

Cash Trade Within the Magic Circle: Free-to-Play Game Challenges and Massively Multiplayer Online Game Player Responses

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ABSTRACT

Cash trades for virtual items in game worlds are now a recognized part of the “free game” business model, but perhaps at the expense of players’ senses of immersion, fairness, and fun. We review several perspectives related to Huizinga’s [8] “magic circle” concept in order to establish an analytical framework, then discuss player opinions in support of or opposed to free games, based on data collected from various sources. Our hope is that this study will be useful for those researchers who are monitoring the rapidly changing line separating game worlds and the physical world.

Author Keywords

free-to-play game model, magic circle, MMOGs, cash trade for virtual goods.

INTRODUCTION

The online gaming world is currently witnessing sharp increases in the number and availability of free games. Unlike the subscription model previously employed by the creators of Massively Multiplayer Online Games (MMOGs), more companies are introducing their products for free or eliminating subscription fees and depending on sales of virtual props and equipment for their profits.¹ According to a survey conducted by the III Market Information Center, Taiwanese players have been migrating to free games in expanding numbers since 2004 [11-13]. An analysis of the number of simultaneous online players shows that two of

the top three online games in Taiwan in 2006 were free-to-play.²

Free game payment mechanisms consist of player purchases of game points at convenience stores or other real-world outlets;³ player use of either cash or game points to purchase props from game websites, telecommunication sites, or portal sites; and player use of cash or points to purchase items from virtual shopping malls via game interfaces. Purchasable items can be divided into two categories: (a) functional props that increase the offensive or defensive power of a character or its pet (e.g., increase the speed of character vehicles, double or triple the speed of experience accumulation, repair weapons, or help retain experience value upon a character’s death); or (b) decorative props for altering the appearances of characters or their pets or enhancing social or communication tools (e.g., public-channel broadcasting).⁴ Items in the first category make play easier, while those in the second are primarily cosmetic.

Commercial mechanisms that connect game and physical worlds can affect a game’s magic circle (to be discussed in the following section) or endanger a player’s sense of enchantment in fundamental ways. For example, when chased and attacked by a mob of high-level characters, a player can escape at the last second by clicking on the “virtual shopping mall” image in the bottom corner of a game screen. This raises the question of whether having such an easy escape mechanism affects players’ immersion into and enjoyment of adventurous fantasies.

¹ Although some games still require money to purchase game software, the prices for this one-time purchase are so low that such purchases cannot be considered entrance thresholds. From admittedly incomplete statistics, Lee [10] estimates that “20% of [Taiwanese] players purchase virtual props with cash” (p. 152).

² The company that sells the top game in Taiwan, *Lineage I*, has retained the subscription model. The second and third most popular games, *Huang Yi Online* and *MapleStory*, are free [17].

³ E.g., video game retail stores, bookstores, wholesale stores, and net cafés.

⁴ This allows players to broadcast accusations, love proclamations, or congratulations to others.

IMMERSION, FAIRNESS AND THE MAGIC CIRCLE

We will use Johan Huizinga's magic circle concept [8] to investigate immersion and fairness and to determine the degree to which they are challenged by cash purchases in free games. Game researchers believe that the magic circle is closely connected to the fun and pleasure of gaming—in fact, many claim it is the primary reason why players voluntarily enter game worlds.

Almost all of Huizinga's supporters (especially Salen & Zimmermann, [15]) agree that maintaining the magic circle requires adherence to two concepts. First, the magic circle creates a world independent of the everyday real world. Second, it preserves order in game worlds through the use of rules. The first concept is directly connected to a player's sense of immersion and enjoyment. Huizinga uses the term "disinterestedness" to characterize non-ordinary play features, while Csikszentmihalyi [5] uses the term "autotelicity" to discuss flow mechanisms. Both terms infer that the fun experienced by players in the magic circle is self-contained—in other words, game immersion is insulated from or opposite to the utilitarian characteristics of the physical world. Rules and order are strongly linked to a player's sense of fairness—in Huizinga's words, "It may be that [the] aesthetic factor is identical with the impulse to create orderly form, which animates play in all its aspects." The aesthetic experience is at the core of magic imagination. Once a player feels a lack of fairness, the promised aesthetics disappear and the magic circle breaks down.

The ideas of "independent worlds" and "fair rules" come under attack when players are able to buy virtual treasures and capabilities—and therefore status—with real money. Worry over real world economic resources has the potential to endanger a player's sense of immersion, trigger beliefs that other players buy their way to success, or build distrust of game companies (who are normally viewed as referees that enforce rules) as active participants in the "money game." However, evidence culled from game markets and player forums does not allow for simple predictions regarding the loss of fun or large-scale movements away from certain games or gaming in general. We believe the current crossover of game and physical worlds is detracting from the appeal of two axioms: "independence brings immersion, immersion brings fun" and "fairness guarantees order, order guarantees play." Furthermore, it appears that variations in the most recent MMOGs require game researchers to look into the structure of fun in a more sophisticated manner—for instance, determining if clear boundaries exist for the magic circle, how such boundaries function, how they are maintained, and how they fit in the relationship between game and physical worlds.

Salen and Zimmermann [15] view magic circle boundaries as sufficiently strong to prevent the mixing of game and real worlds, with rules serving as the primary boundary-sustaining mechanism—the magic circle is maintained as long as players show respect for game rules. Salen and Zimmermann believe that the level of respect varies among

five player types: standard players acknowledge the authority of rules; dedicated players have special interest in mastering rules; unsportsmanlike players adhere to operational rules; cheaters violate implicit rules and tend to break operational rules; and spoil-sport players have no interest in adhering to rules, thus causing magic circle breakdowns. When describing spoil-sport players as "representative of the world outside the game" (p. 275), Salen and Zimmermann used "unleashing a virus" as a metaphor to discuss how such behavior ruins the magic circle [15]. From their perspective, new commercial mechanisms are to be interpreted as either an inside expansion of game rules or an outside intrusion. However, since commercial mechanisms are initiated by game companies and not by players, game ownership and control must be taken into account to analyze cash trade in games.

Copier [4] has challenged previous notions regarding the magic circle, arguing that researchers have over-emphasized the natural distinction between inside and outside worlds, and that the magic experience in gaming is overly idealized. She instead suggests that the act of creating game space connects rather than separates the imaginary fantasy world of games and the ritual worlds constructed by history, religion, and daily life experiences. Furthermore, she believes that answers to such game-related questions must come from an understanding of how players treat and construct game spaces rather than reliance on the existence of a magic circle. Copier argues that "the space of play is not a given space but is constructed in negotiation between player(s) and the producer(s) of the game [as well as] among players themselves."

The boundary-blurring of game worlds as a result of digital technology is also attracting research interest. Nieuwdorp [14] uses the term "ambivalence" and Harvey [6] the term "liminality" when analyzing the intertwined spaces of gaming and reality. Both argue that players are capable of entering and sustaining magic circles in such environments, but their play characteristics are closer to *paidia* ("pure play") than *ludus* ("pure game"), both as defined by Caillois [2]. However, structured commercial influences do not necessarily provide cultural links as described by Copier [4]; those links may well be commercial. The ambivalence introduced by cash trade in MMOGs does not resemble ordinary life *paidia*, but rather a shopping experience requiring careful calculations. Player perspectives toward such game spaces and how they participate in space construction are equally important.

In his analysis of general threats toward games and players from real-world political and economic forces, Castranova [3] observes that lines between "game" and "not-game" have become increasingly difficult to draw, thus underscoring the importance of boundaries between the artificial world of gaming and the physical world. He suggests that failure to properly deal with these boundaries will result in a loss of spaces through which players escape real-world pressures. This claim echoes Huizinga's [8]

portrait of games as providing temporary and limited perfection in an imperfect world. Castranova also discusses the means (especially economic) through which real-world interpretations subtly push their way into artificial worlds [3]. For instance, in some countries a player's virtual property is protected by real-world law (although it remains non-taxable). Player advantages resulting from this paradox may well allow outside forces to penetrate the magic circle and thus threaten play. In a similar manner, commercial mechanisms such as cash trades may blur magic circle boundaries and damage a player's sense of immersion.

Bartle [1] uses a designer's perspective to analyze the various effects of economics, laws regarding virtual goods, and gaming imagination on exchanges of virtual goods among players. In explaining his opposition to such exchanges, he argues that players do not actually possess virtual goods because of End User Licensing Agreement guidelines; for virtual goods to become real goods, game companies would have to accept custodial responsibility for maintaining the value of those goods—a task that Bartle believes is impossible since it is sure to trigger player resentment. Furthermore, he reminds us that one foundation of magic imagination is that character status reflects player status. If game producers hold the power to distribute equipment, treasure, or character level, it could easily result in a situation where all players become heroes. As Bartle puts it,

A high-level character isn't just a high-level character: it's a marker of player status. If it's worn by someone not entitled to wear it, that very seriously annoys those who are entitled to wear it. It says something about a player's achievements: it's non-transferable.

Bartle concludes that commodification will kill interest in most (but not all) players, since “when poor people can't even role-play being rich, they're going to be disheartened.”[1]

Taylor [16] takes a very different standpoint, describing MMOG users as productive players who collectively contribute to their respective game worlds and therefore have the right to voice their opinions regarding the ownership of in-game outcomes and products. She questions what she believes to be the prevailing attitude that “game rules are the core value, players are merely consumers, and if they are not satisfied they can just leave.” Instead, she views players as producers who pay real costs and therefore deserve the status of partners in terms of game world intellectual property and character status. From the magic circle perspective, Taylor believes that users play active roles in creating magic imagination and shared immersion and do not simply accept rules passively.

Of primary concern in this discussion is a player's sense of immersion based on magic circle boundaries and relations across those boundaries. Castranova [3], Bartle [1], and Taylor [16] started from the idea of trading virtual items and investigated implications for the magic circle and game

communities. Salen and Zimmermann [15] and Copier [4] started from the idea of magic circle foundations and maintenance without looking at the introduction of real-world commercial mechanisms as an important factor. Our discussion of the impact of commercial mechanisms will begin from MMOG game rules, cheating, and the complexity of the fairness issue in contemporary game worlds.

In MMOGs, cheating consists of finding system loopholes, taking advantage of ambiguous rules, and creating new rules. As Kuecklich notes [9], players may express certain cheating behaviors for simple purposes of making games more enjoyable or diversified, but in doing so they risk upsetting the sense of balance intended by game designers. This type of cheating changes players' perceptions about the game world (including their spatial and temporal experiences), and more importantly increases player options through which users find their agency. One result of cheating is that perceptive experiences are no longer defined and determined only by the system, but by a mix of the system and players.

However, in addition to providing optional channels for immersion, autonomous acts of cheating can also provoke conflict within MMOG communities. Stealing virtual items and killing avatars frequently results in other players losing their sense of immersion. It is important to keep in mind that MMOGs are ongoing worlds without clear endings or absolute losses and wins. Multiple player types with different gaming goals co-exist in these worlds, meaning that some cheating behaviors are simultaneously viewed as tolerable or as evidence of spoil-sport activity. For example, serious leveling players usually consider players who “hide” behind bots as spoil-sports who should be expelled because “they don't play fair.” However, players who are more concerned with socializing may view bots as “not real” and therefore ignore them. Since MMOG players do not directly play against each other (except in cases of one-on-one combat), they cannot refuse to play with spoil-sport players or exclude them from games. All they can do is file complaints to game masters and ask for more fairness and order. When game masters fail to respond, players may leave a game due to their perceptions of “no fair play, no fun.” When game companies transform external bots (as products of creative cheating) into internal bots (as avenues for monetary profit), player communities may have reactions ranging from acceptance (as aspects of game development and expansion of game rules), ambivalence, or protest against perceived exploitation. Accordingly, the goal of this article is to analyze how the collective cognition of players and their communities are altered by commercialized game world processes.

