

Abstract

Gambling, as well as many traditionally physical forms of entertainment, has become popular in a digital form. In the recent years it has found its way to video games. In the environment the gambling element is represented by so called loot box, virtual vessel containing random digital rewards that are in most cases purchasable strictly for real world currency. The writer hypothesizes an existence of a variable, lottery premium, that can help him well explain the decision making process of gambling participants in this environment. The author collects data from the loot box buyers to help him determine the other significant factors influencing the amount of money spent on loot boxes. Using OLS regression he estimates the size and direction of effects of mentioned variables as well as their significance. The lottery premium variable is determined as a significant in terms of the amount spent. Therefore, the author performs a second OLS regression to determine factors influencing size of the lottery premium. The significant variables influencing the amount spent are: age, participation in risk involving activities, searching for the odds of the loot boxes, amount of friends that purchase loot boxes as well, the value of the most expensive item ever received from the loot box, disposable income and already mentioned lottery premium. The variables significantly influencing the size of lottery premium are: a type of risk attitude the individual expresses when purchasing loot boxes, education level, if the person watches the loot box openings and if the person purchases loot boxes at least once a month. The author presents a suggestion for a future research in the field.

Keywords Lottery premium, gambling, utility, loot boxes, OLS, video game industry, decision making process under uncertainty, risk attitude

Author' s e-mail karhanek.tom@seznam.cz

Supervisor' s e-mail mich.soltes@gmail.com