International Social Games Association

Best Practice Principles Version 2
October 2014

ISGA

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The International Social Games Association (ISGA) has developed this set of Best Practice Principles, which are designed and intended to provide guidance to social game operators and developers. Importantly, these Principles reflect existing practices currently in place, which are premised upon consumer protection, accountability and transparency.

This is the second version of the Best Practice Principles, updated from the first version, published in October 2013. The updates have been made to reflect an increase in knowledge about social games thanks to the ISGA's own research (please visit i-sga.org/research) and regulatory developments from around the world.

The ISGA and its members support and adhere to these Principles. We believe all companies developing and operating social games should aspire to them.

The Principles have been formed on the basis of multi-stakeholder dialogues around the world and aim to shape a consistent and complementary framework for the social games industry.

The ISGA has been established by a group of leading social games companies to explain to the public, policy makers and regulators what social games are, what the industry does, how it works and the value it generates both for the people who love to play social games and for the digital economy.

Board Members of the ISGA include Zynga, Plumbee, Playtika, PlayStudios, MGM, IGT, High 5 Games, Gamesys, Big Fish Games, Bally Technologies, Aristocrat, Akamon and Abzorba Games.

Our members' games are played by hundreds of millions of consumers across the globe through platforms such as Facebook, on smart-phones, tablets, laptop computers and desktop computers.

Background

Today, the global social games industry is a thriving segment of the entertainment industry and digital economy. On a daily basis, hundreds of millions of players around the world enjoy social games, which can be a relaxing and amusing form of entertainment. It is estimated that over 750 million people play social games worldwide.[1]

The rising popularity of social games is attributed in part to technological innovation and changes in the way people access, play and pay for games. People have always enjoyed playing games together and technology is allowing them to do so quickly, easily and in a fun and safe way.

In recent decades, people played games on more traditional mediums such as desktop computers and game consoles - and many still do. With more people using mobile devices and the growth of online social platforms, millions of people are changing the way in which they access and play games.

People like to try games before they buy, and often want shorter, "bite-sized" experiences on mobile devices while they're on the move.

Despite changes in technology, people still play games for the same reasons as before - to have fun on their own and with their friends. From a player's perspective, they receive superior value from free to play social games.

For the vast majority of players, social games are just that, free. For the small minority of players that do decide to voluntarily pay at some point in their game experience, the overall cost of playing a social game with optional in-game purchases is far lower than a computer or console game.

The ISGA have drafted these Principles to address the key issues related to social games, including the following:

- Adherence to Applicable Laws and Regulations
- Social Games Transparency, Mechanics & Functionality
- Purchases and Payments
- Privacy
- Advertising

[1]*http://www.gartner.com/technology/home.jsp*

Principles for Operators of Social Games

1. Adherence to Applicable Laws and Regulations

- Social games operators and developers will abide by all applicable laws and regulations. Examples include laws and regulations covering consumer protection, competition, advertising, and privacy.

2. Social Games Transparency, Mechanics & Functionality

- In general, games operators should consider the average consumer who is reasonably well informed and reasonably observant and circumspect.
  - For example, where a game is targeted at or designed for a particular group of consumers, such as children, it is desirable that the games operator assesses the game from the perspective of the average member of that group.

- Terms of service should be accessible to the player before they play the game.
  - For example, casino style social games should specify that the games are intended for use by those 18 or older and/or provide advice to parents and teens on making smart choices online.

Social games should not lead players into believing they will be more successful at real-world activities. For example:
- Car driving simulators should not deliberately lead people to believe they are acquiring real-world driving skills.
- Action games should not deliberately lead people to believe they have developed real-world physical abilities.
- Casino style games should not deliberately lead players to believe they will be successful at real money gambling games.

Social games operators should make suitable support available to players in case of queries or complaints (e.g. e-mail, forum, phone number).

3. Purchases and Payments

- When players are offered the opportunity to make a payment within a game, it should be transparent.
- The cost of any games or items within games (in-game purchases) should be transparent to players.
- Where payment mechanisms are under the control of games operators, default settings should allow purchases to be made only with the player's explicit consent. Players can choose to modify these settings.
- Where platforms dictate payment mechanisms, games operators will comply with the relevant platform's payment policies and any applicable consumer laws.
- Games that are targeted at or designed for children should not contain direct exhortations to children to buy items in a game or to persuade an adult to buy items for them.

4. Privacy

- Players are able to easily access a game's privacy policies.
- Players are able to request deletion of their public profile from the game provider and the company should cease using their personal data upon request in accordance with applicable laws.
- Game operators should provide players with the option to choose whether they share their game activity publicly when playing on a social network.

5. Advertising

- Advertisements should comply with all advertising laws and regulation.
- Games should not be advertised as 'free' where purchases are mandatory or unavoidable.
- Game operators should use advertising targeting tools where available, in order to target advertisements to the intended audience.
- When assessing marketing directed at children, games operators should take due account of the way messages are presented and of the context of those messages.
- Advertisements for casino style games should not be deliberately or explicitly directed at those aged below 18 years.

FAQ On Social Games

There are lots of different games available - but they are often discussed using very similar terminology. This FAQ should help explain how we define the various types of entertainment available.

Firstly - what is gaming?

Gaming is often used to describe many different types of entertainment - from legally regulated gambling involving real money games of chance, to any type of game played on a console, computer or smartphone. There are many types of game, so to avoid confusion we refer to real money games of chance as 'gambling games' and other games as console games or social games.

What are social games?

Many people are more familiar with the console games, which are typically large games with a high upfront cost and played on a games console or PC. Social games are typically played online or on mobile devices and have a social element. The social element typically means people play with, or directly against their friends or they participate in leader boards, chat rooms or share and compare progress via a social network. They enhance game experiences by enabling people to play with or against others, either at the same time or asynchronously.

Who plays social games?

Social games are played by people of all ages and both genders. Gone are the days of the teenage male playing video games in their bedroom; it is everyone playing wherever they are. Most studies identify the average social games player as being early middle to middle aged and evenly balanced across gender. Player profiles differ across game and genre. For example, casino style social games appeal to an older demographic, whereas, strategy games such as Clash of Clans have an audience centred on males in the 21-35 category. Match 3 style game Candy Crush is renowned for its predominantly female and wide ranging age appeal. According to a recent study by Flurry, females aged 20-35 are the key demographic for quiz based and simulation games.

Accessing games

What are the different models of game?

Freemium
Game access and play is free, with certain additional and special features – for example extra lives, extra energy, tools or maps to expand the game experience are available for a real money payment.

Free Game
Game access and play is free of charge, with the developer's costs covered by advertising within or around the game. Some free games are "Advergames", which Brands develop for their customers or communities.

Paid Game
A player who does not want to see ads within the game they are playing can choose to pay for an ad free experience.

Subscription
A common game payment model, often used in console games or MMORPGs. A person who pays a subscription for a game may pay a monthly or annual fee for access to the game or to special features within it, such as extended maps or extra lives.

Paying for games

How do people pay for the games they play?

People now have the ability to choose how they pay for the games they play using a number of different models. Despite amazing new technology that has taken games out of arcades and into pockets - people still play games for the same reasons as before. From a player's perspective, today's gamer gets a great deal. For most, the lifetime cost of playing a free to play social game with a few regular in-game purchases is far lower than the cost of a computer or console game.

Why are in-game purchases offered?

A person who is playing either a free or paid game can choose to buy, using real money, additional features or 'virtual goods' like extra lives, tools or maps which expand and enrich the game experience. However, the vast majority of games can be played without purchasing these extra features at any time throughout the life of the game play experience.

What are virtual goods, and why would anyone want them?

Virtual goods are items that a player can win, earn or buy using real money during gameplay. They are used to enhance in-game experience, and have no use or value outside of the game.

Virtual goods are not unique to social games – people can also buy them for console games or within MMORPGs and virtual worlds.

Virtual goods don't have to be bought - they often take the form of virtual rewards that are gifted to players during their game experience. They may give the player extra powers or allow a player to increase their "level" within a game more quickly.

How do people pay for virtual goods and rewards?

People now have the ability to choose how they pay for the games they play using a number of different models depending on their needs. Today's gamer can trial a wide range of different games at little or no cost.

Many games use an in-game currency to help facilitate gameplay that has no monetary value outside of the game. In-game currency can be generated in a range of ways; players can either earn the currency during gameplay, or spend real money to purchase it.

What types of games are there?

Arcade Games
Coin-operated game machines usually found in amusement arcades, pubs or bars. Arcade games like pinball were at their most popular from the 1970's to the mid 1990's. You often see these games simulated online or on mobile apps.

Casual Games
These are conventional online video games such as match 3 or Hidden Object games. They are generally paid for on a fixed purchase or a pay-to-play subscription basis on computers or using games consoles. Popular examples include Bejewelled, Little Big Planet and Wii Play.

Massively Multiplayer Online Role-Playing Game [MMORPG]
A genre of role-playing video games in which large numbers of players interact with each other online within a virtual game world. Popular examples include World of Warcraft.

Video Game
Games traditionally bought in one-off purchases, and played on a games console or a computer.

What are casino style games?

Casino style games are a subset of social games that allow people to play games that resemble the type of game you would typically find in a casino. Examples include roulette or slot games. An important feature of casino style games is that they are not real casino or gambling games; you can't win or lose money in these games.

Gambling and gaming

Do social games count as gambling?

Social games are not gambling games. Gambling games are licensed services offering people the possibility of placing a stake or bet with the chance of winning or losing money.

What about online gambling?

Online gambling games are licensed services that allow people to place a bet on a game of chance for the opportunity to win or lose money. Although some online gambling games may have the possibility to play with friends, we do not consider them 'social games'. They are predominantly gambling services, which is their defining element.

Children and games

What are children's games?

These are games, which are designed for and targeted at children and where the average consumer of the game is a child. The relevant age range is typically under 13, in line with data protection practices.

What are direct exhortations in children's games?

In EU countries, laws based on the *Unfair Commercial Practices Directive* prohibit direct exhortations to children to buy advertised products. In the context of games, this essentially means pressurising or manipulating kids into making in-app purchases or persuading parents to do so on their behalf.

For example:

Hey Kids! Get your parents to buy more diamonds!