

Gaming, Communities And Economics: A Weirdly Upbeat Tale Of Loot Boxes And Social Change

In November 2017, with much fanfare computer game titan Electronic Arts (EA) released a long-awaited game title: Star Wars Battlefront II.

Star Wars fans and gamers alike eagerly descended on the game, and at first all was well with the world. But that would soon change.

Neither EA, nor the software development industry at large predicted the furore and controversy the now infamous title would soon elicit from EA's gaming community.

What later became known (kind of grandiosely) as the "Star Wars Battlefront Scandal" revolved around criticism of EA's approach to monetizing entertainment. Gamers felt EA weren't just being greedy, but that their methods of extracting money from customers had **broken the game itself**.

What happened next was a strange battle between the producers and the consumers, and one which ultimately pressured EA to back down and fundamentally change how it does business.

This might all sound fairly trivial and abstract, and yes, from a certain point of view it's little more than a digital storm in a cultural teacup.

However, if you look at the underlying forces at play in this story, it's also a fascinating test case for how a community and an economic system symbiotically form one another.

It also sheds some light on why at Xxxxxx we feel it's time to change the way that flesh and blood communities and economies form and inform one another.

Background - So What's It All About?

To really grasp EA's predicament, you need to understand a little bit about how the game worked.

The game itself had a shelf price of around \$50, and this payment gave you access to the basic software and the ability to play with others online.

What the shelf price *didn't* provide was the option to play competitively. For that to happen, gamers would need to fork out a series of additional micropayments to purchase virtual treasure boxes known as "loot boxes."

Loot boxes effectively powered players up and this was a vital step if they wanted to viably compete with others, and progress through the game.

Loot boxes were engineered to be important, valuable and, most importantly, **rare...**

... and because these virtual commodities were rare, **they were expensive.**

To participate in this entertainment properly, gamers would have to endure a slowly escalating treadmill of payments. The more you progressed, the more outrageous the cost became for these completely arbitrary virtual goods.

EA weren't the first company to use this strategy and they won't be the last. However, it may be the most brazen thus far attempted.

EA's Fall From Grace And The Fallout Which Followed

So now that you're up to speed on the Battlefield II controversy, let's look at what happened next.

1. EA Was A Bit Too Blatant And People Noticed

Engineering artificial value for gaming commodities is hardly a new phenomenon. Indeed, you could argue that imbuing virtual commodities with value simply by virtue of their rareness pervades the entertainment industry, from Pokemon trading to mobile gaming.

The only difference was that EA took this concept and **magnified it**. It was just a little too blatant, and people noticed.

Forums lit up with conversation and debate surrounding the phenomenon of how EA had made a ton of extra money from its community, simply by withholding the experience they had signed up for.

In short, it made people question whether such an economy was fair and productive.

2. They Undervalued Why People Wanted To Play The Game In The First Place

It didn't stop there, either.

The debate grew from a simple indignation about what was perceived as a grubby bid to artificially engineer rarity, into much larger questions about the impact of a "loot box mindset" on the entire gaming experience.

By fixating the gaming experience on microtransactions, the whole reason for playing the game in the first place—competing, exploring and testing your skills against others—was cheapened.

Not only had unfair artificial value been heaped on to these virtual loot boxes, the lifeblood of the community had also been greatly **undervalued**.

3. People Got Mad!

People got angry and pushed back.

Reluctantly, EA announced it would redesign the game to focus on a more fulfilling gaming experience.

Within a few months, loot boxes had been consigned to a corner of the game. They no longer occupied an artificial pedestal of EA's making and people were free to play the game how they wanted.

In other words, a whole virtual economy and system for allocating value had been transformed.

What Does This Show Us About Real Life?

On one level, this is just a story about a game.

But there are echoes in this story which shine some interesting light on the power relationships that exists between real flesh and blood communities and the economic systems pervading them.

Every day, we're dealing with an economic system which tries to influence how we value objects and experiences. "Lootboxes" are dropped in our path and the only way to unlock them is to enrich the system.

We're told that certain commodities are valuable and important and therefore can only be unlocked with lots of money.

Simultaneously, other things we may naturally value are undervalued because they don't reinforce the goals of our economy - things like giving back to our communities, spending time with the family or investing in sustainable technologies.

It's easy to imagine that the economy of goods and services surrounding us is beyond our reach, that it's simply something with which we have to contend—like the weather or the passing of the seasons.

But as EA's experience testifies, economies are **human made systems**. They aren't set in stone.

We can push back against the commodification of experiences and play an active role in making it better.

Busting Out Of The Loot Box Mindset

At Xxxxxx, our goal is to help communities design economies that help them meet their goals

Leveraging blockchain technology, we're not just designing a new currency, but **a new approach to using currency**.

In this way, we and the communities we work with can bust out of the loot box mindset.

We can build a system which values the experiences we **want** to value.