

Loot boxes: how children are being exposed to gambling-like harm in video games

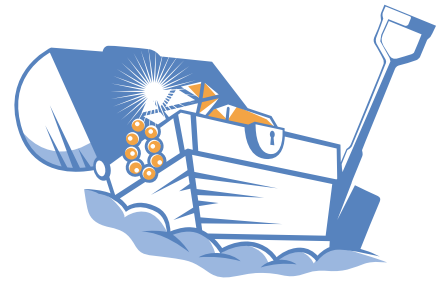
Many video games these days involve 'loot boxes' or chance-based transactions where the outcome is unknown before purchasing. Recent research suggests loot boxes are likely to cause harm similar to gambling harm and have the potential to be addictive.¹ Children and teens make up a large proportion of gamers which means they are increasingly likely to be exposed to loot boxes. Despite their potential risks to children, loot boxes are not currently regulated in Australia.

With gaming now a normal part of life for most children and teens, it is more important than ever for parents and children to understand loot boxes.

What are loot boxes?

Loot boxes, treasure chests or mystery boxes are items that players purchase within a game. The content of these boxes is unknown before purchase, but players are generally hoping for items or rewards such as weapons, accessories or tokens. Loot boxes can be earned through skilful play or purchased with real world money.

In countries such as Belgium and the Netherlands, loot boxes are regulated as a form of gambling. They are currently not regulated in Australia.²



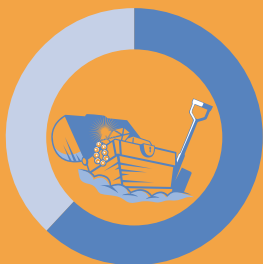
How common are loot boxes?

Loot boxes are becoming more and more common in video games that are popular with children and teens. A study of the most popular games on the online streaming platform, Steam, found that the proportion of gamers exposed to loot boxes rose from just 5.3% in 2010 to 71.2% by 2019.³

5.3%
2010

→

71.2%
2019



62%
of the 82 best-selling video games
incorporated loot boxes.⁵



59%
of these loot boxes could be
purchased with real-world money.⁵

How are loot boxes like gambling?



Loot boxes can be purchased with real-world money.



Winning a prize is a game of chance.



Prizes can vary greatly in value.



Prizes can be directly exchanged for cash or gambled as currency.



Loot boxes expose people to gambling-like harms.



They have the potential to be addictive.

Loot boxes: how children are being exposed to gambling-like harm in video games

Is my child being exposed to loot boxes?

The short answer is most likely 'yes'. If your child is one of the 93% of adolescents and young people who played at least one video game containing loot boxes in the last 12 months, they may be one of the 69% who opened a loot box.⁵



1 in 3

adolescents and young people who played games containing loot boxes in the last 12 months purchased a loot box.⁵



\$50

is the median monthly spend on loot boxes for adolescents who purchase them. It is \$72 for young adults.⁵



14%

of adolescents used in-game items for gambling such as for esports or skin betting*.⁴

* Skin betting is the use of virtual goods, often cosmetic in-game items such as 'skins', as virtual currency to bet on the outcome of other games of chance.

Loot boxes and gambling harm

Emerging research suggests loot boxes may cause harm similar to gambling harm and have the potential to be addictive. Buying loot boxes can seem 'exciting' or seem necessary to progress in a game. Children may not realise they are spending real money or be aware that small purchases can add up.

Research also shows that exposure to loot boxes can affect a young person's likelihood of experiencing gambling harm later in life.

Young people who purchased or used loot boxes in the last 12 months were more likely to have:⁵

- gambled in the last 12 months
- gambled more frequently
- spent more money gambling
- experienced more gambling problems and harm
- endorsed more positive attitudes towards gambling.

REFERENCES

¹ Soichiro Ide et al. (2021) Adolescent Problem Gaming and Loot Box Purchasing in Video Games: Cross-sectional Observational Study Using Population-Based Cohort Data (JMIR Serious Games 2021; 9 February)

Drummond A et al (2019) The relationship between problem gambling, excessive gaming, psychological distress and spending on loot boxes in Aotearoa New Zealand, Australia, and the United States—A cross-national survey, PLoS ONE 15(3)

² Russell, AMT, Armstrong, T, Rockloff, M, Greer, N, Hing, N & Browne, M 2020, Exploring the changing landscape of gambling in childhood, adolescence and young adulthood, NSW Responsible Gambling Fund, Sydney.

³ Zendle, D, Meyer, R & Ballou, N 2020, 'The changing face of desktop video game monetisation: An exploration of trends in loot boxes, pay to win, and cosmetic microtransactions in the most-played Steam games of 2010-2019', PLoS ONE, vol. 15, no.5, pp. 1-13.

⁴ Hing, N, Russell, AMT, King, D, Rockloff, M, Browne, M, Greer, N, Newall, P, Sproston, K, Chen, L & Coughlin, S 2020, NSW Youth Gambling Study 2020, NSW Responsible Gambling Fund, Sydney.

⁵ Rockloff, M, Russell, AMT, Greer, N, Lolé, L, Hing, N, & Browne, M 2020, Loot boxes: are they grooming youth for gambling? NSW Responsible Gambling Fund, Sydney.