



FEE 2 PLAY

THE TRUE COST OF 'FREE 2 PLAY' GAMING

A REPORT BY COMPAREMYMOBILE.COM

INTRODUCTION

Games are big money.

Where once a niche pass time, video games are now a prevalent part of our culture and everyday lives.

While many may think of consoles and PC's are the main source of gaming, by far the most popular device for games are mobile devices, fuelled by the rise of the 'casual game'.

The casual mobile gaming industry, primarily built on games which are 'free to play', is big money and represents a \$49 billion a year industry.

These casual games have widespread appeal for all ages, their game play is simplistic and addictive, and they are typically free to download and play. Comparemymobile.com research in 2020 found that 80% of children under 16 had at least one 'F2P' game on their device, along with 67% of adults.

But how can you build a \$49 billion industry if the games are free?

In this study Comparemymobile.com analysed over 40 top mobile games, with a collective player base of over 2.9 billion, looking at in-app purchase costs and loot box drop rates. The study also surveyed 2,000 UK parents on their attitude free to play games and the habits of their children, and conducted qualitative interviews with real players on the gaming and spending habits.

As a result, this report looks behind the bright colours and household franchises that front 'free to play' industry, uncovering games aimed at children with in-app purchases as high as £300, and quasi-gambling loot box mechanics with win rates as low as 0.01% - to highlight the dangers of the F2P industry and the impact on their players, who spend thousands a year on 'free' games.

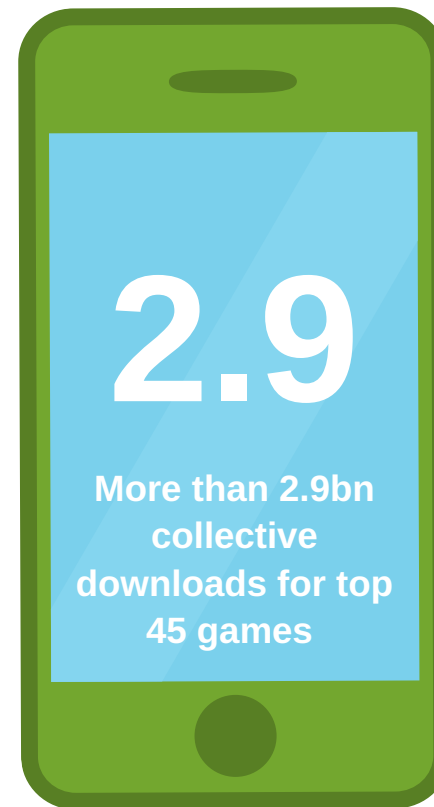
HEADLINE FIGURES

- 97% of 'free to play' players spend real life money on in-app purchases for their game.
- Loot box win rates in top games were as low as 0.01%
- Games aimed at children as young as 3 years of age contain in-app purchases as high as £300 and loot box mechanics.
- 74% of players feel 'free to play' games are similar to gambling, despite their age ratings.
- More than a quarter (27%) of players have spent more than £800 (\$1,000) on 'free to play' games.

HOW POPULAR ARE FREE TO PLAY GAMES?

Due to their ease of access, lack of up-front cost and simplicity, free to play games are exceptionally popular across the world.

Through a study of 2,000 UK parents, desk research in May 2020 and separate qualitative study of 325 free to play gamers we found:



BIG GAMES, BIG MONEY

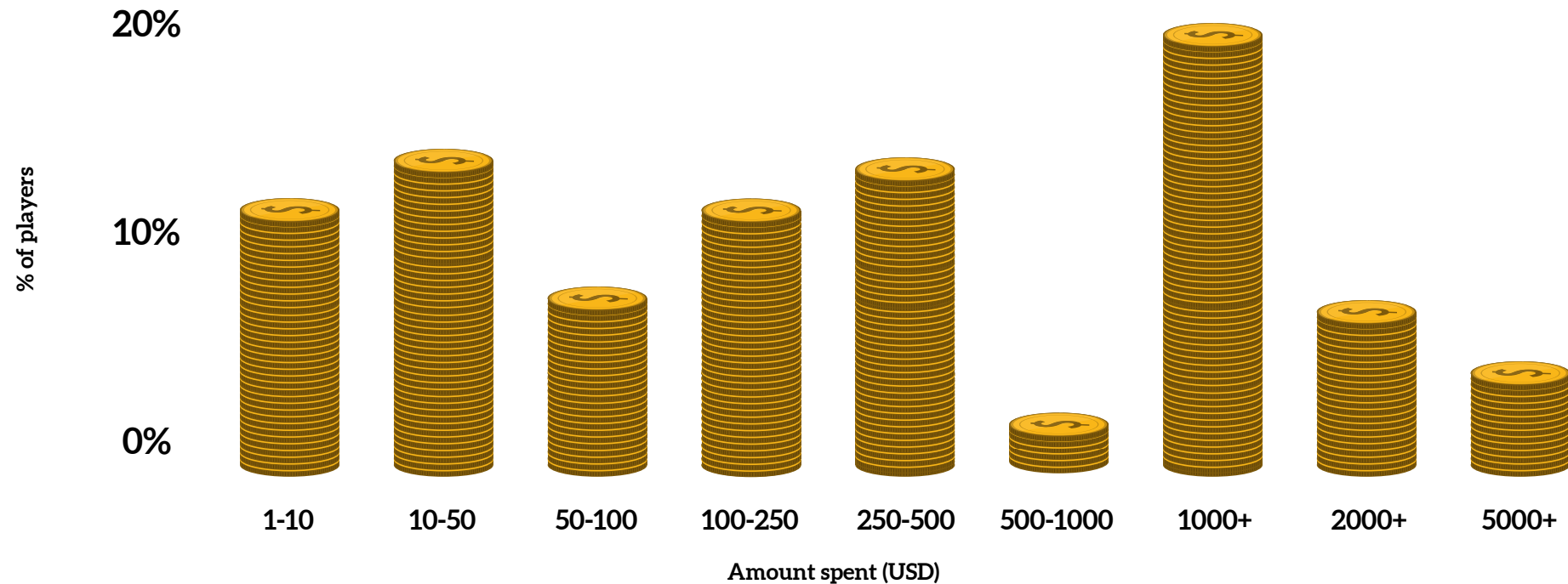
Despite being marketing as 'free to play', our research found that most games contained in-app purchases, encouraging players to spend real-life currency to unlock items or features within the game.

Using Play Store data, we found games were coaxing players into spending big money, despite PEGI age ratings as low as 3 years of age. Looking at 45 top games, with a PEGI age rating of 16 or below, the study found the average of each game's expensive in-app purchase was £123 (\$154), with some games charging as much as £300 for in-app purchases, despite being 'suitable' for children.

Game Title	Most Expensive In-App Purchase	Age Rating	Number Of Downloads	Name Of Publisher
Star Wars: Galaxy of Heroes	£300	12	10,000,000	Electronic Arts
Coin Master	£299.99	12	50,000,000	Moon Active
WWE Champions	£299.99	12	10,000,000	Scopely
Looney Tunes World of Mayhem	£299.99	3	10,000,000	Scopely
Scrabble Go	£299.99	3	10,000,000	Scopely

Figures taken from Google Play Store - correct as of 18/05/2020

HOW MUCH ARE PLAYERS SPENDING?



Comparemymobile.com's study into gamer's habits uncovered shocking levels of spend among F2P players.

Nearly **all** (97%) of players had **made an least one in-game purchase on a F2P game**.

Nearly half (47%) of players claimed to have **spent more than £400 (\$500)** on in-app purchases for a single free to play game, with over a quarter (27%) claiming to have spend more than £800 (\$1000).

In a speed test conducted by comparemymobile.com, we found that with a pre-registered card, it took an average of just **8 seconds to make a purchase**.

HIGH COSTS AND IMPOSSIBLE ODDS F2P

LEAVING PLAYERS IN DEBT

This study found F2P games are resulting in players spending large sums of money, often pouring hundreds into a single game.

In a study of 2,000 UK parents, comparemymobile.com found that 62% of parents had either purchased or been asked to purchase an in-game item for their children, with nearly all (97%) of players in our qualitative study saying they had spent money.

But why are players spending such significant amounts on these simple games?

62% of players felt that the only way to progress or 'complete' a free to play game was to spend real money on it, with nearly three quarters (70%) saying their game constantly pushed them to spend - a quarter (25%) also saying the game did so through push notifications when they were not actively playing.

As a result, we found players who had invested significant amounts of money on free to play games to be left with debt and regret. Over half (55%) said they had spent more than they were comfortable with and worryingly **more than a fifth (21%) of players said they had spent more on than were able to afford.**



I haven't told my wife, but I've spent more than £2k on the game. It gets to a point where you may as well keep spending as you've already put in so much.



More than a fifth of players have spent more than they could afford on an F2P game



Feel games constantly push them to spend real life money on in-game purchases



Loot box drop rates to 'win' featured items can be as low as 0.01%

“

I haven't told my wife, but I've spent more than £2k on the game. It gets to a point where you may as well keep spending as you've already put in so much.

”

“

I've spent more than £5,500 on this game, despite not being a big spender normally

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“

Anyone who doesn't spend insane amounts of money has no chance. You need to pay to win the chase stars every month and then the following months you need the chase stars to get the big rewards. So progress is totally based on the amount you spend

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“

In my 100 person faction, the person who has spent the least has spent over \$5000. The person who spent the most has spent over \$100,000

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“

[GAME] is by far my biggest outgoing, I can't really afford to spend as much as I do.

”

“

I've stopped playing [GAME] for about 3 month now. [I stopped because I] borrowed money to buy stuff in the game, I'm now £1,300 in debt just from [GAME], I don't know how I'm going to pay it back.

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“

I'm £3,000 in debt because of this game, I wish I'd never downloaded it.

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Deleted the game at least ten times – but always end up reinstalling It

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“

Never gotten into debt because of the game, but I have skipped payments on other things like credit cards to spend money on it instead.

”

“

I've spent over 500-1000 on the game, and I still can't compete at the highest level. Also, half the game's events are closed off to me.

”

LOOT BOXES WITH ODDS AS LOW AS 0.01%

74% of players in our study felt that free to play games contained **loot box** mechanics that **felt like gambling**, despite **60%** saying they felt **the game directly appealed to children**.

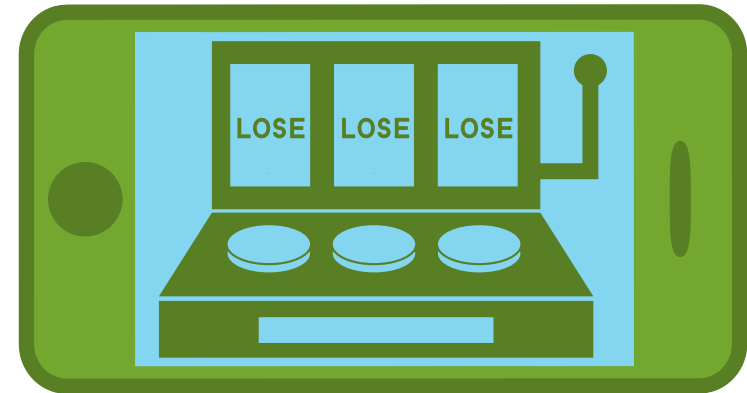
Loot boxes are a controversial game mechanic designed to restrict players ability to progress or unlock items.

The way in which this works is that when a player opens a 'loot box' they are granted a *chance* to acquire one of several different items (sometimes out of a choice of hundreds), with the more sought after or better 'prizes' often having significantly lower odds of being 'pulled'. In most cases there is one 'featured item' which the loot box is advertised around - often being significantly more rare than other items.

This means players have no control on how they unlock new characters, items or in-game cash - instead they are at the mercy of what the game randomly awards them, much like a slot machine. This means if they need a specific item or character, often their only option is to keep putting money into the game in the hope they get lucky.

The cost of a 'pull' (to open a loot box) varies between games, but our study found the average cost of a singular featured 'pull' across top games was around £3.

“ *I ended up taking out a credit card to complete one of the events, I'm a big fan of [CHARACTER] and really wanted him. I spent more than £400 and still didn't get him* ”



We found loot box mechanics in games with age ratings of just 3+, and in games fronted by well-known children's franchises and cartoons.

However, more shocking were the abysmal odds offered to players hoping to unlock featured characters.

Our study found mobile games featuring **loot boxes with win rates** for featured characters / prizes **of less than 0.01%** in games with PEGI age ratings of 3+.

The lowest win rate was found in a PEGI 3 rated game, with players having just a **0.01% chance of winning the featured item**, one of over 40 different prizes. The cost to open the loot box was the equivalent to **£3.72 - meaning that**, in theory players would need to **spend a minimum of £372 just to get a 1% chance of unlocking the character**.

Of the 10 top games we analysed that contained loot boxes (from our total list of 45), **the highest pull rate** to unlock a featured character **was just 7%**, with half of the games in our study possessing loot box win rates of **less than 1% for the featured item**.



There's a reason why mobile games are such big business and our research raises some concerns around these games which are often aimed at children.

From speaking with players we have found that while many of the games feel free in the initial period, as players sink more time into the game it becomes significantly harder to progress, ultimately leading to them spending significant amount of money.

Aside from the sheer volume of money players were spending, what was most concerning was the use of loot box mechanics in games, often with horrendous odds as low as 0.01%. Stories of players spending more than they could afford or quitting the game only to come back to it shows there are serious problems that need to be addressed.

"With some of these games aimed at children as young as three year's old, there is a real danger of some of these games turning children's devices into brightly coloured slot machines, normalising gambling habits.

Admittedly, not all free games follow this route, so our advice to parents is to look at the cost of 'in-app purchases' which are displayed in the Play or App Store before you download the game, and consider that if a game is charging as much as £300 per purchase why it is doing so, and if it is really suitable for your child.

In some cases, there may even be similar games that have an up-front cost to download but contain no purchases or adds. While were used to things being free on our phones, paying a small up-front fee, may work out significantly cheaper in the long run.



Rob Baillie, comparemy mobile.com



Only a small proportion of our clients currently say gambling was the main cause of their financial difficulties. But the intense debt problems gambling can cause makes us worry about the harm loot boxes could cause.

Bringing gambling-like features into gaming creates a risk of serious financial harm, particularly to those vulnerable to addictive technologies.

Gaming should be fun and never a gateway to racking up considerable debt

So we strongly support the recommendations of the DCMS Select Committee for better protections and action by Government to bring loot boxes under gambling-style regulation.



Peter Thutton, Head of Poilcy, StepChange

RESOURCES FOR THOSE STRUGGLING WITH DEBT OR GAMBLING

STEPCHANGE

StepChange.org

The UK's leading debt charity can provide free, confidential advice debt management to help you tackle your debts.

NHS

[NHS.uk/live-well/healthy-body/gambling-addiction/](https://www.nhs.uk/live-well/healthy-body/gambling-addiction/)

If you're struggling to stop playing and spending, visit the NHS website for guides and resources on how to help treat and beat your gambling issues.

GAMCARE

Gamcare.org.uk

Independent UK charity to help those struggling with problem gambling.

ABOUT THIS REPORT & USAGE

This report into mobile gaming was commissioned by comparemymobile.com, with research taking place across May 2020. This research included;

- 1) Analysis of 45 top grossing and downloaded games with a PEGI rating of 16 or below on the Google Play store accurate as of 18/05/2020.
- 2) A study on commissioned on behalf of Comparemymobile.com across 2,000 UK Adults who were also parents of children aged 16 and under, conducted between 19 – 28th May 2020. Figures are rounded.
- 3) Qualitative Survey forms were sent via Google forms to a number of subreddit communities across social media site Reddit during May – June 2020 - 327 respondents participated in the study.
- 4) 0.001% loot box taken from Looney Tunes World of Mayhem (PEGI 3) on 16/06/2020 - featured item 'Daffy Duck 1k' drop rate of 0.001% (300 gems per pull).

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