Prof. Dr. Jan Krämer

Lehrstuhl für Wirtschaftsinformatik mit Schwerpunkt Internet- und Telekommunikationswirtschaft

UNIVERSITÄT PASSAU
Wirtschaftswissenschaftliche Fakultät

Probability-based Monetization Tools and Regulation in Digital Gaming – A Focus on Governance and App Store responses

Supervisor: Sonja Herrmann <sonja.herrmann@uni-passau.de>
Date: As of now
Type: Bachelor's Thesis, Master's Thesis
Language: German or English

Motivation:

In recent years, Free-to-Play videogames have enjoyed increasing popularity and their corresponding monetization strategies have evolved. One of these strategies includes probability-based mechanisms that offer players the paid chance to draw a virtual good out of a pool of items with varying value (i.e. Lootboxes). This model has proved highly lucrative and is either implemented as an alternative to direct in-game purchases or even as the sole monetization option in some games. Critics however see this change as problematic as probability-based monetization tools increasingly resemble digital gambling mechanics and therefore need (more) streamlined regulation. Especially scrutinized are opaque regulations and exploitative strategies aimed at vulnerable groups.

Goal:

This thesis aims to explore how probability-based monetization tools fit into the broader landscape of (F2P) game monetization strategies, and how their design has changed over time. A specific focus will be given to (recent) public discourse and discussion following regulatory responses by governance-bodies like the EU and App Stores in general. Potential research question include: What are probability-based monetization tools in the context of digital (F2P) games and how do they relate to the broader implementation of monetization strategies? What is the perceived value or harm of probability-based monetization tools from the consumer perspective? What governance challenges do probability-based monetization tools pose and how have developers and regulatory bodies (like App Stores) responded to these issues?

References and Related Literature:

Leahy, D. (2022) Rocking the Boat: Loot Boxes in Online Digital Games, the Regulatory Challenge, and the EU's Unfair Commercial Practices Directive. *Journal of Consumer Policy*, 45, 561-592.

Thulin, M. C., Snaychuk, L. A., Vieira, J. K., Coelho, S. G., & Kim, H. S. (2025) The Gamblification of Video Games: A Case Study on Loot Boxes. In A. Andrade (Ed.), *Digital Addictions: An Interdisciplinary Approach to Behavioral Addictions and Digital Media* (pp. 139-151). Springer.

Xiao, L. Y., Henderson, L. L., Nielsen, R. K. L., & Newall, P. W. S. (2022) Regulating Gambling-Like Video Game Loot Boxes: a Public Health Framework Comparing Industry Self-Regulation, Existing National Legal Approaches, and Other Potential Approaches. *Current Addiction Reports*, 9, 163-178.