

AN AUCTION HOUSE ADD-ON RESEARCH STUDY

An Auction House Add-On Research Study

Zachary Kohama

Linda Le

University of Denver

AN AUCTION HOUSE ADD-ON RESEARCH STUDY

Introduction and Background

The *World of Warcraft*, arguably one of the most popular MMORPGs of all time, not only has its game play improved by expansion packs such as *The Wrath of the Lich King*, but also by add-ons available on many sites such as Curse.com. These add-ons are meant to enhance an individual's gameplay by aiding in the completion of quests such as "Quest Helper" or assist in the buying and selling of commodities within the auction house such as "Auction Master" or "Auctioneer" among others. Add-ons are not only available for these purposes, but there are also add-ons that are class specific that suggest the next spell to cast, keep track of cool down time, among many other things.

The World of Warcraft is often compared in parallel to the real world. One characteristic shared that is often researched is the economic aspect of both worlds. Within the topic of economics, many studies delve deeper into the dynamics of the auction house. Blizzard Entertainment (2010) defines the auction house as "the central hub for buying and selling goods in *World of Warcraft*...they allow you to sell to and buy items from other players of your faction". In a study by Dekutoski, Hopkins, and Sirotek (2009), the auction house is analyzed, and the researchers look at if it possible and how to manipulate the economy of the auction house. Many other studies look at this feature in-depth or compare real world economics with virtual world economics, by featuring the *World of Warcraft*, often discussing the issue of gold farming, and other MMORPGS as examples (Campbell, 2008; Kücklich, 2009; Malaby, 2006; Yee, 2006).

However, our study looks at how an auction add-on possibly assists an individual in the auction house, whereas the other studies have only explored how real life economic theory can be applied to the virtual world economy and not at how additional features such as add-ons are often employed by the players to increase their profits in the auction house. By "assist", our

AN AUCTION HOUSE ADD-ON RESEARCH STUDY

research team looked at whether or not the add-on helped the individual's avatar make a profit on the items the player's avatar collected within the region surrounding the auction house and subsequently placed in the auction. We also explored why individuals chose to use an add-on and why individuals chose not to. An auction add-on suggests not only selling price points, but also buying price points for items, and by following these suggestions, the player should be able to maximize profits as opposed to a player who does not utilize an add-on.

As seen in Figure 1, there are many auction houses located within the world of Azeroth, usually one in each realm, providing the players plenty of access to the auctions. Participating in the auction house is a fairly simple process. Items an avatar collects can be sold in the auction house to other avatars. When a player chooses to interact with the auction house master in the auction house, a separate screen appears in which a player can drag the item of his or her choice to sell. Alternatively, there are several tabs and options for the player to select in order to view all the items on auction for sale. In the screen where the item can be sold, the player can adjust the selling price for the item and then select to start the auction. The player can also keep the auction open for various amounts of time such as allowing a 24 hour window, 48 hour window, etc.



Figure 1. Images of different auction house sites within the *World of Warcraft*

If the sale is successful, then the avatar can go to the mailbox which conveniently placed near the auction house. The money received from the sale is available to the avatar in the

AN AUCTION HOUSE ADD-ON RESEARCH STUDY

mailbox. There is a receipt attached to the money displaying the amount the item was sold for. The auction house also takes a cut of the money the item sold for which is shown on the receipt as well. An affiliated auction house will take five percent of the money an item sold for, while the neutral auction house will take a fifteen percent cut. If an item is not sold, then the item alone is placed in the avatar's mailbox so that the avatar can resell the item, use the item, etc.

Method

Researcher A utilized the add-on Auctioneer while Researcher B did not. Items were collected on four different occasions for approximately one hour and forty-five minutes. Then the next fifteen minutes were spent posting the set of items on the auction house. Researcher A, whose avatar was named Jenzart, employed the add-on, Auctioneer, and spent just as much time as Researcher B, whose avatar was named Haruzaku, when posting the items on the auction house listings. The exact same number and exact same items were posted by both researchers on the auction house listings within seconds of each other. The breakdown of the items can be observed in Figure 2.



Figure 2. Graphical representation of all the items utilized in the study. Both researchers sold the same amount of the same item. For example, in the graph it says three wool cloths were sold, therefore, a total of six were sold.

AN AUCTION HOUSE ADD-ON RESEARCH STUDY

During the posting of the items, both researchers selected for the auctions to be open for a twenty-four hour window. This would mean that the items would only be active, therefore able to be bid on and purchased, until twenty-four hours had passed since posting. The items that were not sold in that twenty four hour period were subsequently resold in the next batch of item sets.

A survey was also created on Google Docs and thirty three people responded to the survey posted. This survey was posted in the General Discussion forum and the Off-Topic sections of the *World of Warcraft* forum. The survey was left open to responses for several weeks. The survey was comprised of a total of fourteen questions. After answering the first question, which was the only required question in the survey, of whether or not they used an auction add-on, the respondents were sent to either page one, if they did use an auction add-on, or page two, if they responded that they did not use one. Figure 3 contains the questions asked if the respondents did use an auction add-on and Figure 4 contains the questions asked if the respondents did not use an auction add-on. If a respondent did utilize an auction house add-on of some sort, they would have a total of nine questions to answer. If a respondent did not utilize an auction house add-on, they would have a total of five questions to answer. The respondents were asked numerous questions based on whether or not they actually used an add-on. The respondents were asked the following questions shown in Figure 3 and Figure 4. The question types (multiple choice, text-based, paragraph-based, and Likert scale) follow the questions in parentheses.

AN AUCTION HOUSE ADD-ON RESEARCH STUDY

Auction Add-On Survey Questions (Page One)

1. Do you use an auction add-on? (Multiple Choice: Yes/No)
2. If so, what is it? (Text-based)
3. Why is the add-on so helpful to you? (Paragraph-based)
4. How helpful is the add-on of your choice on a scale of 1-5, with 5 being the most helpful? (Likert Scale, 1 being not helpful at all and 5 being the most helpful)
5. Do you utilize the add-on to help you sell items or buy items? (Multiple Choice: Buy, Sell, Both)
6. Do you have a character created specifically for the auction house? (Multiple Choice: Yes/No)
7. What level is your character? (Text-based)
8. How many hours, on average, during a week are dedicated to World of Warcraft online gameplay? (Text-based)
9. How many hours during your gameplay are spent in an auction house? (Text-based)

Figure 3: Survey questions asked if respondent used an auction add-on. Question types are in parentheses.

Auction Add-On Survey Questions (Page Two)

1. Why don't you use an add-on? (Paragraph-based)
2. Do you have a character created specifically for the auction house? (Multiple Choice: Yes/No)
3. What level is your character? (Text-based)
4. How many hours, on average, during a week are dedicated to World of Warcraft online gameplay? (Text-based)
5. How many hours during your gameplay are spent in an auction house? (Text-based)

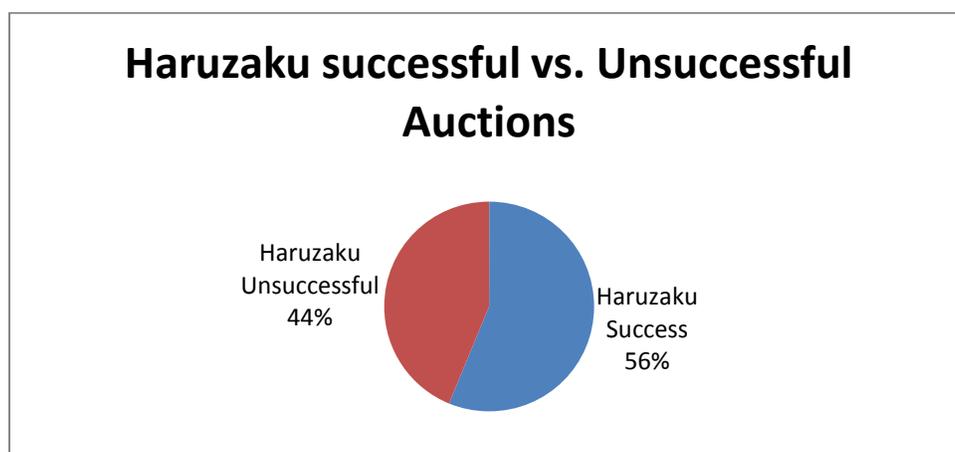
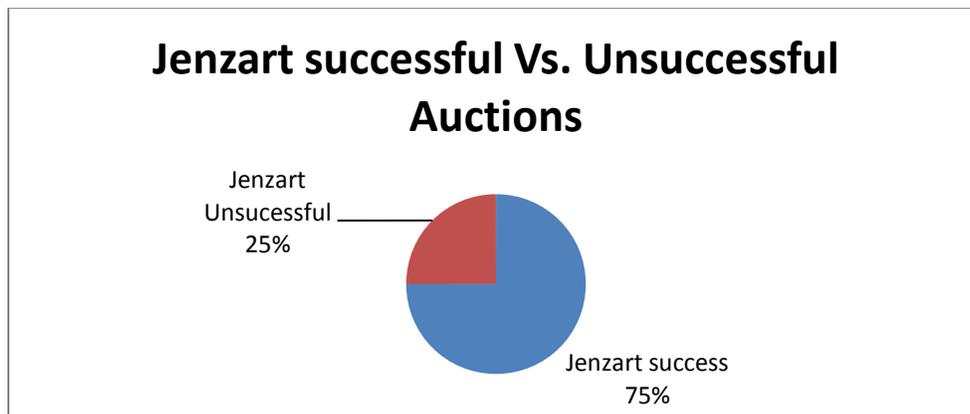
Figure 4: Questions respondents were asked if they did not use an auction add-on. Question types are in parentheses.

The results were then screened to ensure that they would be appropriate to be included in this study. We did not include responses where the respondent posted the same three letters in every box as a response, was aggressively crude, and/or had not answered the questions provided at all. This left us to throw out four responses from our study which left us a total of twenty nine utilizable responses for our research.

AN AUCTION HOUSE ADD-ON RESEARCH STUDY

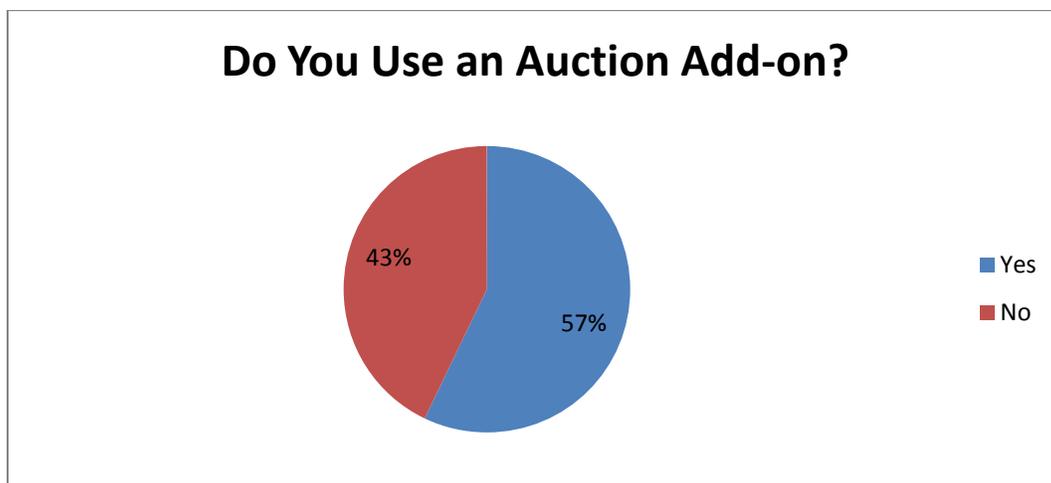
Results

Researcher A, who utilized the add-on, made a significantly larger amount of money than Researcher B, who did not utilize any sort of add-on. Researcher A made ninety-one percent and Haruzaku made nine percent of the money earned collectively. This is a huge disparity probably caused by Researcher B's lack of knowledge surrounding the worth of the various items while Researcher A was informed of this type of information and assisted by the add-on, Auctioneer. Researcher A also had a higher success rate for the auctions posted in the auction house. However, both researchers were able to maintain higher than a fifty percent success rate, Researcher A with a seventy-five percent success rate and Researcher B with a fifty-six percent success rate for auctions posted in the auction house.



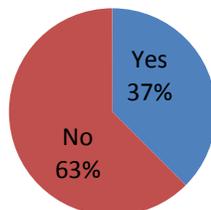
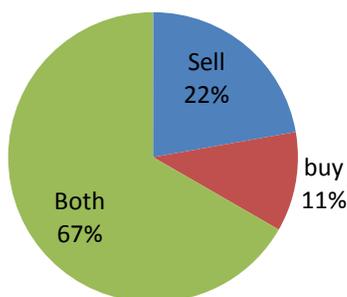
AN AUCTION HOUSE ADD-ON RESEARCH STUDY

In the survey provided, the number of respondents ($N=29$) only fifty-seven percent ($n=17$) utilized an auction house add-on while the other remaining respondents ($n=12$) did not use an auction house add-on. Out of those who did utilize an auction house add-on ($n=17$), one hundred percent of them used the auction add-on, Auctioneer, which was used by Researcher A in this study. Also, participants who rated the helpfulness of the add-on of their choice ($n=19$), rated it to be more helpful than not ($M=3.84$, $SD=2.58$). Within this set of data, we had three outliers and one extreme, and two individuals who stated that they did not use an add-on provided a rating.



About a third of those who responded ($n=5$) that they did use an auction house add-on created an avatar solely dedicated to the auction house. They spent only a fraction of their time ($M=14.6$ hours) in the auction house ($m=1.8$ hours). Over half of those who replied that they did use an add-on did not create an avatar solely dedicated to the auction house ($n=9$) while the rest did not respond to that question ($n=3$). A vast majority, sixty-seven percent, of the respondents use the auction house for selling and buying items. Twenty-two percent of the respondents use it solely for selling items, and eleven percent of respondents use it only for purchasing items.

AN AUCTION HOUSE ADD-ON RESEARCH STUDY

Do you have a character created specifically for the auction house?**What Do you Use the Auction Add-on for?**

In terms of why these individuals employed the auction add-on, many individuals remarked on how helpful the add-on was. One respondent replied that the add-on, “Scans Prices and adds a helpful undercut feature, which allows me to undercut the price without filling it out. All in all, this saves me time.” So the add-on not only saves these individuals time, it keeps them organized, and it also helps them seek out the lowest prices on items. One respondent wrote, “It allows me to post up multiple auctions at a time, and even though Blizzard put a feature like that in the latest patch I still like the way it works better”. Or as in this case, they just prefer to use an auction add-on instead of the initial auction house user interface provided.

AN AUCTION HOUSE ADD-ON RESEARCH STUDY

Others, who do not use an auction house add-on, don't see it that way. They feel that add-ons can be prone to mistakes or as exemplified in this individual's response, "I am a very casual player. Don't feel the need for extras for basic game play". Others commented on how they could do the math themselves or merely do not like the hassle of downloading an add-on to use. The majority of the individuals feel that the auction house process is straightforward enough to engage in that they simply don't feel the need to have one. One individual wrote, "I'm fairly confident that I can make the proper decisions about what to buy / sell and for how much. I don't need an add-on to tell me what to do. 'Sides, there's no rule saying that an add-on can't make mistakes, too".

We received a wide range of responses from players of all level ranges. There were some whose main avatar were level eighty and employed an auction house add-on, and then there were those who did not. The same applied to the individuals were just beginning to play, as shown by the low level of their main avatars. Therefore, in regards to whether or not a low level player might be more likely to use an auction house add-on over a more experience player, our results were inconclusive.

Conclusion

Our overall results were inconclusive. The disparity between Jenzart's profit and Haruzaku's profit was too large. This could be due to Haruzaku's lack of knowledge in regards to item pricing or it could be that one of the variables such as the time that the auction listing post was open for, which was twenty four hours in this case, was not enough. It could also be that the particular items posted on a certain day were not in demand or that the items posted were not in demand at all.

AN AUCTION HOUSE ADD-ON RESEARCH STUDY

Also in regards to the fact that the disparity was exceptionally large between the profits of the two individual researcher participants, the success rate among the two individuals did correlate with the fact that one, Jenzart, made more money than the other, Haruzaku. As in real life economics, the retailer or individuals that tends to have a higher successful close rates on sales is more likely to net more worth than the others with lower successful close rates. However, this is also inconclusive because the discrepancy between how much one individual made over the other is too great for there not to be a great likelihood of error.

However, from our survey, it shows that a wide range of players utilize some type of auction house add-on. All of our respondents who did use an add-on employed Auctioneer, which is also the same add-on used in our study by Jenzart, which could possibly speak to its popularity. On curse.com, it is listed as one of the top three most downloaded add-ons in the auction house add-on category. From our data, unfortunately, it was hard to tell if individuals who played more were likely to use it less than those who played less or if individuals who were more experienced were less likely to employ it than less experienced players.

Further research may take a closer look at exactly what days of the week and times during the day are best for posting short-term auctions and whether or not an auction add-on makes a difference during those peak times. Although, in this particular research study, a twenty four hour active time was selected, there are also options to post auction house listings with shorter active times. This would further explore the advantages and disadvantages of the auction house add-ons and assist in determining whether or not the auction add-on is helpful thereby allowing individuals to make best use of their time in the auction house.

Future research could also compare and contrast different auction house add-ons. Auctioneer was the only add-on employed in this study, and all of our respondents that utilized

AN AUCTION HOUSE ADD-ON RESEARCH STUDY

Auctioneer also. There are several other auction house add-ons available on Curse.com that are just as or more frequently downloaded as Auctioneer. This would allow for comparisons between the user interfaces provided by the different auction house add-ons and also allow insight on which ones may be more helpful in terms of efficiency and organization.

AN AUCTION HOUSE ADD-ON RESEARCH STUDY

WORKS CITED

Auction houses. (2010).

Retrieved from <http://www.worldofwarcraft.com/info/basics/auctionhouses.html>>.

Campbell, D. (2008). Virtual economics. *Region Focus*, Retrieved

from http://www.richmondfed.org/publications/research/region_focus/2008/winter/pdf/feature1.pdf

Dekutoski, N, Hopkins, M, & Sirotek, T. (2009). *Analysis of auction house in world of warcraft*.

Informally published manuscript, University of Denver, Denver, Colorado. Retrieved from <http://www.richardcolby.net/files/AnalysisofAuctionHouse.pdf>

Kuchlich, J.R., (2009, August 20). Governmentality, and the

ideology of play virtual worlds and their discontents: precarious sovereignty,. *Games and Culture*, 4(340), Retrieved from

<http://gac.sagepub.com/cgi/reprint/4/4/340> doi: 10.1177/1555412009343571

Malaby, T. (2006). Parlaying value: capital in and beyond the

virtual worlds. *Games and Culture*, 1(141), Retrieved from

<http://gac.sagepub.com/cgi/reprint>

/4/4/340 doi: 10.1177/1555412006286688

Yee, N. (2006). Yi-shan-guan. 4(1), Retrieved from

http://www.nickyee.com/daedalus/arch_issue.php