

**GDC**

March 21-25, 2022  
San Francisco, CA

# Understanding NFTs: A Sea-Change for F2P Games?

#GDC22



# Who This Presentation is For

- You're blockchain curious, but are still not sure about the value to players and game developers.
- You're working on NFT projects, and want some additional perspective on the implications of the technology
- You're interested in how NFTs and blockchain might impact today's F2P game industry.

# What I Won't be Doing...

- Telling you **\*\*for sure\*\*** how all this will play out
- Rebutting all the understandable concerns people have with the world of crypto
- Covering this topic comprehensively

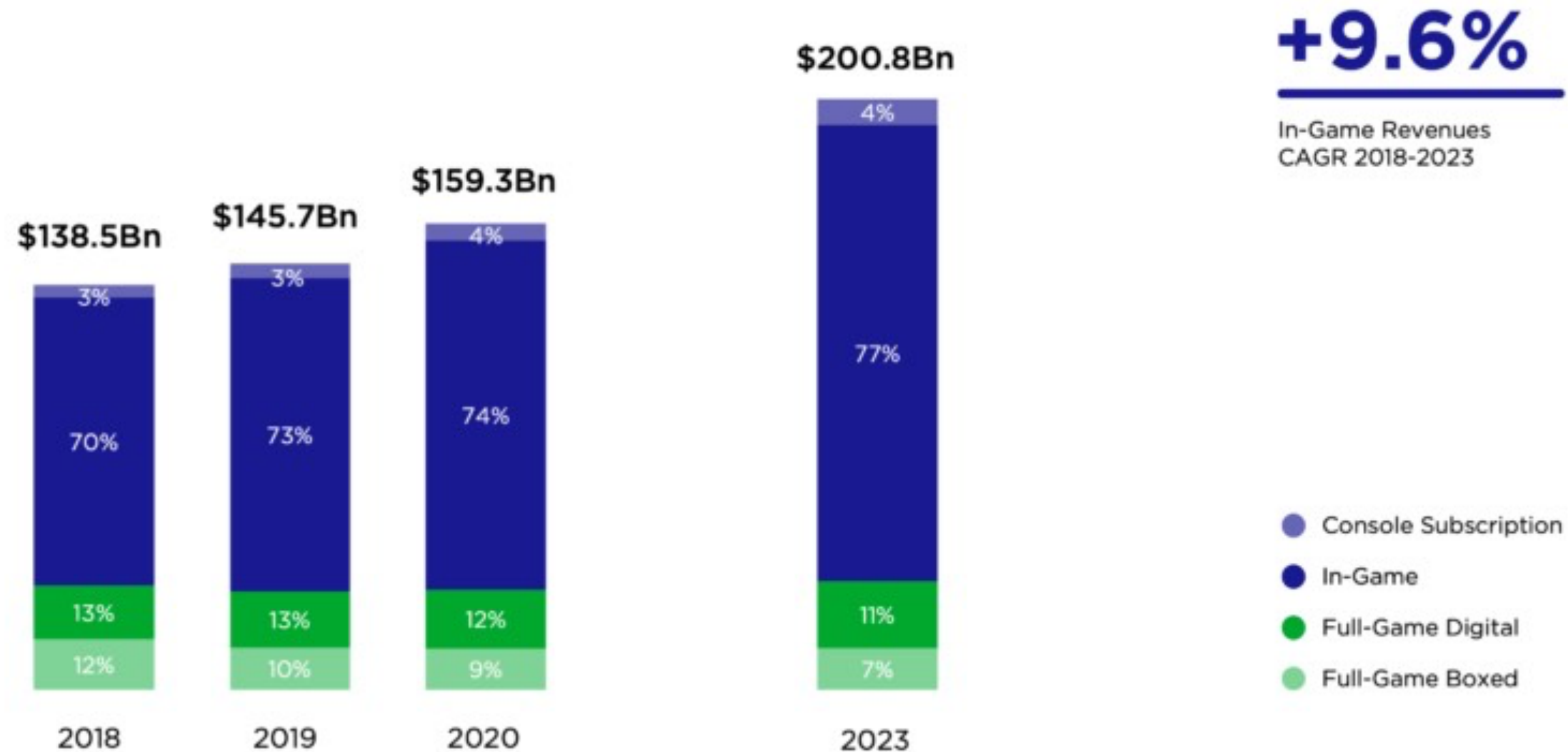
# My Background

- Early to free to play, having produced one of the first successful licensed F2P games at Ubisoft: CSI: Crime City.
- Senior Producer and Lead Designer at Zynga working on FrontierVille and CastleVille.
- 10 years as a monetization and product consultant, with clients like Capcom, Electronic Arts, Nickelodeon, Ellen Digital, The Pokemon Company, etc...
- I've been an early consumer participant in a some bottom up NFT native gaming projects (good and bad)



# Where We Are today...

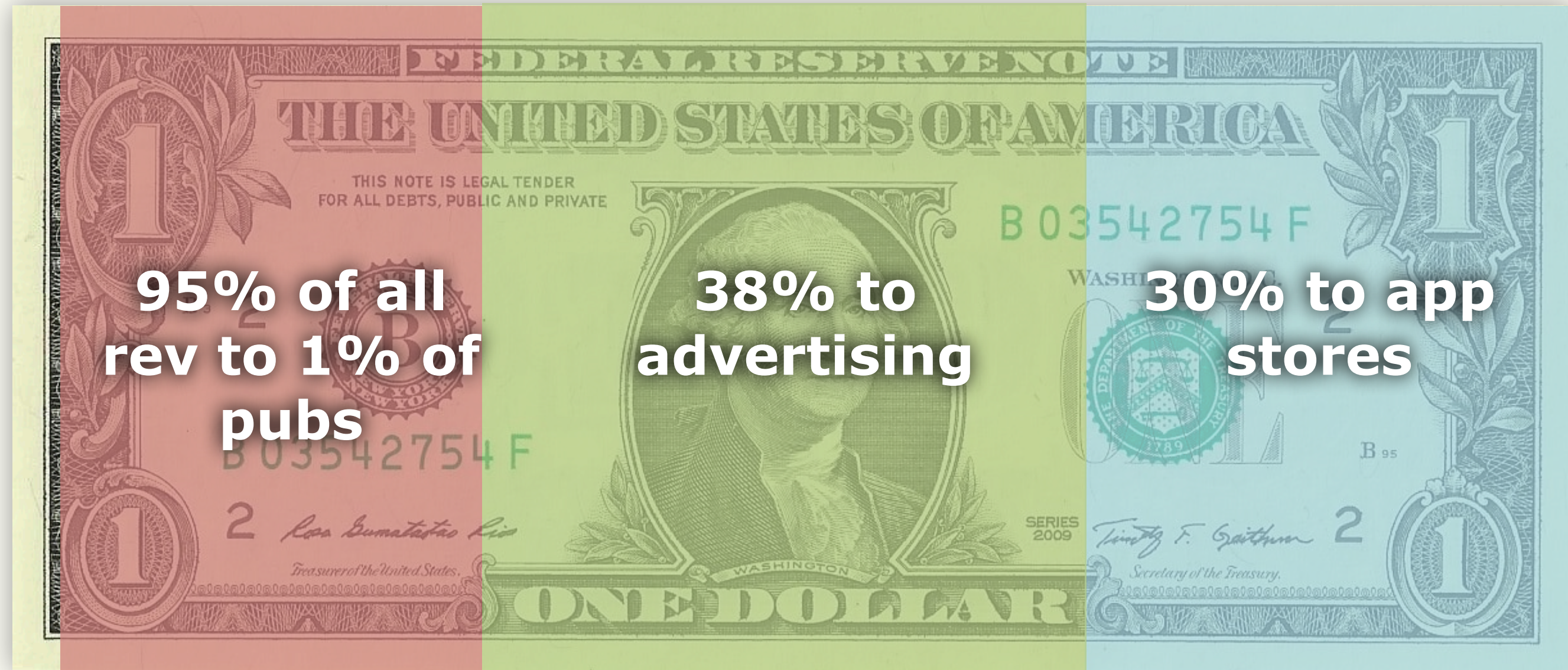
# IAP Accounts for Majority of Game Industry Revenue



Source: ©Newzoo | 2020 Global Games Market Report  
[newzoo.com/globalgamesreport](https://newzoo.com/globalgamesreport)



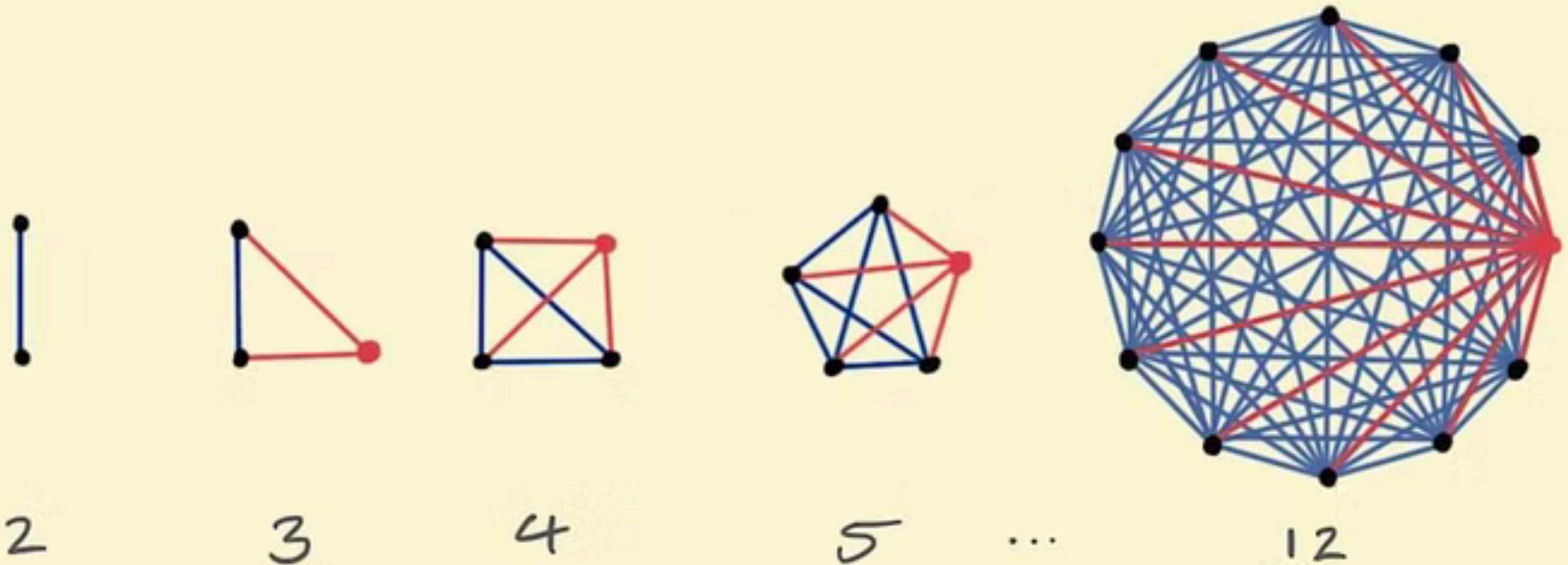
# A Typical IAP Dollar



About 2 cents on the dollar for 99% of mobile game devs



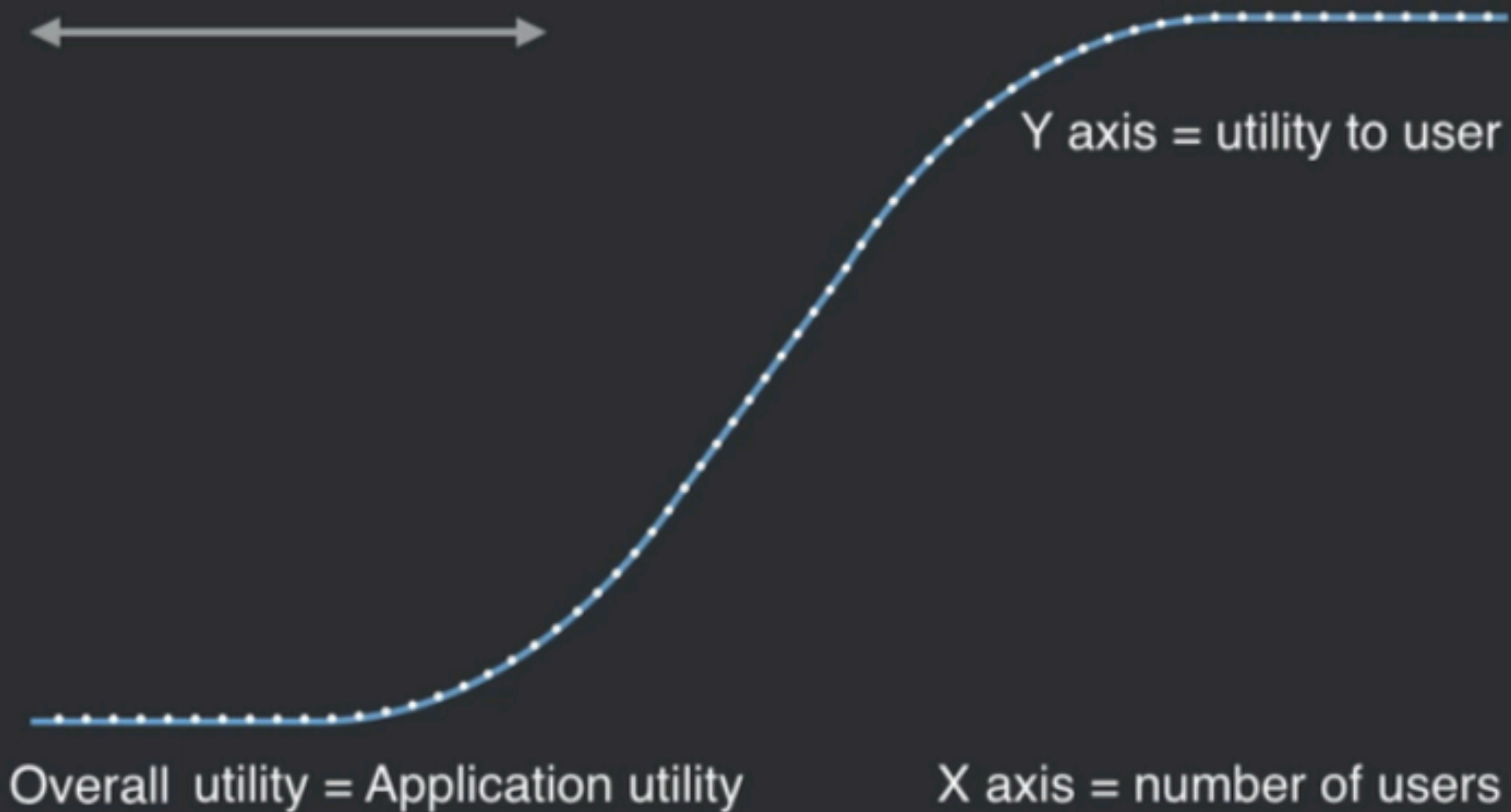
# Metcalfe's Law



From Sketchplanations



## Bootstrapping problem



Modified from [a16z.com](http://a16z.com)

# Can Blockchain Help?

Financial Utility

Y axis = utility to user

Application Utility

X axis = number of users

Modified from [a16z.com](https://a16z.com), Based on work by Chris Dixon



# ETHEROAKS







Farming

Pillaging

Raiding

Earn the token \$ZUG

Upgrade Equipment

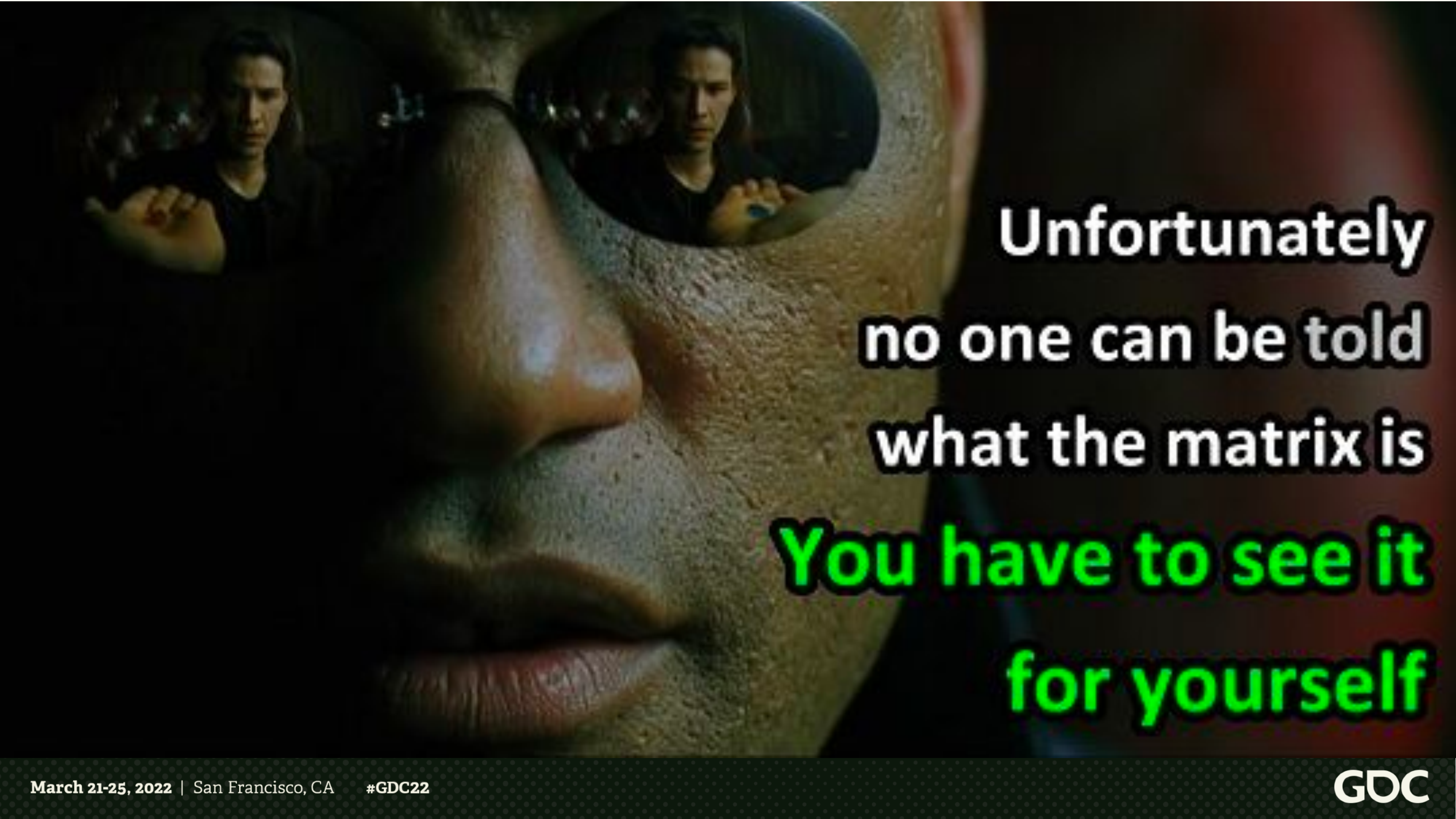
Get new NFT "Allies"



# When Players are Financial Stakeholders...

- Your players win when the game as a whole wins, aligning incentives.
- Your players become evangelists, bringing their friends into the community
- Your player community becomes more powerful, elevating their status in the overall development process
- Community Developers, Community Managers, and Mods are elevated in their roles as well
- We're likely to see more formalized community governance systems.
- Your player community may want to run the game on their own at some point in the future, allowing more games to live on longer

# NFTs as Content Platforms?



**Unfortunately  
no one can be told  
what the matrix is  
You have to see it  
for yourself**



# The F2P Way

Spend millions on ads on networks like Facebook



Attract users who have little stake in the project



Convert a small percentage to earn back more revenue than you paid in advertising costs.

# The Web 3 Way

Spend millions on experiences for NFT holders from other projects



Give away some of the “financial utility” on the new network to these holders of existing NFTs



They become incentivized to use, evangelize, and contribute to the new project.



Mebits

World of Women

Nouns

Cool Cats

Punks

Bored Apes

Cryptoads

# Evolution of Mainstream Gaming Platforms

The Personal Computer

The Console

The Internet

The Smartphone

The Blockchain?



# Who Might be Disrupted?



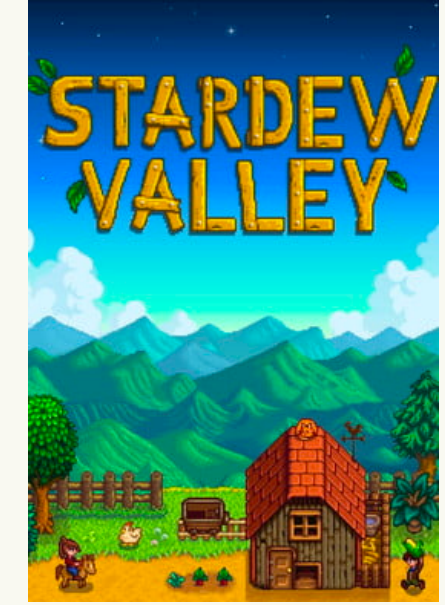
# Who Will Play Blockchain Games First?

- Someone who spends a lot of money on a single game.
- Someone who spends a lot of time on a single game.

*Therefore, my expectation is that F2P games are likely to be impacted first by growth in blockchain gaming.*



# Disrupt Doesn't Mean Destroy





# Where Do We Go From Here?

# Thank You