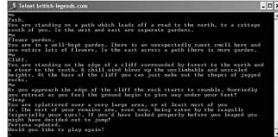


# Online Gaming

## History of Online Gaming

- v 1980s, the birth of MUDs
  - ◆ All text, no graphics
  - ◆ Often fantasy based
  - ◆ Scrabble, Chess



### v Late 1980s

- ◆ Singapore introduced Teleview
  - v Primitive form of Internet
  - v Interactive
  - v Simple games
  - v Limited to only Singapore



### v 1990s – Period of Great Development

- ◆ 1991 - Neverwinter Nights (1<sup>st</sup> ever MMORPG)
- ◆ 1993 - Mosaic makes Internet graphical
- ◆ 1995 - id launches Quake (LAN & TCP/IP)



- ◆ 1996 – Meridian 59 (1<sup>st</sup> 3D MMORPG)
- ◆ 1997 – Blizzard releases Diablo and introduces Battle.Net
- ◆ 1997 – Ultima Online
- ◆ 1998 – Valve releases Half-Life
- ◆ 1999 – Counter-Strike (HL mod)



- ◆ 1999 – Blizzard releases Starcraft
- ◆ 2002 – Blizzard releases Warcraft 3
- ◆ 2002 – Microsoft introduced Xbox Live (console)
- ◆ 2003 – First release of Second Life
- ◆ 2004 – DotA gains prominence (WC3 mod)
- ◆ 2004 – World of Warcraft released
- ◆ 2004 – Everquest II released
- ◆ 2005 – Guild Wars released (No monthly fees)



## The Future

- v Warhammer Online (Q4 2007)
- v Age of Conan (Q4 2007)
- v Next-generation consoles
- v PC and Consoles



## Addiction

- v Need to play for increasing amounts of time to achieve satisfaction
- v Anxiety
- v Obsessive thinking
- v Unable to control play time
- v Great deal of time spent in activities related to game ( game guides, fan sites, forums )
- v All other activities sacrificed
- v Neglect family and friends
- v Continued used despite knowledge of problems

Source: Game Addiction, Wikipedia ([http://en.wikipedia.org/wiki/Game\\_addiction](http://en.wikipedia.org/wiki/Game_addiction)) & CNet News (<http://news.com.com/2100-1040-881673.html>)

## Case 1

- v In South Korea, 4 month old baby died due to neglect
- v Parents had gone to nearby Internet café to play World of Warcraft

Source: Gamespot, 2005 (<http://www.gamespot.com/news/6127866.html>)

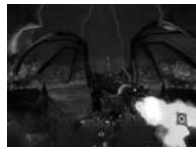
## Case 2

- v Chinese girl dies after playing World of Warcraft for several days
- v Online funeral in WoW
- v Government plans to limit online gaming to 3 hour intervals

Source: Joystiq.com, 2005 (<http://www.joystiq.com/2005/11/04/wow-online-funeral-commemorates-death-of-young-gamer/>)

## Why is WoW so addictive?

- v PvE (Coordinated Raids)
- v PvP
  - ◆ Strive to gain competitive edge
    - v Levelling (There is a level cap)
    - v Equipment (Best EQ are dropped by powerful bosses)



## 64m3r Cu|7ur3

- v |3375p34k
  - ◆ Pwn
  - ◆ teh
  - ◆ n00b
  - ◆ j00
  - ◆ uber

Examples: h3 1s teh suXorZ  
j00 r a n00b, st0p f33d1ng

## In-Game Politics

- v In-game protests
  - ◆ Can be real issues “Virtually Dead in Iraq”
  - ◆ Can be in-game issues
    - v 2004 SWG – Money duping led to multiple accounts being banned
    - v 2005 WoW – Warrior class nerfed
    - v 2007 WoW – Gnomes nerfed
  - ◆ To what extent are protests effective?
    - v Change of “Government”?
    - v Quit the game altogether

## The Virtual Economy

- v Definition: an emergent economy existing in a virtual persistent world, usually in the context of an Internet game.
- v The new economy where one can earn real money in the virtual world.

Source: Virtual economy, 2007 ([http://en.wikipedia.org/wiki/Real-money\\_trading](http://en.wikipedia.org/wiki/Real-money_trading))

## The Virtual Economy

- v Examples of games with virtual economies:
  - MMORPGs (Entropia Universe, EverQuest, Ultima Online, World of Warcraft)
  - Virtual Reality Platforms (The Sims Online, Second Life)
  - Internet Games (Neopets, Kingdom of Loathing)

## The Virtual Asset Trade

- v Virtual asset: representation of currency in some environment or situation.
  - currency can be a medium of exchange or a property that has value

Source: Tech Target, 2007 ([http://whatis.techtarget.com/definition/0,,sid9\\_gci1249461,00.html](http://whatis.techtarget.com/definition/0,,sid9_gci1249461,00.html))

## The Virtual Asset Trade

- v Virtual assets may have an equivalent value in real world money.
  - ◆ In Entropia Universe, Project Entropia Dollars (PED) could be bought and redeemed for real-world money at a rate of 10 PED for US\$1.
  - ◆ In Second Life, Linden dollars (L\$) are going at the rate of L\$260/US\$1

## The Virtual Asset Trade

- v Virtual asset trading can lead to real-world fortunes.
  - For example: Ailin Graef became the 1<sup>st</sup> real-world millionaire by dealing in virtual assets through her avatar Anshe Chung.



## Virtual Trading Sites – eBay

- ✓ Characters, spells, and game currency are sold on online auction websites like eBay for real money.
  - For example:
    - ✓ Second Life currency the Linden Dollar (SLD).
    - ✓ Second Life avatar skins.
    - ✓ Second Life business rights.

Source: Virtual economy, 2007 ([http://en.wikipedia.org/wiki/Real-money\\_trading](http://en.wikipedia.org/wiki/Real-money_trading))

## Virtual Trading Sites – eBay



## Virtual Trading Sites – eBay

- ✓ Virtual game items are now banned on eBay's US and UK sites.
  - accounts, characters, currency, and other items.
- ✓ Auctions are banned because they are illegal under the games' terms of service.

Source: Anderson, 2007 (<http://arstechnica.com/news.ars/post/20070130-8731.html>)

## Virtual Trading Sites – eBay

- ✓ An exception for Second Life; eBay does not consider it a game.
- ✓ Instead, Second Life is a virtual reality platform.

## Alternative Trading Sites

Power4game.com is one of the largest suppliers of in game currency for massively multiplayer online games.



## Alternative Trading Sites

Linden Lifestyles is a fashion blog for Second Life avatars.



## Alternative Trading Sites

Station Exchange is the official Sony Online Entertainment auction service that provides players a secure method of buying and selling.



## Issues Concerning The Virtual Economy

Virtual crime:

- a) Monetary Extortion
  - the emergence of gangs and mafia, where powerful players would threaten beginners to give money for their "protection".
- b) Cyber Sex
  - in The Sims Online a 17-year old boy was discovered to have built a cyber brothel where customers would pay sim money for cybersex.

Source: Virtual economy, 2007 ([http://en.wikipedia.org/wiki/Real-money\\_trading](http://en.wikipedia.org/wiki/Real-money_trading))

## Issues Concerning The Virtual Economy

Virtual crime:

- c) Murder
  - In China, a dispute over a dragon sabre in a game led to the murder of a gamer.
- d) Virtual Mugging
  - Players rob other player's characters and take their items.

## Issues Concerning The Virtual Economy

Gold Farming:

- Paying workers in poor countries to gather virtual gold and selling it for real gold.
- A player 'farms' by repeating mundane actions over and over in order to collect in-game items.
- 'Craftable' items (items that can be used to produce other products) are among the most commonly farmed items.

Source: Farmer (gaming), 2007 ([http://en.wikipedia.org/wiki/Farmer\\_\(gaming\)](http://en.wikipedia.org/wiki/Farmer_(gaming)))

## Issues Concerning The Virtual Economy

Gold Farming:

- a) The Pros
  - Generates jobs for thousands of people.
  - Allows non-hazardous labor and pay.
- b) The Cons
  - Damaging to the economy as a whole.
  - Exploiting the workers for low pay so that the managers can maximize profit.
  - Farms violate game rules.

Source: Barboza, 2005 (<http://www.ih.com/articles/2005/12/08/business/gaming.php>)

## Issues Concerning The Virtual Economy

Mudflation:

- A combination of MUD and Inflation.
- Occurs when a game has created its own currency to facilitate trade.
- Valuation of the game currency drops, leading to mudflation in the economy.

Source: Mudflation, 2007 (<http://en.wikipedia.org/wiki/Mudflation>)

## Issues Concerning The Virtual Economy

### √ Mudflation:

- Distribution of currency causes an increasing amount of game currency in circulation.
- Leads to more game currency being sold and forcing the price down.

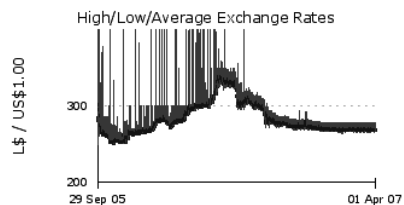
## Issues Concerning The Virtual Economy

### √ Mudflation:

- For example: In August/September of 2004, the exchange rate between the Linden and US Dollar was about US\$5.80 for 1000 Linden Dollars.
- 18 months later, the exchange rate declined to US\$3.57 for 1000 Linden Dollars, a 40% decline in value.

## Issues Concerning The Virtual Economy

### √ Mudflation:



### √ Purging the Gaming Stigma



- Misconception that gaming revolves around fun only
- Parents prefer to send their children for extra classes (eg. Computer classes) rather than to let them play online games
- Why? Because gaming has no future.

## 1. Counter-Strike

- Team-based, shooter video game
- MOD of Half-Life
- MOD – modification
- Developed by Minh Le, Jesse Cliffe
- Both were offered jobs at Valve, creators of Half-Life
- Branched into various series - Counter-Strike: Condition Zero and Counter-Strike: Source.



Source: What is Counter-Strike, 2007 (<http://www.angelfire.com/va2/clarusisfrickenrad/cstrike.html>)  
The Ultimate Cheating Information Guide, 2007 ([http://www.historymania.com/american\\_history/Cheating\\_in\\_Counter-Strike](http://www.historymania.com/american_history/Cheating_in_Counter-Strike))

## 2. Fatal1ty

- √ Johnathan Wendel, started gaming career in 1991
- √ Professional electronic sports player, with five world championship titles



Source: Johnathan Wendel, 2007 ([http://en.wikipedia.org/wiki/Johnathan\\_Wendel](http://en.wikipedia.org/wiki/Johnathan_Wendel))

## 2. Fatal1ty

- v Competes in CPL, Cyberathlete Professional League
- v Appeared in Time, The New York Times, Forbes and the BB World Service
- v Collaborated with Universal, Zalman and Creative Labs to make his line of products for better gaming.

### **Aliens versus Predator 2**

- \* 1st CPL World Championship (\$40,000)

### **Doom 3**

- \* 1st QuakeCon 2004 (\$30,000)

### **Painkiller**

- \* 2nd CPL Summer Championships 2004 (\$5,750)
- \* 4th CPL Turkey 2005 (\$5,000)
- \* 6th CPL Spain 2005 (\$2,500)
- \* 2nd CPL Brazil 2005 (\$10,000)
- \* 2nd CPL Sweden 2005 (\$10,000)
- \* 1st CPL Summer Championships 2005 (\$15,000)
- \* 2nd CPL UK 2005 (\$10,000)
- \* 1st CPL Singapore 2005 (\$15,000)
- \* 2nd CPL Italy 2005 (\$10,000)
- \* 5th CPL Chile 2005 (\$3,500)
- \* 1st CPL NYC World Tour Finals 2005 (\$150,000)

Source: All Experts, 2007 ([http://en.allexperts.com/e/f/j/fo/johnathan\\_wendel.htm](http://en.allexperts.com/e/f/j/fo/johnathan_wendel.htm))

### **Quake III Arena**

- \* 3rd Frag 1999
- \* 1st XSR Invitational 2000
- \* 1st RazerCPL Tournament 2000 (\$40,000)
- \* 1st BattleTop Universal Challenge 2000 (\$15,000)
- \* 1st World Cyber Games Challenge 2000 (\$25,000)
- \* 1st CPL Australia (\$10,000)
- \* 3rd CPL Holland
- \* 2nd QuakeCon 2001 (\$70,000)
- \* 2nd CPL Brazil

### **Quake IV**

- \* 4th WSVG Kentucky 2006
- \* 4th WSVG Intel Summer Challenge 2006 (\$6,500)
- \* 9–12th QuakeCon 2006

Source: All Experts, 2007 ([http://en.allexperts.com/e/f/j/fo/johnathan\\_wendel.htm](http://en.allexperts.com/e/f/j/fo/johnathan_wendel.htm))

## 3. Therapeutic benefits

- v Encourage socialization and mental stimulation
- v Jim Karle, a graduate student in the department of psychology, neuroscience and behavior at McMaster University in Hamilton, Ontario found that playing video games is helpful on short-term memory.

Source: The New York Times, 2007 ([http://www.nytimes.com/2007/03/30/arts/30seni.html?pagewanted=1&\\_r=508&em=071aac36777b2b8&ex=1332907200&partner=rssny&emc=rss](http://www.nytimes.com/2007/03/30/arts/30seni.html?pagewanted=1&_r=508&em=071aac36777b2b8&ex=1332907200&partner=rssny&emc=rss))

## 3. Therapeutic benefits

- v In Chatawa, Mississippi, St. Mary of the Pines
- v 52 Roman Catholic retirees are picking up video games
- v Helps keep their hands steady and minds sharp
- v Sister Jean-Marie Smith, 61, has attention-deficit hyperactivity disorder
- v Playing games (Bookworm), helps her focus.

Source: The New York Times, 2007 ([http://www.nytimes.com/2007/03/30/arts/30seni.html?pagewanted=1&\\_r=508&em=071aac36777b2b8&ex=1332907200&partner=rssny&emc=rss](http://www.nytimes.com/2007/03/30/arts/30seni.html?pagewanted=1&_r=508&em=071aac36777b2b8&ex=1332907200&partner=rssny&emc=rss))

### **PopCap Games Survey**

- v 47% of all casual game players are 50 or older, and nearly 20% are 60 or older
- v Of players 50 or older, 74% cited cognitive exercise (mental workouts), 86% noted stress relief, and 62% chose memory strengthening as benefits they experience from playing casual games
- v Fully 32% of respondents 50 or older said the games distract them from chronic pain/fatigue, and nearly one in ten said they derive actual relief from chronic pain/fatigue when playing

Source: PopCap Games, Inc., 2007 (<http://biz.yahoo.com/jnews/070305/sfmfn1.html?v=5>)

