

## Thesis Outline: Value and Price Formation of Collectibles in the Tension between Community and Marketization. An Economic Sociological Study of the Trading Card Game Magic the Gathering.

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### Puzzle and Idea

In the last few years, the practice of collecting has gained in popularity. The spectrum of collectible objects as well as the number of collectors has increased significantly (cf. Boltanski/Esquerre 2019: 325). Communities are emerging that arrange, examine, exchange, buy, and sell collectibles in physical and digital space. It is remarkable that singular and industrially produced, material and immaterial, and high and low market value objects serve as collectibles. In this context, objects that are also directly related to games (e.g., Lego figures, sport trading cards, items in computer games) are being collected more and more frequently.

The research object, the fantasy trading card game *Magic the Gathering* (MtG)<sup>1</sup>, lies at the intersection of the phenomena described. Magic cards are produced exclusively by the company Wizards of the Coast (WotC) and distributed in the form of boosters<sup>2</sup> via local dealers. In the last twenty years, a tournament scene, as well as a secondary market of local shops, online shops and digital marketplaces have emerged. On the secondary market it is not only possible to buy booster packs but even single cards. The card game is also playable as an online computer game (Magic the Gathering Online and Magic Arena) maintained by WotC itself, with the aim to establish the game within the e-sports community. Many players run their live-streams and blogs on different subjects related to MtG (e.g., game strategies, market values, fantasy world). In short, the card game, which was basically conceived as a strategy game for students at American universities, has become enormously widespread and professionalized in recent years. Due to the high complexity, the permanent development and the constructed fantasy world, MtG can be described as an in-depth game. While playing MtG requires nowadays high entry costs (both temporal and financial), it remain at the same time interesting for players and collectors over a long-term period. A special feature of MtG is that, in contrast to most

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<sup>1</sup> MtG has been distributed by Wizards of the Coast since 1993; according to WotC, MtG is currently played or collected by around 35 million people. Preliminary observations indicate that it is mainly young and white men from the academic milieu who play or collect MtG..

<sup>2</sup> Boosters are packs of 15 random cards from one set. These packs are put together according to certain criteria. It is not possible to determine the price of the cards before opening the pack. Currently there is an increased trade on the secondary market with boosters that are no longer produced by WotC.

traditional collectibles, that the form of collecting is already inherent in the underlying structure. In other words, unlike most other industrially produced goods, magic cards do not have to go through a biographical cycle before they are collected, since they have already been culturally marked by the producers as objects to be collected, traded, and played with (for the biography of things, see Appadurai: 1986). In recent years, MtG has come into the spotlight because of racist content on cards. Due to the identified racist content of several cards (specifically on pictures or in the additional text, see Appendix 1) contracts with painters were cancelled and individual cards were banned by WotC for official tournaments. Recently, WotC announced that there will be a cooperation with the "Lord of the Rings Universe" for future editions (cf. WotC 2022). The partnership is another indicator of the widespread commercialization of the game.

The aim of the PhD project is to study the value and price formation process in the field of MtG from an agent-centered perspective. The thesis seeks to identify conditions, structures, and practices underlying value and price formation. Such a research project is valuable because it focuses not only on the general social trends outlined above, but also on the special interaction between primary and secondary markets and on the different agents in the field. Whereas the primary market is determined by a WotC's quasi-monopoly of production (i.e., all cards are produced exclusively by one company and distributed through licensed dealers), a multitude of competing dealers can be observed on the secondary market. By designing and launching new cards, reprinting old cards, banning cards or allowing cards back into tournaments and developing new tournament formats, the value, and price formation process on the secondary market is largely influenced by WotC. While WotC tries to democratize prices more and more in order to make it (financially) easier for new players to enter the game, the established dealers on the secondary market are interested to stable or increasing prices of their cards. It is of interest to investigate, what kind of strategies are employed by dealers to handle the permanent uncertainty on the secondary market.<sup>3</sup> Do dealers try to position themselves in niches to protect themselves from possible price declines (Chamberlin 1933, White 1981)? What role does specific market knowledge play in this context (Aspers 2008)?

As already noted above, magic cards are not only used as objects to play with and collect, but also as objects of exchange and investment. Jens Beckert and Patrik Aspers argue that there are different dimensions of economic value: symbolic value, functional value, use value, aesthetic value, individualistic value, relational value, investment value (cf. Aspers/Beckert 2011: 11ff.). During barter these are reduced to the economic value, which in turn is expressed in the price. What is, now,

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<sup>3</sup> A particular interesting phenomenon seems to be that companies on the secondary market are betting on the price development of cards on the basis of the spoiler (WotC releases the spoiler about a month before the cards are available) and offer players and collectors an opportunity to buy in advance.

particularly interesting for economic sociology is that there are different ways how (economic) value is associated with magic cards and that conflicts over price formations result from them. Based on initial descriptive analyses and field observations, it is reasonable to assume that value associations<sup>4</sup> are directly related to certain groups of agents (players, dealers, collectors, and investors). At least six value associations can be observed in the field of MtG: investment value, symbolic value, individualistic value, use/ functional value, potential exchange value and business value. On the one hand, dealers value magic cards according to their potential exchange value. Cards that are "out of stock", that are in frequent demand and/or fit into the exchange portfolio ("niche") have a high potential exchange value for dealers. On the other hand, magic cards have a business value for dealers. Magic cards have to be bought, categorized, stocked, and finally resold. Each of these steps is associated with costs for the dealers. These costs differ between cards (in relation to the selling price) as well as the between different types of dealers<sup>5</sup>. In short, it seems reasonable to assume that dealers use internal business costs as a basis for pricing. Furthermore, in the group of players, at least two associations of value can be observed. Tournament players primarily have a functional value for a card. Playability and standardization to the other cards in the deck<sup>6</sup> are key. Hobby players, on the other hand, relate much more to the individual value of a card, the concrete stories experienced with them are decisive in the valuation process.<sup>7</sup> Collectors evaluate cards especially according to their symbolic value; the key factor seems to be whether the card can contribute to complementing the collection. Condition (production errors and signs of use), the language printed on the card and the presence of an autograph on the card are the primary sources of value for collectors because they give a card even more "uniqueness" and/or "perfection". Another collective value association that seems important in the field of MtG is the investment value. Agents who value cards especially according for their investment value consider magic cards - with different risk propensities - as assets that are supposed to generate profits in the short, medium or long term. This group of agents is, however still at an early stage of development within the field of MtG, compared to other trading cards (e.g., baseball cards).

Since a card theoretically can be associated with all six value associations, different combinations and emphases of associations of value are possible in specific settings. A common value combination might be between symbolic and individual value in the case of collections. Initial observations hint that the

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<sup>4</sup> In distinction to the described economic value dimensions, the term value associations is used here. This is to indicate that the process of value formation takes place within and outside the economic sphere.

<sup>5</sup> Dealers differ in terms of company size and where they offer the cards. For example, storage costs are much lower for a wholesaler than for a small retailer. Dealers who offer their cards exclusively on online platforms, do not have to pay rent for a local shop.

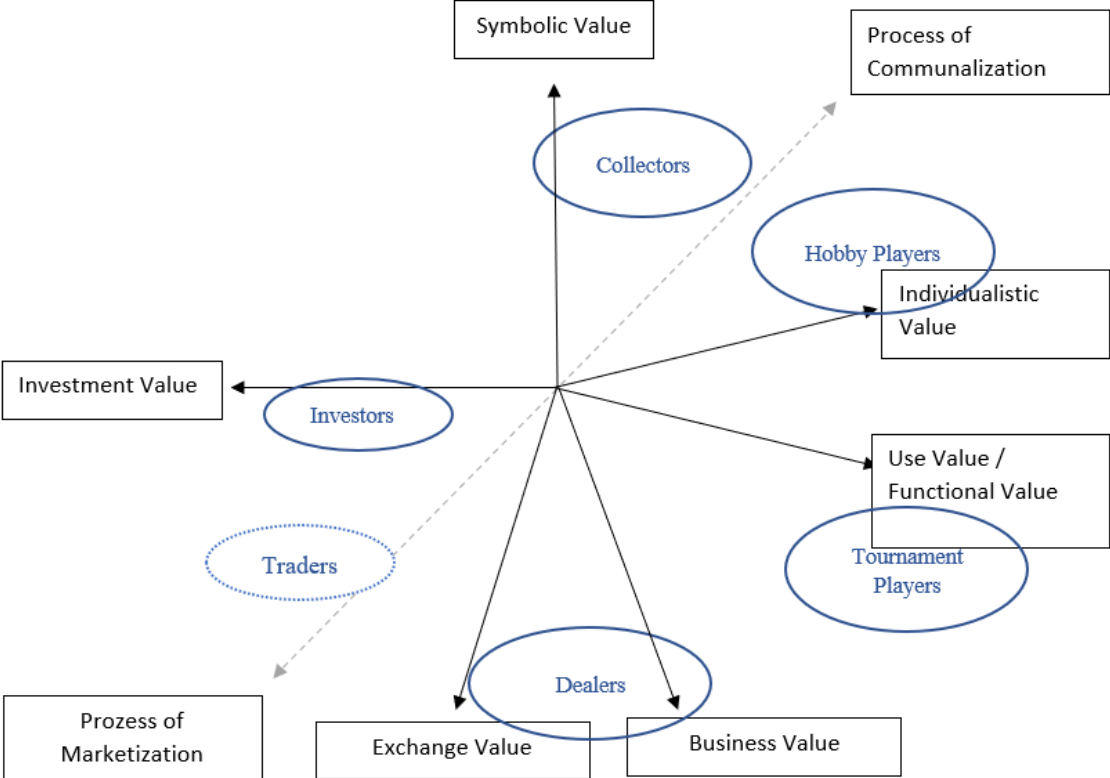
<sup>6</sup> The deck is the pile of cards individually put together by the players (usually 60 cards, with a maximum of four copies of a card). This is one of the central differences to classic card games, where all players share a common standardized deck (e.g., poker, rummy).

<sup>7</sup> An interesting phenomenon could also be the Magic returnees. People who played Magic in their youth rediscovering their cards. These people might presumably have a nostalgic impulse in their value associations.

different groups of agents (especially dealers) possess implicit knowledge of the different value associations and are quite capable of acting opportunistically. They therefore emphasize certain value associations during the exchange process to their advantage.

However, it is necessary to clarify in how far the theoretically derived ideal-types (four groups of agents and six collective associations of value) hold true against the empirical material. It is quite likely that there may be hybrid types of agents. Based on initial observations, such a hybrid type (trader) could be situated between investors and dealers. These are companies or agents who mainly buy and sell magic cards. At the same time, they withdraw a certain part of the purchased cards from the market, because they assume that the price will increase and they want to sell the cards at a later date. Traders sell and speculate with cards. Furthermore, it might be the case that the collective value associations discussed here do not exist or that other collective value associations do exist.

Figure 1: Theoretical considerations for value associations and groups of agents in the field of MtG



At the same time, and this is one of the key assumptions, conflicts can be observed due to the different association of value. This is particularly the case when the different associations of value are to be reduced to one price in the process of exchange. Such conflict occurs, for example, when players want to sell their collection and highly value certain cards but this value is not taken into account by the

dealers. Furthermore, it becomes apparent that the associations of value are closely connected with processes of marketisation and communalization. Thus, processes of communalization (game nights, presentation of collections, card trading) are indispensable for the formation of symbolic and individual values, whereas processes of marketisation (pricing, comparability of different providers on platforms, algorithmic pricing mechanisms) are essential for the formation of investment and exchange values. Therefore, I argue that theories of action tend to neglect an essential part process of price and value formation; that may, however, be examined by also utilizing a theory of conflict.

## Research Question

The dissertation project avoids a predefined theoretical positioning in one of the three dominant branches of the new economic sociology. Rather, it follows the approach that grounded economic-sociological research must take networks, institutional and cultural frameworks into account (cf. Brinton/Nee 1998, Fligstein 2001). This approach is complemented by an agent-focused perspective on value and price formation (Boltanski/Esquerre 2019). Economic action is only possible because cultural and institutional orders reduce complexity and make it manageable (cf. Deutschmann 2009: 53). Thus, the value and price of a good cannot only be explained by supply and demand or the labor time expended in it, but also results *"from the embeddedness of market transactions in institutions, social networks and culturally frames of meaning."* (Beckert 2011: 758, for the social embeddedness of economic action cf. Granovetter 1985). The value and price of a commodity are neither natural nor mysterious, but the result of a permanent process of negotiation between the agents in a specific field. This dissertation project will examine precisely this negotiation process of the different groups of agents described above and other relevant agents in the field. Furthermore, it is important not to misunderstand the field as a closed entity, but rather embedded in the context of general cultural and economic developments (e.g., inflation).

The thesis centers on the following research question: How does the process of value and price formation take place in the secondary market of Magic the Gathering? Which social practices, conditions and structures have an influence on it?

Based on the theoretical approach and the research question, three levels can be identified that are decisive for the value and price formation process and which therefore need to be explored.

(1) Agent level: Which agent groups may be identified in the field of MtG? Which interests do they hold? What are their motives for valuing cards? What social background do agents in the MtG field have and what types of capital do they possess? In which spaces of interaction do they move? Who

are the established agents (*incumbents*) that have an interest in stabilizing the existing structure of value and price formation? Which agents (*challengers*) challenge the existing structures of value and price formation (Fligstein 2001)? Which networks relations can be identified? How are forms of communalization (fantasy subculture) related to the value and price formation process?

(2) Market level: How are the different marketplaces<sup>8</sup> (local shops, online shops and digital marketplaces) related to each other? Can conflicts be observed between different marketplaces (e.g., crowding out processes)? What mechanisms for value and price formation have emerged in different marketplaces? Do digital marketplaces (MKM, eBay...) homogenize prices? Are markets being monopolized by dominant dealers (Staab 2021)? To what extent can a market public be observed? What is the role of intermediaries (e.g., grading agencies)? How is distribution between the primary and secondary market organized?

(3) Cultural and institutional level: In which institutional and cultural conditions is the market embedded? Is the market field embedded in a world of meaning (fantasy subculture)? How are the cards already culturally marked by the producer? Which state regulations have an effect on the value and price formation process? To what extent does digitalization lead to a diffusion of knowledge and a standardization of prices? Which macrostructures and societal developments impact the process of price and value formation?

This dissertation project is not only intended to contribute another case study to the sociology of markets, but also to attempt identifying new forms of value and price formation.

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<sup>8</sup> The dissertation follows the conceptual differentiation between markets and marketplaces proposed by Patrik Aspers. Marketplaces are physical or digital places where commodities are traded. They provide the "infrastructures of exchange" (Aspers et. Al 2022: 5). In a marketplace, commodities from different markets can be traded at the same time (cf. Aspers et. Al 2022: 5ff). First descriptive analyses suggest that there are at least two digital marketplace types, which differ primarily in the degree of commodification. On the one hand, there are classic digital marketplaces that moderate and control the exchange process between buyers and sellers (eBay, Cardmarket,..) and charge fees for doing so. On the other hand, there are general communication platforms (Facebook) and specialized forums (mtg-forum.de) that enable a P2P transaction. While in the first case the exchange process is determined by legal and formal criteria in order to prevent or sanction offences, the other members on communication platforms and expert forums take over the control function in the second case (on economic diversity in digital marketplaces, see Elder-Vass 2018).

## State of the Art – Key Authors and Current Debates

For the predecessors of new economic sociology (especially Karl Marx and Georg Simmel), the starting point for the analysis of economic principles was the discussion of value and the formation of value. In the critical tradition of the labor theory of value of classical political economy<sup>9</sup> (Adam Smith, David Ricardo), Marx argued that abstract human labor, i.e., the amount of work spent for the production of a good, is decisive for the (exchange) value of a commodity, which is only realized in fetishized form in relation to other commodities. (cf. Marx 2008 [1867]: 53ff., 86ff.) In other words, the value of a commodity can only be explained by the production process, by the labor used, but can only be realized in the exchange process, in relation to other commodities.

In opposition to the 19th century labor theories of value, Simmel developed a relativistic and subject-oriented theory of value in the first chapters of the *Philosophy of Money* (2004 [1900]). However, this is hardly acknowledged in the sociological debate on value and value creation. Simmel's central argument is that goods have value when they are "desired". This means that the value of a commodity is neither something natural (e.g., like color or weight) nor can it be explained by the labor time for the production of the good. Value is a "judgement" by a subject on an object. Because of the subjectivity of value, one and the same good can possess a high or low level of value. The key point, according to Simmel, is that the objects are at a certain distance from the subjects. *"This tension, which disrupts the naive-practical unity of subject and object and makes us conscious of each in relation to the other, is brought about originally through the mere fact of desire. In desiring what we do not yet own or enjoy, we place the content of our desire outside ourselves."* (Simmel 2004: 63) In Simmel's understanding of value, objects that are freely available or are at an insuperable distance have only a general value. Valuable are those things that are in a middle ground between "scarcity and non-scarcity"<sup>10</sup> (Simmel 2000: 70). In contrast to the labor theory of value, where value is the result of the labor spent in the past, desire implies that one has expectations about the consumption of the commodity in the future.

In the modern economy, according to Simmel, an objectifying value dimension emerges alongside the subjective value dimension. In exchange, where goods are brought into relation with each other, the objects detach themselves from an exclusively subjective value. In religious-metaphorical linguistic

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<sup>9</sup> Ricardo argues that the quantitatively spent labor and the scarcity of goods are decisive for the exchange value of a good. Goods always move on the continuum of value between labor and scarcity. *"There are some commodities, the value of which is determined by their scarcity alone. No labor can increase the quantity of such goods, and therefore their value cannot be lowered by an increased supply. Some rare statues and pictures, scarce books and coins, wines of a peculiar quality, which can be made only from grapes grown on a particular soil, of which there is a very limited quantity, are all of this description."* (Ricardo 2016 [1817]: 6)

<sup>10</sup> This stated middle distance between scarcity and non-scarcity might also be of elementary importance for collectibles. For example, a Picasso painting has no real value for a local art dealer, but contemporary regional works by artists do.

fashion, Simmel argues that exchange always involves a sacrifice for the subject as well. Through an exchange something is gained but also lost. The sacrifice to be made is a fundamental part of every exchange process and at the same time a condition of value. In the process of exchange, however, something new is also created: economic value. Even though Simmel distances himself from a marginalist scheme<sup>11</sup> of demand and supply, he considers usefulness (behind usefulness lies desire for Simmel) and rarity as constituents of the formation of exchange value. If both constituents are present, an object is considered valuable.<sup>12</sup> In the *Philosophy of Money* also a few considerations on value associations are made. What Simmel describes primarily on an individual level will be examined on a collective level in the field of MtG. To put it briefly: Are there collective worlds of desire? And are the different worlds in conflict with each other?

In *new economic sociology* the questions regarding the formation of value are usually not discussed in general, instead in specific market fields. So far, empirical studies have focused primarily on classical cultural goods (e.g., the wine market, Diaz-Bone 2005, Hay 2010), art (Velthuis 2007), financial market products (Stark 2009, Rona-Tas/Hiss 2011) and goods associated with moral issues (Zelizer 1992, Fourcade 2011, Akyel/Beckert 2014). However, youth culture and subcultural goods, which often are at the interface between the analogue and digital worlds and contain gaming features, were rarely considered. The call by Jens Beckert and Patrick Aspers (2011) to open the field of vision to further markets and to develop a sociological theory of price and value formation has hardly been discussed in economic sociology. This dissertation project aims to follow up on this call. In doing so, the research project focuses on the price and value formation process of modern collectibles from an economic sociological perspective. In this context, three works of recent economic sociology can be highlighted positively and can be beneficial for the dissertation project: In *Talking Prices. Symbolic Meanings of Prices on the Market for Contemporary Art* (2007), Olav Velthuis studies how art dealers set the price for contemporary art.<sup>13</sup> Velthuis shows how the art market is caught between the sacred and the profane: "(...) economic exchange is always socially and culturally situated; art dealers need to be sensitive not only to commercial opportunities and economic incentives, but also to legitimacy

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<sup>11</sup> Advocates of a marginalist approach (Léon Walras, Alfred Marshall, Carl Menger) argue that the value of commodities should be much more considered from the demand side. In this approach, value has a strong subjective dimension, as value is determined by the utility to the consumer. The utility of a commodity, however is always in relation to supply and demand (marginal utility, for an overview see Mazzucato 2018).

<sup>12</sup> This also seems to be true for a certain card segment in the field of MtG. If a card is considered useful (e.g., is in demand by players and collectors at the same time) and rare (limited editions, especially in the case of cards from the first editions), it will probably have a high economic value. At the same time, it can be observed in the field of MtG that cards that are never played can also achieve high prices.

<sup>13</sup> In addition to Velthuis' findings, his methodological approach is extremely beneficial for my dissertation project. Velthuis conducts interviews with gallery owners/art dealers in New York and Amsterdam. These are supplemented by observations, informal conversations and analysis of magazines and journals. For some cases, Velthuis uses quantitative data from the Dutch art market and triangulates it with the qualitative data.



*structures, social imperatives, and patterns of meaning.*" (Velthuis 2007: 29) The transformation from sacred to profane, from artwork to commodity, takes place on a highly ritualized basis during the vernissage. The art dealers, as has been one of the central findings of the study, not only mediate impressively between these two worlds, but also appear as profound price-setters in a field of singular commodities. Velthuis describes, among other things, the techniques used by dealers to price a work of art. Even though magic cards are a far more standardized commodity than artworks, the dealers face similar problems in pricing them. The cards are "thrown" onto the market by WotC without a price. And frequently the cards are "singularized" (e.g., signed by the artist) in a second step. What techniques can be observed on behalf of the dealers for pricing cards? To what extent do other agents have an influence on this?

While Velthuis focuses on the dealer's perspective in the price building process, Lucien Karpik asks in *Valuing the Unique: The Economics of Singularities* (2011), on which assumptions buyers base their purchasing decisions in the markets of singular goods (e.g., wines, paintings, music, lawyers' services). According to Karpik, this is accomplished through instances of judgement formation (networks, labels, guides, ratings) that help to reduce information deficits and serve as a guide for individual and collective action. Luc Boltanski and Arnaud Esquerre choose in *Enrichment. A Critique of the Commodity* (2019) a similar starting point and deal with goods that are considered unique and valuable because of their attached stories. Particularly in Western post-industrial countries, according to the authors, the linking of goods with narratives becomes the central mode of value creation. The collector form assumes great importance in this context. The objects that are most valued in the enrichment economy are not objects that fulfil everyday needs, but rather those that follow the logic of collecting. (cf. Boltanski/ Esquerre 2019: 93ff) Based on this finding, Boltanski and Esquerre develop a price and value theory. The authors differentiate between real prices and meta-prices. Real prices are prices paid for commodities at a certain point in time. The meta price, on the other hand, reflects the real price and thus represents the value of a commodity. Value serves equally as a critique as well as a justification mechanism for price. In the world of commodities, four forms of value assessment can be identified - standard, trend, investment, and collector form - which value commodities in different ways and thus serve as a guide to valuing commodities (for example, in the collector form, the difference and complementarity of commodities in relation to the existing collection are key, cf. Boltanski/ Esquerre 2019: 155ff., 177ff., 187f., 206ff.). Both the assumption that value serves as a justification basis for price and the differentiation into different forms of valuation are arguments that will be discussed in my dissertation project. To what extent is value used as a justification instrument? Can forms of value determination be found for the four groups of agents described?

In recent years, numerous sociological studies dealing with the evaluation, categorization, quantification of things and agents have been published (for overview see KzfSS Vol. 73, 2021). Following Beckert, Heintz argues that an informed purchase requires upstream acts of categorization, comparison, and evaluation (Heintz 2021). It can be assumed that different ordering principles and price and value formation processes exist and are used in the marketplaces. It can be observed that cards in the highest price segment (over \$50,000) are mostly auctioned on Ebay, while cards in the lower price segment (under \$100) are sold on the basis of fixed prices via digital marketplaces.<sup>14</sup> Bernard and Fourcade (2021) argue that there is an increasing ordinalization of all realities of life. This can be observed, for example, at the organizational level. More and more organizations are resorting to ratings and rankings to capture the material world (cf. Bernard & Fourcade 2021: 131). The importance of grading agencies (e.g., Beckett Grading Services, see Appendix 2), which rate the condition of single cards using a ten-point rating scale, has been growing strongly in the secondary market of MtG (Channel Fireball). However, cards that are graded are removed from the playing sphere by sealing them in a plastic box.

In addition, it is essential to take into account studies from related scientific disciplines (economics, economic anthropology, social history). Geertz (1978), for example, takes up Akerlof's (1970) question from an anthropological perspective and explores which mechanisms are formed to minimize quality uncertainties at a bazaar. According to Geertz, it is long-term and competitive market relations and the technique of bargaining that enable an information-based value judgement of the commodity in a fragile market structure. What is the importance of the technique of bargaining in the different marketplaces of MtG? Gelber (1992) examines the commodification of stamp collecting at the end of the 19th century from a sociohistorical perspective. The commodification was linked to an increasing masculinization and professionalization ("from hobby to profession") of the field. According to Gelber, a "market-based subculture" (cf. Gelber 1992: 745) emerges that is peppered with narratives (e.g., "getting rich" and education through stamp collecting). In MtG, too, there has been a far-reaching marketisation in the last 20 years. Can similar developments be observed in the field of MtG? And do narratives have an impact on the value and price formation process?

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<sup>14</sup> Auctions always come into play when conventional ways of determining price and ownership are insufficient. *"More precisely, auctions are social processes capable of defining and resolving inherently ambiguous situations, especially questions of value and price"*. (Smith 1990: 3) This by no means concerns only works of art by great artists. Rather, a broad range of commodities is traded at auctions.

## Research on MtG

There are many studies that deal with MtG from different disciplinary perspectives: Art and literature studies (on the pictorial and literary representation of the fantasy world, e.g. Trammel 2013), media and communication studies (analysis of digitalization processes, e.g. Karhulahti 2017), sports studies (development towards e-sports, e.g. Svelch 2019), cultural studies (gaming and fantasy subcultures, e.g. Williamson 2006), mathematics (attempt to develop mathematical models for optimal gaming behaviour, e.g. Cowling et. Al 2012). Thus far, the artistic and playful/sporting dimension as well as the increasing digitalization have been the focus of the scientific discussion of MtG. A perspective from economic sociology on MtG, which deals with the value and price formation process on the secondary market, is missing.

## Relevance of the dissertation project

This dissertation project aims to fill two research gaps within the economic sociology. First, MtG and its current configuration can only be understood and analyzed in the context of developments in society as a whole - digitalization, financialization, gamification, and the increasing popularity of the practice of collecting. At first glance, three related phenomena can be identified: first, more trading card games (e.g., Pokémon, Yu-Gi-Oh!...) and sports trading cards (baseball, basketball, ice hockey, football), second, industrial cultural products (e.g., records, books, stamps,...) and third, items in computer games (e.g., Halfstone, World of Warcraft, Clash of Clans,...). The similarity to industrial cultural products on the one hand and to digital products on the other hand points to concrete questions about value and price formation in the secondary market, but also to abstract value-theoretical questions about the materiality of goods and about the connection between value and games: To what extent do online game formats influence the value and price formation process in the secondary market? Do value and price formation processes occur in online games? To what extent do the practices of collecting industrial cultural products differ from those of trading card games and sports trading cards? What is the relationship between gaming and value formation? While computer games (e.g., Corneliusen/Rettberg 2008) and industrial cultural products (e.g., Moist/Banash 2013) attract a great deal of (cultural) sociological attention, the field of trading card games and sports trading cards remains sociologically largely unexplored. The lack of sociological analyses is more

astonishing since there has been a boom in the various sports and trading cards, particularly in recent years.<sup>15</sup> Especially the link between games and value deserves further investigation.

Secondly, it is striking in the economic sociological literature of value and price formation processes has so far been dominated by theoretical contributions. The dissertation project as outlined in the beginning (Puzzle and Idea) follows an agent-based understanding of value and price formation. Using the idea of collective value associations. This approach is in contradiction to theories that see the emergence of value in the sphere of production (Marx, Riccardo), in marginal utility (Walras, Marshall, Menger) or in the appropriation of markets (Weber, Staab). However, relativistic theories of value also have their blind spots. Simmel's theory of value, remains largely on a subjective, "socio-psychological level" and does not ask about the collective dimension in the "desire for objects". Boltanski and Esquerre, like most contributions to recent economic sociology, neglect to focus on youth and subcultural goods, which are often at the interface between the analogue and digital worlds. To sum up, the existing theories of value cannot adequately explain the value and price formation process in the field of MtG. A new theoretical framework to understand the value and price formation process is needed. The social conditions and structures of value and price formation in the field of MtG are to be shown through a triangulation of different empirical methods.

## Research Design

As outlined in the previous chapters, empirical studies on the formation of value and prices as well as sociological discussion on MtG are largely missing. This fact makes an exploratory and data-generating approach necessary (cf. Charmaz 2011: 14ff.). The thesis aims to explore from an agent-focused perspective (micro- and macro level) how value and price formation takes place in the field of MtG and which social practices, conditions, and structures affect it. The focus of the thesis lies therefore not on concrete prices and price developments<sup>16</sup>, nor on examining existing theories, but rather on the question of how the pricing takes place and what value associations it is based on. On the one hand, this means focusing on the various forms of meaning and sensemaking of the different agents within

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<sup>15</sup> Among other things, this can be seen in the increase in prices achieved for trading cards in the course of internet auctions. In July 2022, a LeBron James (basketball) trading card was auctioned off for 1.85 million dollars (Guinness World Record). In January 2021, the highest auction price of \$511 100 was achieved for a Magic card. The card sold – Black Lotus – is from the first Edition (Alpha, 1993), is signed by the painter and graded with the highest rating. Remarkably, another Black Lotus card with the same rating sold a year earlier for \$ 166 000 (Polygon).

<sup>16</sup> For a research project that focuses on concrete prices and price developments, a quantitative research design would be suitable. A web crawler could be used to collect data from several digital marketplaces. The data obtained can be used to calculate multi-level models (e.g., condition of the card, availability of the card, year, print run etc. on the price).

the field of MtG. And on the other hand, to observe those spaces where the process of exchange and the collective practices of value construction take place. A research project that wants to explore both the sensemaking and the practices of the agents require a combination of qualitative methods. In the framework of my thesis, interviews with the agents in the field of MtG and non-participatory observations will be conducted. On the basis of the literature study and the theoretical preliminary considerations, a guideline is to be developed, which will serve as a reference guide for the first interviews. (cf. Froschauer/ Lueger 2020: 56ff.) Grounded Theory is used to collect and analyze the data. Thereby, data collection, data analysis and theory building are in a *“reciprocal relationship to each other”* (Corbin/ Strauss 1990: 23). Based on the strategy of theoretical sampling interviews will be transcribed, analyzed and theorized from the very beginning (Glaser/ Strauss 1967, Corbin/Strauss 1990). Data are collected and compared with each other until no new findings can be gained from the new data (cf. Glaser/Strauss 1967: 53ff, Strübing 2014: 32f.) *“Sampling and analysis must occur in tandem, with analysis guiding the data collection.”* (Corbin/Strauss 1990: 178) As a first step, two interviews with agents of each of the four groups described above are planned. The conventional coding techniques of the Grounded Theory – open coding, axial coding and selective coding – will be used. In addition to the guided interviews, non-participant observations will be used to observe practices in the exchange process and in the construction of value. These observations are planned on physical marketplaces, at magic tournaments as well as at gaming evenings. Based on the two themes (1) practices in the exchange process and (2) value construction, semi-structured observations will be conducted. These will be recorded by using voice memos and memory protocols. The interviews and observations will be condensed through publicly available data (YouTube channels, newspaper articles, professional journals, etc.). Based on my empirical results, firstly, mechanisms, structures and practices that affect the value and price formation process in the field of MtG will be described, secondly, insights from an agent-focused perspective on value and price formation will be gained, and thirdly, the connection between gaming and value formation will be examined.

## Working plan

A monograph is planned for the dissertation project. At the same time, the theoretical and empirical findings are to be presented at national and international conferences in the field of economic sociology (DGS Section Economic Sociology, ÖGS Congress, ESA, SASE, MPIfG). If the time frame allows for topics beyond the scope of the dissertation will be published in relevant journals (e.g., a comparison between MtG cards and baseball cards, a quantitative study on price developments, a theoretical paper on the voids of value theory). In general, there are four steps to be taken: (1) literature review, (2) conduct and analysis of interviews and observations, (3) writing of the dissertation, and (4) publishing of the dissertation. In the first half of 2022, the focus will be on the theoretical examination of existing price and value theories and the market sociological contributions of the new economic sociology. In parallel, an interview guide will be developed and first contacts with players, collectors, dealers, and investors will be established. The empirical research is going to start in the second half of 2022 and will be completed by mid-2023. A research stay in Germany or the USA is envisioned. The interviews will then be analyzed in their final form. The dissertation is to be written in the calendar year 2024. The linear presentation of the work on the topic presented here does not do adequate justice to scientific practice; nevertheless, the timetable and the temporal corset of the four work steps should be adhered to as far as possible.

Figure 2: Intended timetable of the dissertation project

	2022				2023				2024				2025	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Literature Review	■	■												
Empirical Preparation	■	■												
Observations			■	■	■	■								
Interviews			■	■	■	■								
Analysis					■	■	■	■						
Write Thesis									■	■	■	■		
Publication													■	■

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# Appendix

## Appendix 1: Racial Content



Source: Cardmarket

## Appendix 2: Grading - Beckett



Source: Beckett Grading Services