptions of justice that exploitation theory can be defended as interesting"* (Roemer 1985: 38), - he wrote, and justice is a very young concept within virtual worlds.

Economical and ethical concerns become separated in some interpretations, but other scholars demonstrate that this view is too simplistic. Exploitation in the Marxian tradition is often explained as estrangement of labor, or alienation of a part of the worker's self, not just taking away something that he justly earned. The capitalist is *"reaping the fruits of the worker's unpaid labor"* (Wood 1972: 264), even their contract is fair and justified by social conditions. Also, Wood suggested that exploitation is not unfair as long as it is prescribed by the mode of production, and puts responsibility on capital. He wrote: *"Capital, by its very nature as capital, that is, by its function in capitalist production relations, necessarily exploits the worker by appropriating and accumulating his unpaid labor"* (Wood 1972: 264). The economy of attention perfectly fits this concept, as digital economies provide us with the purest forms of capital flow.

Comparing the ideas of Roemer and Wood, Justin Schwartz claims that exploitation should be defined as unfreedom, not as injustice. *"Marx rejects appeal to justice. For him, what's wrong with exploitation is that it involves unnecessary unfreedom because surplus transfer in class societies takes place under coercive conditions"* (Schwarz 1995: 277] Also, he prefers the term 'coercion' and stresses its forced nature, particularly in the reality of labor market.

Let's imagine these critics judging exploitation in free-to-play games. Roemer would likely say that exploited players should be able to make their own non-exploitative games - it is possible, and it happens, as in case of indie games, but the economy of such games is principally different from free-to-play games, and, as we have already noted, it often exploits the exploiters to remain sustainable. Wood would justify exploitation in games because it is one of the forms of life of capital in the post-industrial mode of production, still, he would encourage development of new and better games that would signify social changes. Schwartz would acknowledge exploitation in games, and he would probably wonder if the players are too poor to play better games for money, and what makes them that way. What we are saying here is that there is no common ground to judge exploitation in games as 'bad', even when we intuitively feel that way.

Conclusion

So, why cannot free-to-play games be good? To start from, they wouldn't be economically sustainable without luring players into paying. As a result, elements of game design and marketing techniques become undistinguishable in such games, also on the technological level, which in our case is the level of advertising networks. We assume that *'digital games... have values embedded in them'* , and not only in the rules of a game, but also in its technology platform (Flanagan, Nissenbaum 2014: 8-9). In case of rewarded advertising, the technology platform that serves advertising dictates its logic to game publishers and players, and this logic does not recognize ethical values as such. It eventually takes over the entire experience, depriving players from their agency.

When the player doesn't have full agency over the game, they can't make meaningful choices, and making meaningful choices is in one of best working definitions of playing a game proposed by a prominent game designer Sid Meyer (Alexander 2012). Struggling for this agency is a personal choice that has to be made consciously, probably in confrontation with the game's system or its marketing devices, and it is probably a too heavy load for someone who just wanted to play a game. Also, the concept of 'game as a service' implies that the player is taken care of, but we must all realize how this care works before subduing to it, and this care is basically exploitation.

So, even the least exploitative free-to-play games cannot provide economic relationships without exploitation as such, even though it cannot simply be labelled as 'bad'.

Games

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Flappy Dunk. Woodoo. iOS, 2017.
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