

# 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.<sup>1</sup> 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.<sup>2</sup>

Free game payment mechanisms consist of player purchases of game points at convenience stores or other real-world outlets;<sup>3</sup> 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).<sup>4</sup> 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.

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<sup>1</sup> 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).

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<sup>2</sup> 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].

<sup>3</sup> E.g., video game retail stores, bookstores, wholesale stores, and net cafés.

<sup>4</sup> 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.

**Table 1.** Positive and Negative Player Attitudes Regarding Various Aspects of Free-to-Play MMOGs.

		Free Market	Fairness	Quality	Fun	Balance	Magic Circle	Others	Total
PRO	<i>Gamebase</i>	110	28	38	46	8	0	71	301
	(row %)	(36.5)	(9.3)	(12.6)	(15.3)	(2.7)	(0)	(23.6)	(100)
	<i>Bahamut</i>	47	1	17	10	3	0	24	102
	(row %)	(46.1)	(1.0)	(16.7)	(9.8)	(2.9)	(0)	(23.5)	(100)
	<b>Subtotal</b>	157	29	55	56	11	0	95	403
	(row %)	(39.0)	(7.2)	(13.6)	(13.9)	(2.7)	(0)	(23.6)	(100)
	(column%)	(51.0)	(27.1)	(18.9)	(41.5)	(10.5)	0	(58.3)	
CON	<i>Gamebase</i>	95	52	158	42	55	30	38	470
	(row %)	(20.2)	(11.1)	(33.6)	(8.9)	(11.7)	(6.4)	(8.1)	(100)
	<i>Bahamut</i>	56	26	78	37	39	37	30	303
	(row %)	(18.5)	(8.6)	(25.7)	(12.2)	(12.9)	(12.2)	(9.9)	(100)
	<b>Subtotal</b>	151	78	236	79	94	67	68	773
	(row %)	(19.5)	(10.1)	(30.5)	(10.2)	(12.2)	(8.7)	(8.8)	(100)
	(column%)	(49.0)	(72.9)	(81.1)	(58.5)	(89.5)	(100)	(41.7)	
	<b>Total</b>	308	107	291	135	105	67	163	1176
	(row %)	(26.2)	(9.1)	(24.7)	(11.5)	(8.9)	(5.7)	(13.9)	(100)

**DATA AND METHODS**

The bulk of our data on player opinions concerning free game-related topics came from articles posted and discussions held on game bulletin boards and stories and commentaries in game magazines and related media. We analyzed the data to cull information on fairness and immersion under the influence of free game market trends and attitudes toward commercial mechanisms in virtual fantasy game worlds. Since our focus was on free games, we concentrated on two immensely popular bulletin boards in Taiwan: *Gamebase*<sup>5</sup> and *Bahamut*<sup>6</sup>. The two have very different member compositions and discussion cultures. *Gamebase* has younger members with less game experience, therefore their discussions are easygoing and spontaneous. *Bahamut* is a gathering place for older, more experienced, hard-core players.

*Gamebase* data were collected from May to December, 2006—a period marked by intense discussions and disagreements about free games. Since *Bahamut* documents are purged after two months, discussion threads about free games were limited to November and December. After deleting irrelevant items returned from searches using the keywords “free game,” 891 documents were identified as containing useful information. The breakdown for the 530 *Gamebase* items was 251 in support of free games and 279 against; for the 361 *Bahamut* items the numbers were 109 pro and 252 con. Next, we removed posts that expressed opinions without explanations, leaving 597 items. These

were sorted and primary complaints, demands, and supportive statements in each category were identified (Table 1)<sup>7</sup>. Although the number of dissenters was much larger on the *Bahamut* board, distributions of the basic arguments were similar. According to our analysis, Taiwanese online game players who opposed free games gave more elaborate and insightful comments. In the following section we will describe arguments in order of prevalence.

**FINDINGS AND ANALYSIS**

**Free Market**

Players on both sides of the issue generally accepted the legitimacy of free market logic, and many based their arguments on that logic. The user-pay principle was the most frequently quoted reason for supporting free games, with axioms such as “there’s no such thing as a free lunch” appearing frequently. Even dissenters were accepting of the argument that “game companies need money to run their businesses, and they need to earn money to survive.” Supportive players noted that all users are given adequate information to understand a game’s payment model before entering, thus companies cannot be accused of deceit or coercion. Accordingly, agreement to play is considered by many as approval of a contract between willing parties. They also make the point that regardless of the marketing model, games must possess certain elements of fun, or

<sup>5</sup> <http://www.gamebase.com.tw/>.

<sup>6</sup> <http://www.gamer.com.tw/>.

<sup>7</sup> The total number of arguments is larger than the number of documents because some documents contained more than one major point.

players will switch in large numbers to games that they consider more enjoyable. Another commonly stated argument is that as long as a game provides basic functionalities so that players who pay nothing can still participate, game companies should be viewed as keeping their promises and therefore permitted to collect fees for game-related products. Finally, some gamers noted that virtual items have always been traded among players, and therefore control of such items by a game company simply legalizes the practice and reduces both risk and the potential for disagreements.

While dissenters also support the user-pay principle and its free market foundation, they accuse game companies of misleading players in game-related ads. They believe that many players fail to understand that games are not really free, but only free of monthly payments, and players who want to participate fully in a game at a high level will eventually have to spend more on products than they would on monthly fees. One player observed that one game company has embedded some items in quests, therefore cash expenditures are required in order to complete those particular quests. Another player gave this analogy: “Imagine a noodle shop claiming that their noodles are free, but the cost of chopsticks exceeds that normally found for a bowl of noodles.” This kind of resentment increases when players learn that many items for purchase have expiration dates.

### **Fairness**

The major difference between monthly-payment and free games is that monthly-payment players are all equal, whereas free game players can be divided into the categories of those who really pay nothing and those who buy virtual items. According to dissenters, this results in the inherently unfair phenomenon of “one game, two experiences.” They note that time has always served as a foundation for fairness—whether rich or poor, players have equal amounts of time, and those who spend more time playing and honing their skills can become stronger than those who don’t. In free games, good equipment cannot be earned through success in killing monsters; since equipment purchases require real world money, poor players will always be at a disadvantage. Another free market-related argument is that free game play is strongly influenced by those willing to spend their money, resulting in inequality.

Many free game supporters make the point that there is no such thing as a truly fair game—that is, fairness in games is illusory. They argue that free games give access to those who normally cannot afford to pay monthly fees<sup>8</sup> while allowing play by users who have money but less time due to work and other responsibilities.

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<sup>8</sup> Some comments contained mentions of real world identities such as students or housewives, thereby emphasizing their lack of income.

consider more enjoyable.

Developing a sense of fairness in competitive gaming depends on visibility and situation. Thus, on one forum a player argues that it is acceptable to find other players upgrading level more quickly by using purchased items, but not for PK situations. In other words, this player’s discontent regarding fairness is focused on contact and competition: as long as truly “free” players do not have direct contact with players who buy virtual items, they may accept their positions and game rules. While feeling disappointment over what they claim to be unfair advantages, dissenters also acknowledge the need for someone to pay money to game companies—a paradox that weakens the power and legitimacy of their discontent. This may explain why most dissenters do not aim their complaints about fairness toward players who buy virtual items, nor do they directly call such players “cheaters.” Instead, discontent over bended rules and fairness is fueling a process of negotiation among supporters, dissenters, and game companies. Game companies are fully aware of the issues (via the same sources we used for this study), but we can only speculate on whether the debate has influenced them to emphasize the decorative qualities of purchasable items and to play down the items’ game-related functional qualities.

### **Fun**

Dissenters who emphasize fun focus on how game design affects play so that users who don’t pay have much less fun. They are much more likely to analyze game company marketing tactics used to promote virtual items and to argue that companies purposefully create significant differences between players willing and unwilling to buy products. Specific arguments are that unwilling players require much more time to increase their skill levels and therefore must endure long stretches of boring, restricted, and handicapped gaming experiences. On the other hand, players who buy virtual items may lose their sense of fun from showing off their purchases. One user told us, “When chatting with others about how I got this equipment, I can only say that I worked overtime [at my real world job].”<sup>9</sup> From this viewpoint, the fun of play has been replaced by the fun of shopping.

We read many complaints from players who had killed many monsters but were prohibited from getting the best treasures because those treasures are now for sale only. Typical comments in this regard were, “Once there’s no chance to get really good treasures, the surprise vanishes,” and “Obtaining rare treasure by killing monsters is like winning the lottery. Buyable treasures ruin that pleasure.” As an extension of this argument, dissenters also claim that players who are willing to purchase items lose a significant degree of pleasure by doing so—that is, purchased achievements encourage players to overlook interesting

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<sup>9</sup> Bahamut, sammisam86, posted November 20, 2006.

game details to the degree that even PK (player killing or dueling) activity can lose its sense of competition and excitement.<sup>10</sup>

Free games supporters emphasize player diversity and what they describe as the variety of potential sources of fun in free games. They refute the idea that player achievement or game fairness are necessary foundations or natural sources of fun. In arguing that MMOGs differ from simple board games such as Monopoly (with their clear rules and standard winning strategies), they stress the freestyle characteristics of MMOGs. Since there are rarely obvious standards for proclaiming that a player has “won” a MMOG, players can enjoy establishing and achieving their individual goals. Thus, players who are only interested in using up some free time or making friends are unlikely to be concerned about character level or strength, experienced players frequently skip over the early stages of character development, certain players take pleasure in showing off their wealth by decorating their characters, and others want to try as many free games as possible before choosing one to be serious about. Supporters therefore believe that free games have great value because they give players multiple opportunities and ways to experience games and manage their own sense of fun at minimal cost.

### **Game Order and Quality**

Another frequently expressed argument against free games concerns the perception of decaying quality, with many discussion boards containing articles stating that free games attract too many griefers—bullies, harassers, bot users, public channel flooders, monster robbers, cursers, and so on. A standard position is that structural problems are to blame for the decline in gameplay in general and free games in particular. Dissenters complain that free access to game accounts encourages rule violations and community norm infractions that are increasingly difficult to punish and control. They note that traditional (i.e., monthly-payment) game masters have the power to erase an offending player’s account or lock out a character, thus making the player suffer economically. Free games have no equivalent tool for managing deviant behavior, since new accounts and characters are easily created. A second problem cited by dissenters is the lack of motivation on the part of game companies to manage game worlds, with the general perception being that companies don’t care about quality or service because it affects their bottom lines. They claim that this structure makes it useless to complain about any game-related matter.

We came across few examples of free game advocates interested in refuting these arguments. In the few cases that

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<sup>10</sup> For instance, in some games players can buy pills to reset their characters’ capacity to fix initial flaws and change preferences chosen when the character was created. This product equalizes differences among characters so as to reduce game world diversity.

we did find supportive postings, the most common counter-argument was that grief play is a common phenomenon in all MMOGs, not just in free games.

### **Game Order and Quality**

After the free market argument, the second most commonly mentioned argument concerned balance-of-gameplay, defined as the coexistence of players with different gaming motivations or goals. According to this concept, all types of players should have equal opportunity to survive in and enjoy a game world. In the same manner that both dissenters and supporters of free games accept the user-pay principle, they agree on the importance of gameplay balance. While acknowledging the vagueness and context-dependency of gameplay, we will use the term to represent the idea that game design should respect the needs of players who do and don’t spend money on a game. This is a fine point, since both sides appear to agree that players who are not willing to spend money should not feel that “no payment equals no fun,” but at the same time, pay-to-play users must believe that their money is not being wasted. Since this argument touches on other issues (e.g., fairness and fun), it is best viewed as a general value statement in the same manner as the free market argument.

Players on both sides of the free game issue agree that topmost treasures should not be made available for purchase, but the buying and selling of decorative items is perfectly fine. The main difference between the two camps concerns the feasibility of achieving a balance, with dissenters believing that game companies have strong incentives to break the balance and no incentives to maintain it. Thus, achieving an ecological balance in MMOGs requires taking into account both type and quantity of all salable items and their effects on gameplay. Dissenters admit that items with less power or broader availability (e.g., acquirable via monster slaying) will not attract large numbers of buyers, but they also argue that more powerful and valuable items should not be “mass produced.”

Free game supporters frequently state that as long as game companies clearly make an effort in terms of self-regulation and finding a balance point that allows poor players to survive, there is no problem. Another argument they make is that the exceptionally large number of online players means that the more affluent ones are in the minority and therefore have limited influence on gameplay balance. A third supportive argument is very closely tied to the free market argument: the existence of an open and public market gives all players equal opportunities to purchase items, unlike the past situation in which a much smaller percentage of players took part in black market trades.

### **Maintaining the Magic Circle**

We were surprised to find that this argument only appeared sporadically on discussion boards. From our observations it appears that senior players are more concerned about the magic circle and more capable of describing how free

games inflict damage on magic imagination, game immersion, and fun.<sup>11</sup> The dissenters have two main arguments in this area: first, player imagination and immersion will be ruined<sup>12</sup> regardless of whether or not a player purchases virtual items. Those who buy items must accept that their achievements are not “real,” and those who don’t buy items will always feel that they will never be able to “beat the rich guys.” Second, they argue that calculations involving real money interfere with a player’s gaming experience.

A few players make clear distinctions between buying game items with virtual versus real currency: the first is an example of gaming behavior but the second is an example of shopping behavior—a very different mental state. When playing monthly payment games, users only need to worry about making payments before entering. Free game players are constantly confronted with decisions regarding purchases and available funds, exchange rates between real and virtual currency, and cost-benefit calculations—all of which interfere with relaxed enjoyment of the game.

### Miscellaneous Arguments

Secondary arguments can be placed into one of two categories: (a) player ranking and (b) game or game type selection based on rational time and economic resource allocations. In the first category, many free game players are criticized as being money-rich but skill-poor and for giving greater significance to minor profit than to larger game-playing issues. Free game supporters respond to these criticisms by claiming that the best free game players are those with self-discipline—in other words, successful players are able to restrain their impulses to purchase tools and status or to decorate their characters. We read a few comments by free game supporters stating that dissenters were simply exposing their lack of self-control, whereas true free game players are those capable of fully reaping the benefits of the free game business model.

The second category touches on the idea of commitment to a game and what constitutes a reasonable amount of playing time. Free game supporters claim that once a monthly fee is paid, users are driven to play in order to avoid feelings of “wasting money.” Thus, their playing easily cuts into time normally reserved for school, work, or family-related

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<sup>11</sup> Based on posted articles and the authors’ personal experiences, it appears that senior players are more concerned than others about magic circle deterioration. Another clue is that most opinions on this particular topic were found on *Bahamut*, a game board that attracts a large number of senior and hard-core players in Taiwan.

<sup>12</sup> Of course, damage to a player’s sense of immersion did not begin with free games. Some monthly-payment games post card sale packages and spam concerning paying rent to increase playing level. When Taiwanese players log on to a game server, they always see warning messages about illegal virtual currencies and virtual item fraud. These and many other factors interfere with game world immersion.

activities. They argue that free game players are spared this sense of “getting the most value” and can therefore fully enjoy the time they do spend playing. Furthermore, supporters argue that the money saved from making monthly payments can be used to purchase virtual items—an argument that also touches on the idea of self-discipline.

### DISCUSSION

The focus of this section is on three areas in which free games are impacting gaming in general: player self-recognition, player imagination about game consumption, and player attitudes toward game communities. We noted one common factor in the development of all three dimensions: a belief in the legitimacy of free market principles. In some cases it was clear that the arguments presented by free game supporters were not as sophisticated as those offered by the dissenters, but the supporters seem to have a stronger hold on the argument that participation in a free market—virtual or real—is voluntary.

#### Making the Switch from Player to Consumer

Free games have legitimized and formalized what was previously considered underground or black market activity among monthly-payment game players: the buying and selling of virtual goods. However, whereas monthly-payment game exchanges were bi-directional between players, free game exchanges are unidirectional—players can purchase items from game companies but cannot sell them back. Accordingly, player self-images are currently undergoing a change from one of membership in a community to a consumer in a market. The End User Licensing Agreement for almost all MMOGs states: “When you apply for an account, you give informed consent to the game company’s acts; those who do not agree are free to leave.” A common belief in game communities is that as long as a company makes a clear statement about game rules and consistently enforces them, players have no legitimate grounds for claiming that the company has acted deceptively. Accordingly, both dissenters and supporters have the right to file complaints concerning rules, but not about allegedly misleading information in advertising. Furthermore, all players can challenge virtual items as being overpriced, but they cannot challenge the idea that such items should be available for purchase. They can also argue that a game is losing its balance (i.e., the quality of game goods is deteriorating), but not that the overall gaming world is breaking down.

#### Fairness: Negotiation and Acceptance

As part of his definition of fairness, Bartle [1] writes, “the status of the character should reflect the status of the player behind it.” He therefore opposes exchanges of virtual items between players due to his belief that a player’s achievement as signified by avatar level should be non-transferable. Although the current company practice of formally and publicly selling virtual items does not involve trades between players, it still violates Bartle’s principle regarding avatar level and player achievement. We believe

the current challenge to fairness is more fundamental than private trades between monthly-payment game players, since it entails real world inequalities that are influencing game world inequalities. Monthly-payment game players can make all kinds of virtual item purchases with real world money without being noticed; in free games, avatars that wear the necessary equipment to beat monsters or solve quests are easily identified as “currency warriors.” In other words, inequalities on the outside have become visible on the inside.

The source of legitimacy for a sense of fairness in new gaming situations is “keeping the balance of the game,” as opposed to the previous concept of “no trespassing against the rules.” The “balance” idea is admittedly vague, which may explain in part the large quantity of public forum discussions between game companies and players who have a variety of needs, attitudes and interests.<sup>13</sup> In the current environment of “one game, two types of players, two kinds of gaming experiences,” the two sides are currently negotiating game designs that address the needs of three parties: pay-nothing players, buy-things players, and game companies. To bridge structural differences between the two types of players, we noticed a number of forum participants calling for peace, mutual respect, and constructive opinions to make paying players feel that they are getting their money’s worth and non-paying players feel a sense of fairness. An emerging consensus is to accept purchases of decorative props, but to keep channels for acquiring skills and rank open and equal for all players. Issues still under negotiation include: Should purchasable items have expiration dates? Should purchasable items last longer than those earned from quests? and, Should purchasable items be made available through other game-related channels, even if that means expanding virtual currency or extending gaming time?

#### **From Game Renter to “Pay-per” Player**

Free game designers have tried different payment mechanisms as their products have grown in popularity. Concurrently, online players’ perceptions about gaming activities have also experienced subtle but fundamental changes. In articles on game boards and during discussions with players, we frequently read or heard the analogy “entering a traditional playground, you buy one ticket for all tricks” to describe the monthly payment system and “free entrance to a theme park, but you pay for each trick” to describe free games. According to this analogy, players who make monthly payments have gaming experiences similar to those of game renters—that is, they enter a game and become fully immersed, relatively unaware of the outside world. In contrast, free game players must approach each play facility and decide whether or not to pay. Each

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<sup>13</sup> Representatives from game companies frequently appear on game discussion boards, respond to player questions and concerns, and explain their policies.

“to pay or not to pay” decision entails internal debate between saving money and the idea that “as long as I’m already here, I should have some fun.” Consequently, a player’s immersion in the magic circle is affected by a series of calculations, evaluations, decisions, and re-evaluations between in-game and out-of-game worlds.

#### **CONCLUSION**

The free game business model is changing players’ sense of game ownership. Compared to pay-per-play session users, renters have a stronger sense of game and game community ownership, with all game aspects viewed as objects to be experienced and enjoyed. In contrast, the sense of community among free game players is weaker, since their participation is closer to that of consumers. This explains why they generally ignore complaints about game legitimacy and fairness. Whereas “traditional” MMOG players tend to express anger toward cheaters who violate a social consensus, free game players are more likely to believe that such protests are useless, that they have no right to protest, or that they have no reason to complain. Players who believe fairness is damaged in free games may not complain to game companies or managers based on their collective perception that “this is a free game, what can you ask for?” The idea of “take it or leave it” is gaining strength under the influences of free market logic or player-to-consumer identity transfer.

In conclusion, we believe the current situation in online gaming can be explained in terms of Albert Hirschman’s [7] three basic member responses to organizational declines in quality or benefits: exit, voice, or loyalty. Disgruntled players are less likely to voice their dissent/discontent to game managers or customer service personnel in an effort to improve the situation. Instead, the market encourages them to exit one game and find another that is more suitable. A decreasing sense of loyalty accompanies the paucity of complaints or proposals for change, making it more difficult for players to agitate for reform from within gaming communities.

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