

# Is a Retro Game Really Worth 2 Million Dollars? Or is There Manipulation in The Videogame Industry?

by Sebastian Calzadilla

Ever since the first videogame was released in October of 1958, videogames have become a part of many lives around the world. Something in videogames is appealing for people of all ages—they can go from having great mechanics, a great story, graphics, and the fact that new videogames are being released every year, making their predecessors look completely inferior to the newest one, but this is not always the case for all games.

The art of collecting antique objects has been around for a very long time—it goes from collecting very small objects like marbles and cards all the way to collecting cars or even bigger objects. When we talk about videogame collecting, normal prices come to mind. And finding these games was never hard nor expensive, it has always been a hobby that if you are lucky, you find the games in yard sales or over the Internet at a very fair price, which made for a hobby that was easy to access and inexpensive to join.

However, what if this hobby was manipulated by the wealthy, increasing the prices of these collectibles leaving those that do not have the financial power to collect these items?

Well, this is something that has been happening recently. Just months ago, an original Nintendo *Super Mario Bros.* cartridge was sold for two million dollars to an anonymous buyer. This same game was valued at 30 thousand dollars in 2017—a six thousand percentage increase in price, which is incredible and strange to see, all the same. Off this alone, we can see some discrepancies. With the first one being that the game was bought by an anonymous buyer.

If someone bought a game for the price reported, it would make some wonder who or at least, wan to know the reasoning behind such a lofty investment.

Another being how this price increased 6,000 percent in a mere four years. This price spike seems to be unnatural and not dictated accurately by the market, but there are many different reasons why a spike in price like this *might* occur.

One of the reasons why a spike like this might happen is related to speculation about prices, which begins when people see a trend that increases the price of a product and then people start to buy more of this product. This is something that we witnessed during shelter at home for collectibles of all kinds.

This increases the price of the product in the hopes of getting profit from it, not because they need this specific product, but because they are expecting to get profit from it. This has been done many times through history and is still happening nowadays.

When discussing the matter with government teacher Mr. Sullivan, he declared, “First, you must define financial speculation. Simply, speculation has nothing to do with long term financial support. Speculation is a high-risk venture which could turn tragically south, or it could be incredibly profitable for the fortunate.”

“And it is legal.”

He continued, “Generally, the idea is to gain quick money/profit [that equates to] silly greed.”

An example of wild speculation was during the period before the Great Depression. Sullivan divulged that, “Investors would buy stocks on margin (partial payment for the stock, taking out a loan to cover the rest) and say stock value is \$100...the investor would pay \$20 and then borrow \$80 to cover the remainder). In many cases, the stock cost more than it was worth. When banks demanded payment for the borrowed money (margin call) the investors did not have the money to cover the loans, resulting in loan defaults. Millions of Americans lost their entire savings/homes/investments [which contributed to] the Great Depression. It is said, it took the United States 25 years to recover from the Great Depression.”

This statement shows some of the problems that are possible when speculating and gives a sound example of the consequences of speculation.

However, what would happen if this speculation in price was made on purpose by a group of people to increase the price of a product repeatedly and gain profit from it? This practice is unethical, especially if the groups that are benefitting from speculation are companies that sell these items.

When we talk about the videogame market there are two institutions which sit at the top. The companies in question are WATA Games and an auction house, entitled Heritage Auctions, respectively.

A videogame grading company’s job is to ensure that the videogame they receive is in a condition that makes it either more valuable or less valuable by giving each game a grading. These gradings can go from a “C” grading, which indicates the game is in the worse condition possible, all the way to an “A” grading, which demonstrates that the game is in pristine condition. These gradings make it easier for buyers to know exactly what they are buying. The way videogame grading companies benefit is from the value of the game they are

grading, depending on the game the institution might get more money.

For example, if a game in the market was valued as one million dollars, a grading companies share, just for grading the game will be around \$200,000 dollars. Which is a good share since these institutions might receive thousands of games for them to grade if the price of the game keeps increases up to a ridiculous price.

Nevertheless, the institution that benefits the most of increases in prices are the auction houses. If we look at the company which currently has the most expensive retro videogames, Heritage Auctions, they charge a 20 percent buyer’s premium on every item that is sold through their auctions. Therefore, if Heritage Auctions does an auction for a game that is worth one million dollars, they stand to earn \$200,000 dollars from this sell. On top of that for items sold for over \$500,000 dollars, Heritage Auctions also takes five percent from the seller.

This demonstrates how these companies make their revenue through selling these goods, and why manipulating the market by these institutions is completely unacceptable, unethical and should always be avoided.

Connections can be made from WATA and Heritage Auctions that show some suspicious moves made by both companies, like the fact that WATA was founded in 2017, but it was not completely official until April of 2018. And how Heritage Auctions did not start selling retro videogames until 2019; but not just any retro videogames, only WATA certified videogames. Even before WATA Games was completely official in their site they already had a partnership with Heritage Auctions.

Before WATA was founded another videogame grading company was active known as Video Game Authority or VGA for short. Which brings the question, if there was a grading company active before WATA, why did Heritage Auctions not partner up with the Video Game Authority to start auctions for videogames until WATA was introduced?

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“jittery”, heart palpitations, gastrointestinal issues, headaches, chest pain, shortness of breath, and 1% even reported seizures.

Even our own students of A.B. Miller express some level of concern about the adverse effects that energy drinks can have on their physical and psychological wellbeing. For example, Rogelio Mendoza (12) notes a sort of addiction occurring as he progressively drinks more and more of his drink of choice: *Rockstar*. This should come as no surprise when energy drinks’ boast high caffeine content for the “restorative” energy boost associated with them. Destiny Martinez (12) acknowledges this with Redbull, saying, “that drink gives you many side effects like dizziness and trouble sleeping.”

Senior Khristofer Garcia recalls that when he “took a break from drinking [*Monsters*] for a week, the headaches weren’t that bad” but that his low energy levels were making it hard for him to concentrate, especially in class, so he has returned to drinking one a day. A need for energy is one of the main reasons students turn to energy drinks, loaded with caffeine, taurine, and sugar to give them the boost they want.

Caffeine Informer estimates that a 16oz can of *Rockstar* has 160mg of caffeine, while other sources like the LA Times puts this much higher at 240mg for a 16oz *Rockstar*. Regardless of which source is most accurate, both point to the same outcome: a high potential for caffeine addiction—and even possible caffeine overdoses.

There is not enough research done on the effects of energy drinks on a developing mind, but what research is being done has disturbing results. An experiment with exposing adolescent mice to high levels of taurine, another main ingredient in energy drinks, indicated that female mice had adverse effects on their learning and memory. Although these are only the beginnings of research, they paint a foreboding picture for future findings.

While the outlook appears somewhat grim, students at A.B. Miller continue their day-to-day affairs—whether fueled by *Monster*, *Rockstar*, *Bang*, or another—as uninterrupted as one can expect. Unhealthy habits are egged on by questionable advertising tactics, as is the norm. Hopefully, as time moves on, more will be done to know about and prevent the harmful effects of energy drinks on teens, as well as to prevent them from falling victim to manipulative marketing. A new energy titan will eventually take the place of *Bang* and we will watch another brand fade into nameless obscurity.

Information for this article was gathered from the following sources:

<https://www.caffeineinformer.com/caffeine-content/rockstar>

<https://www.latimes.com/science/sciencenow/la-sci-sn-energy-drink-rockstar-heart-20151109-story.htm>

