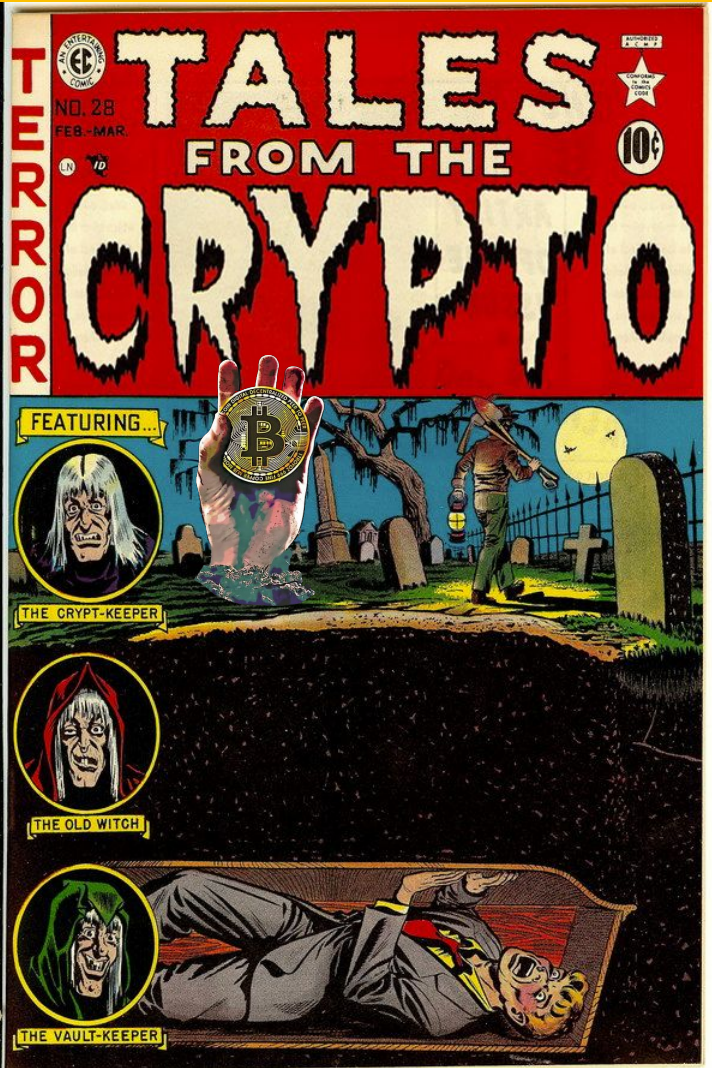


or

“Everything a F2P Developer **Always Wanted to Know About** Web3 Gaming **But Was Too Afraid to Ask”**

David Fox
Double Coconut
david@doublecoconut.com

Introducing The “Free to Play” Angel

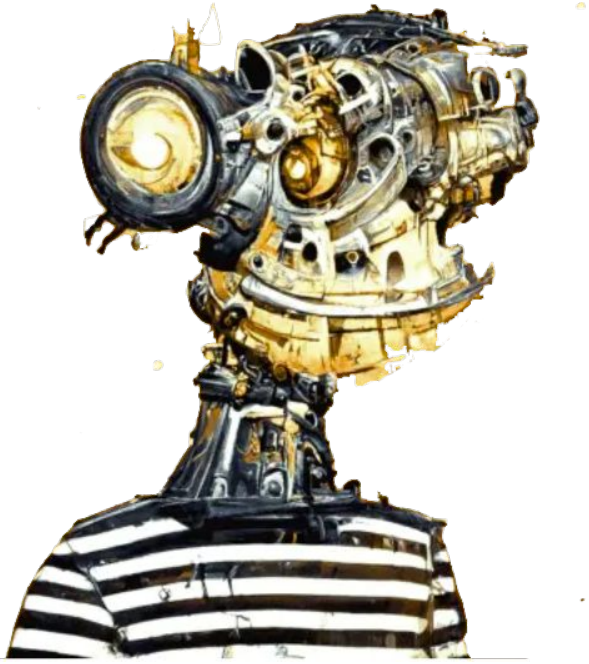
There’s No Business Like the Free to Play Business!

It is the **Apex** Of Gaming Business Models!

*Web3 Gaming is a F**’in Mess - Pointless, Scammy, and Broken*

The Crypto “Devil”

Decentralization, **Anonymity**, and **Owning Your Own Assets** Are the Only Way To Control Your Own Destiny!



Web3 Gaming Is Going to Dominate the Industry (Any Day Now)

Who Am I?

- Founder of DOUBLE COCONUT , a Ten-Year-Old Free-to-Play Design + Dev Studio
- Got Into Crypto Games a Few Years Ago
- Stumbled, Fumbled, Rumbled
- Currently Working on a Few High-Profile + *Growing* Web3 Projects

What's the Plan?

01

- Overview of Web3 / Crypto

02

- Debate: "Web3 Is Promising & Relevant for F2P Game Developers"

03

- Web 2.5: F2P + Web3 Hybrid Best Practices Using Current Examples

04

- Grab Bag of Crazy Ideas For Future Experimentation

05

- Conclusion!

06

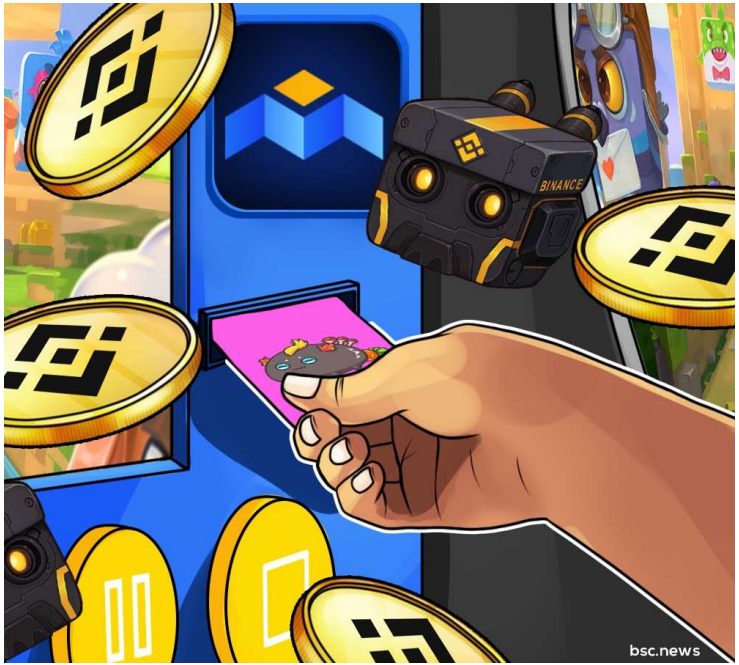
- References / Tools / Questions!

01

Ultra-Quick Overview
Web3 / Crypto Gaming

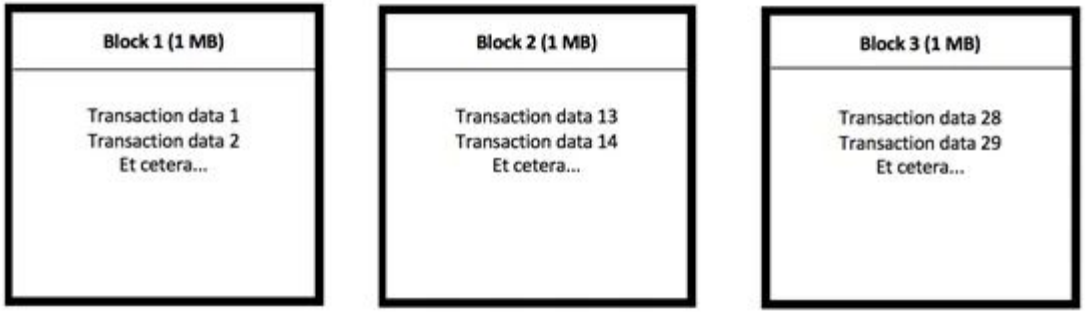
What Is a Web3 Game?

- Aspects of Game “On-Chain” = On a **Blockchain**
  - Usually **Crypto Assets**
  - *Sometimes* Gameplay Logic / History
- These Assets May Be:
  - **Coins**
  - **Tokens**
  - **NFT**s
- Players Use a **Wallet** To Hold Assets



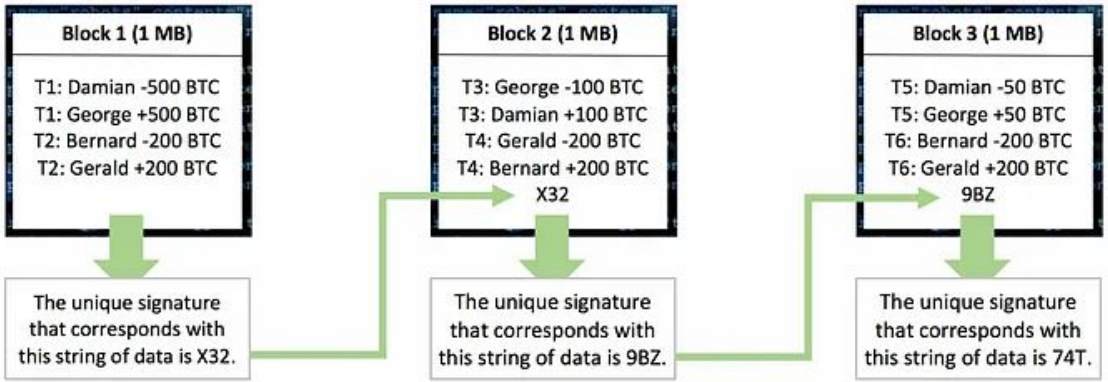
A Block

- Basic container of data
- Information about transactions
  - “stuff created, transferred, and owned”
- Can’t ever be changed



A Chain of Blocks

- Connected in a linked sequence - a *chain*
- Gives chronological history and context
- Blocks can be “validated” w/ complex math to ensure they belong where they say



Crypto Wallet

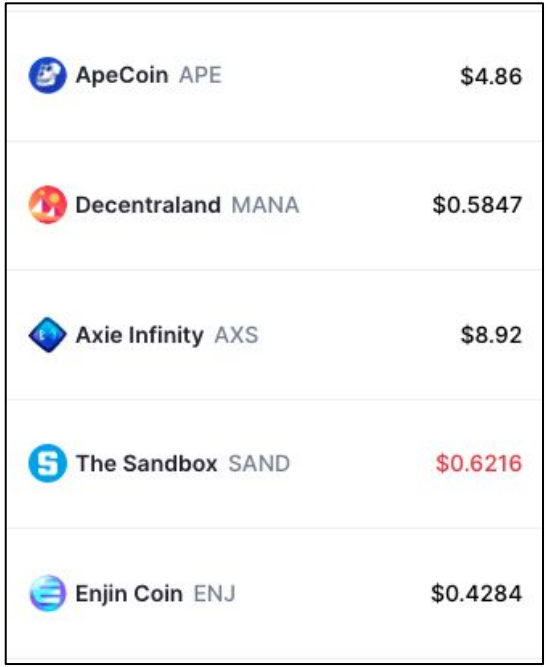
- Indicates Asset Ownership
  - **Tokens**
  - **Coins**
  - **NFT**s
- The Most Recent **Blocks** Publically Show What Every Wallet Actually Holds
- Assets can be **Airdropped** In
- Only Those with **Private Keys** Can Move Stuff Out

Native Crypto Coins

- E.g. Bitcoin, Ethereum, Sol, BNB
- Main Indicator of Value for each Blockchain
- Ownership Tied to Specific **Wallets**
- Can be *Traded* on **Exchanges**
  - For Fiat ($ € ¥) or Other **Coins** or **Tokens**
- Can be *Transferred* From Wallet To Wallet
- Slowly given out to those who help do the computing work to keep the chain decentralized and secure

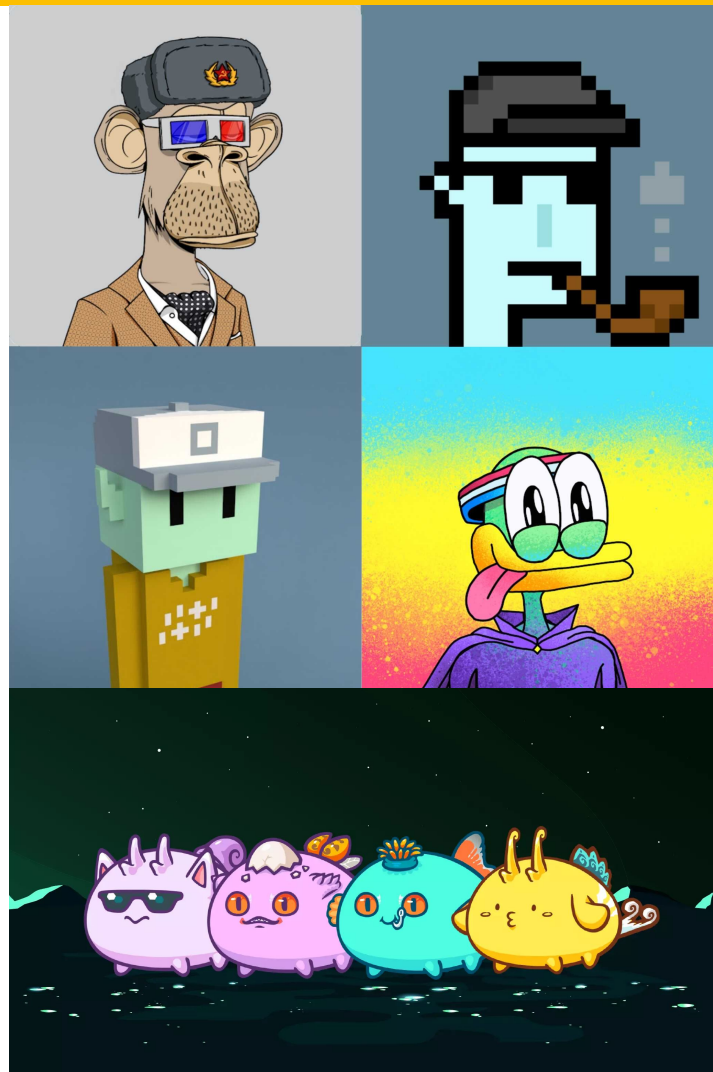
A Crypto Token

- ❏ Arbitrary Type of **Coin**
- ❏ Any Number Can be *Minted*
- ❏ Can always be exchanged by two wallets
- ❏ Can be financial, collectible, utilitarian, or ‘points’ for a game or loyalty program
- ❏ Value fully dependant on the project / community
- ❏ Most-valued ones can be traded on **Exchanges** for Coins or Fiat



Non-Fungible Tokens (NFTs)

- Unique and Singular (OR part of an *Edition*)
- Usually Associated With Image
  - But Can Have MetaData (Stats, Etc.)
  - Music, Video, Text, Etc.
- Acquired By:
  - Buying for Set Price via **Mint** (Sometimes Free)
  - The publisher **Airdropping** it into your wallet
  - Purchased on **Marketplaces** (OpenSea, Rarible, Magic Eden, Etc.)



02

Let's Debate:

The Proposition:

"Web3 Is Promising & Relevant for F2P Game Developers"

Topic 1: The Environment

Single Bitcoin Transaction Footprints

Carbon Footprint	Electrical Energy	Electronic Waste
1088.94 kgCO2	2292.50 kWh	289.80 grams
Equivalent to the carbon footprint of **2,413,459** VISA transactions or **181,489** hours of watching Youtube.	Equivalent to the power consumption of an average U.S. household over **78.58** days.	Equivalent to the weight of **1.77** iPhones 12 or **0.59** iPads. (Find more info on e-waste here.)

NFTs Waste a Huge Amount of Real-World Energy and are Deeply Environmentally Unfriendly!

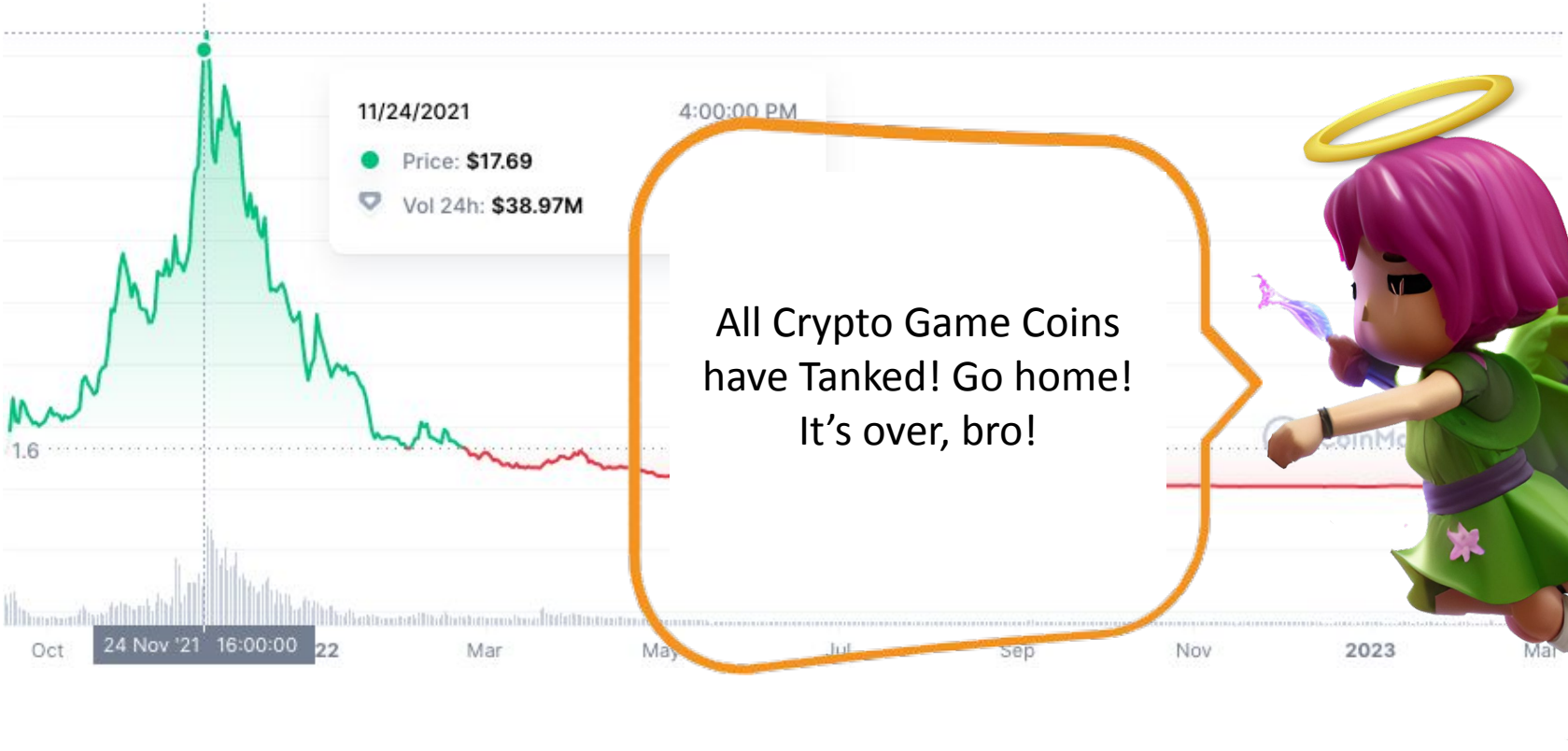
ACTIVITY	ENERGY USED, IN JOULES (J)
A single Google Search	1 kJ
A single SOLANA transaction	1.8 kJ
Using a fully-charged iPhone 13 on battery	44.6 kJ

Most Games Use “Proof of Stake” Chains (*Solana, Tezos*, and now *Ethereum* too). Or they use Layer-2 Rollup Chains (*Polygon, ImmutableX*) – With Negligible Energy Use and Fees

Topic 2: Crypto Already Failed!

Game	Active Users (24 Dec 2021)	Active Users (22 Dec 2022)	Transaction Volume (24 Dec 2021)	Transaction Volume (22 Dec 2022)
Axie Infinity	227.87K	9.05K	$33.64M	$1.12M
Alien Worlds	176.15K	215.74K	$921.38K	$52.88K
Splinterlands	316.72K	187.15K	$8.85K	$284

Active Users and Transactions of Top Blockchain Games 1-Year Comparison


11/24/2021
4:00:00 PM
Price: $17.69
Vol 24h: $38.97M
1.6
Oct
24 Nov '21 16:00:00
22
Mar
May
Jul
Sep
Nov
2023
Mar
All Crypto Game Coins have Tanked! Go home! It's over, bro!

Coins from Most Web3 Projects Have, Indeed, Steeply Dropped From Their Outsized Peaks… (Like Most Stocks)

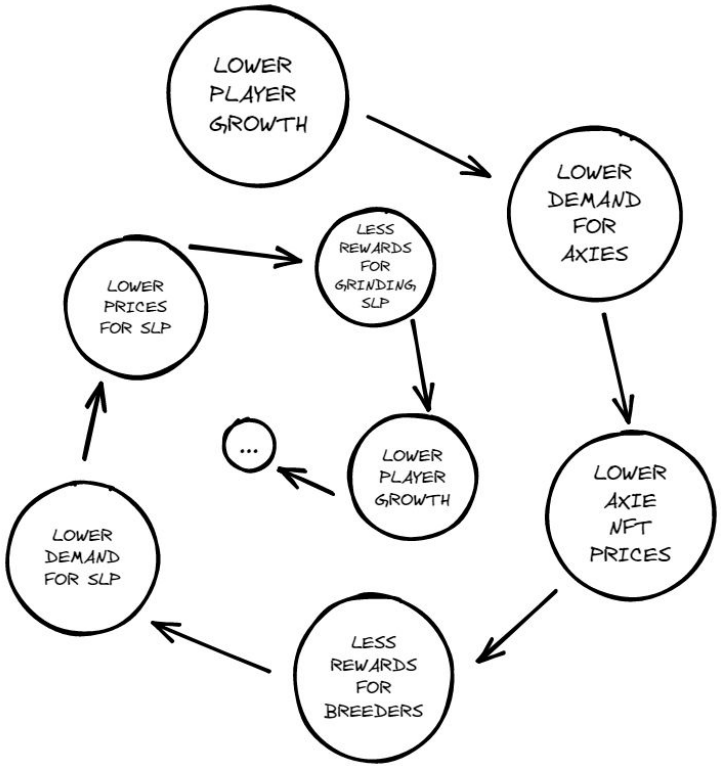
Weak Projects Die, Just Like Weak Startups.

But at the New Baseline, Popular Games Are Holding Steady and Beginning to Grow Again. And the Most Popular Projects, Like **Bored Ape Yacht Club's *Dookie Dash***, Are **Mega-Hits** By Any Standard!

BUSINESS **February 16, 2023**

Yuga Labs' 'Sewer Pass' NFTs Surpass $70 Million in Sales in Less than 30 Days

Topic 3: It's All Ponzis



Source: Naavik

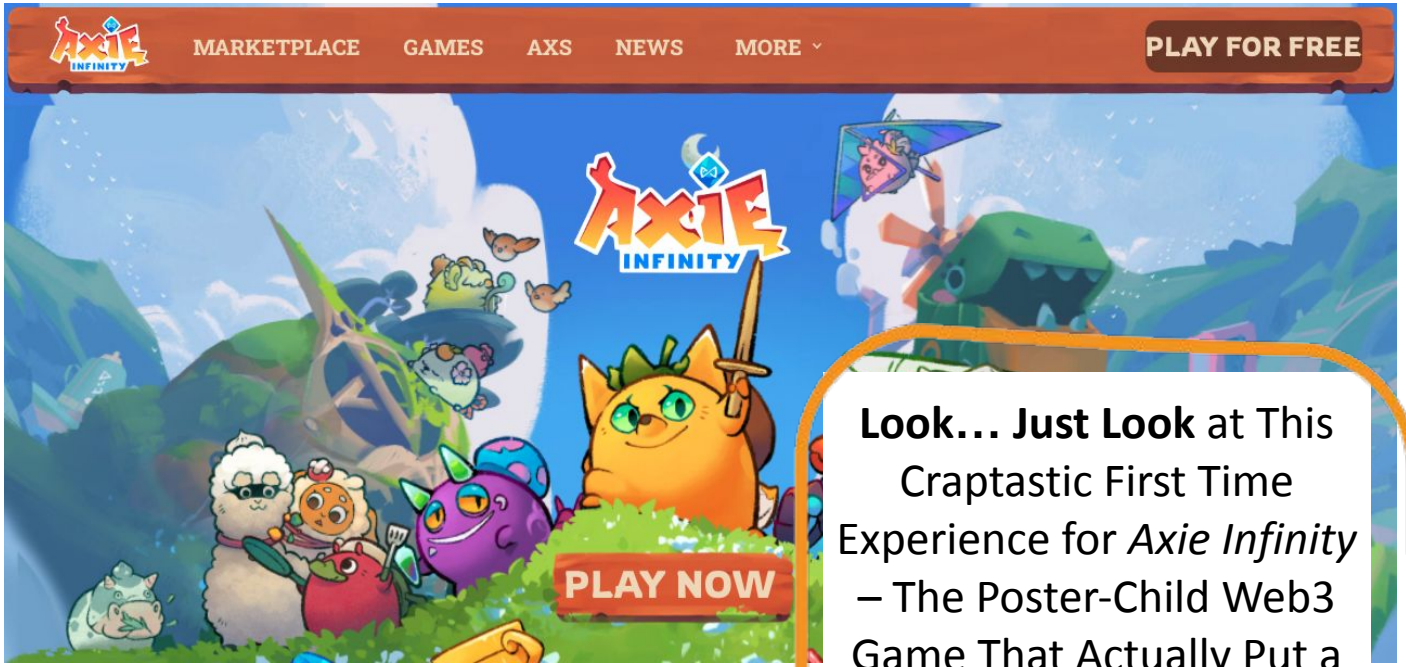
Most High-Flying Web3 Games – *Stepn, Axie Infinity*, Etc – Were Ponzis – Only Growing While More Players Cashed In, Then Crashing As Soon as the Audience of Suckers Stopped Coming

Many Game Economies Were Indeed **Unsustainably Inflationary** – With Short-Sighted Economic Design.

(There Were a Few Outright Ponzi-Style Frauds Too).

But, Again, The Games That Made It Through (And Most New Ones Launching) Are Built On More Thoughtful Economics Where Every Player Isn't Expecting To Earn Without Spending First.

Topic 4: Onboarding SUCKS



Look… Just Look at This Craptastic First Time Experience for *Axie Infinity* – The Poster-Child Web3 Game That Actually Put a Lot of Care And Hand-Holding Into Onboarding!

1 Create Ronin Wallet — 2 Getting Axies — 3 Account Setup — 4 Download & Play

Create Your Ronin Wallet

Ronin Wallet is your boarding pass to our digital nation

Download & setup

Extension

- Chrome
- Firefox
- Edge

Mobile App

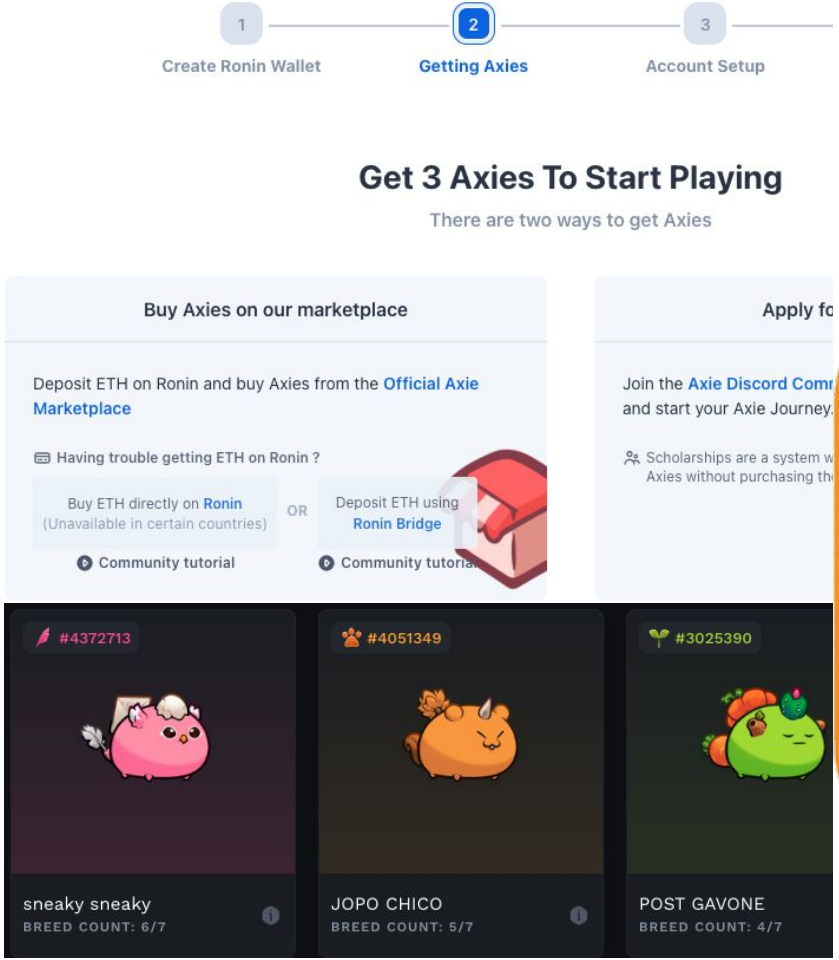
- Google Play
- App Store

Create your Ronin address

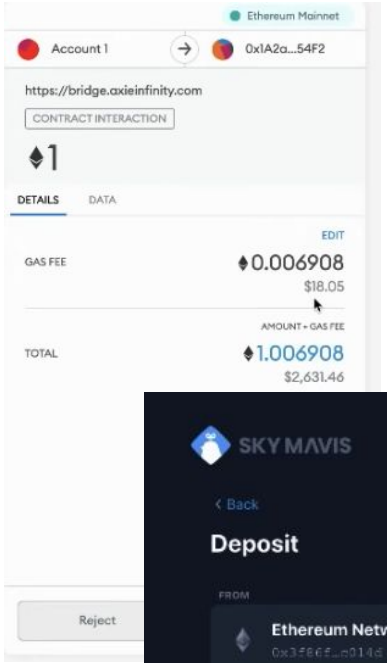
What is Ronin Wallet for?

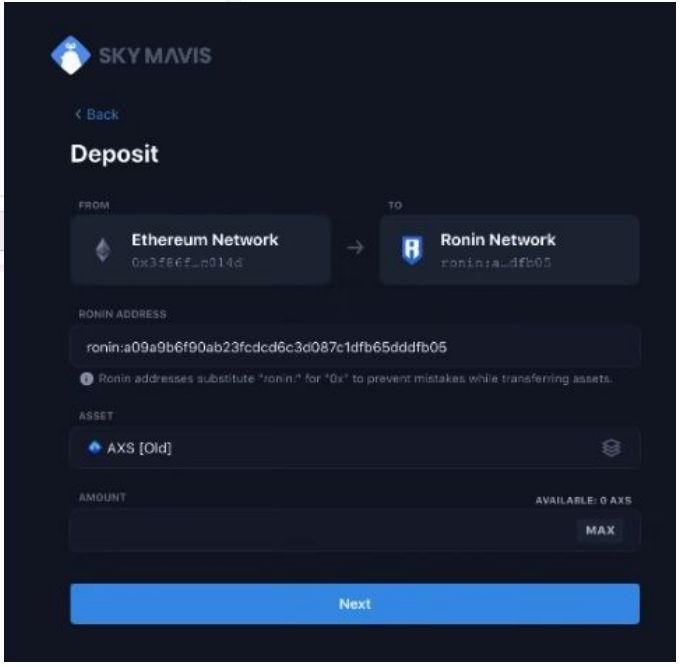
- Storing digital assets such as Axies and ETH.
- Sending Blockchain transactions without payin
  expensive gas fees.

Download Some Shifty Chrome-Plugin?



Spend Money Buying These Axie Things Before Playing?

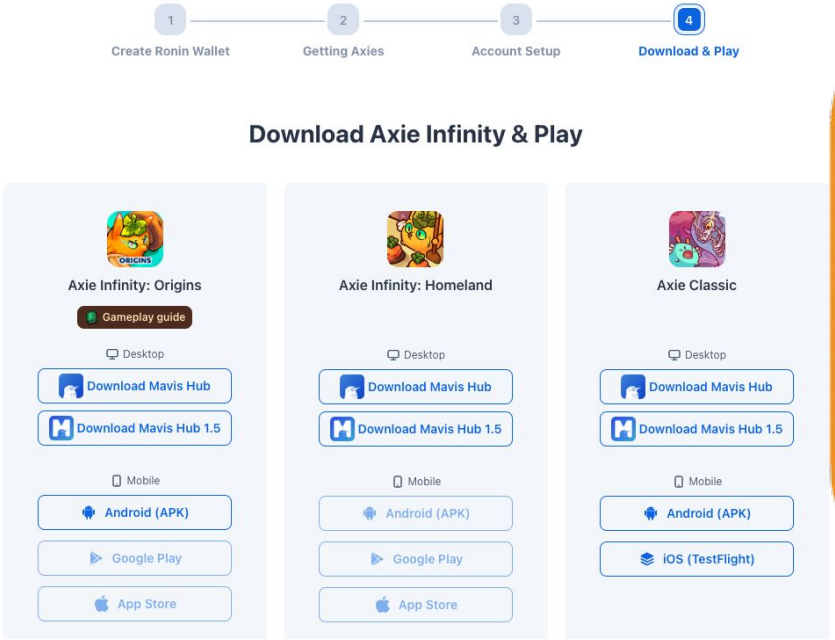




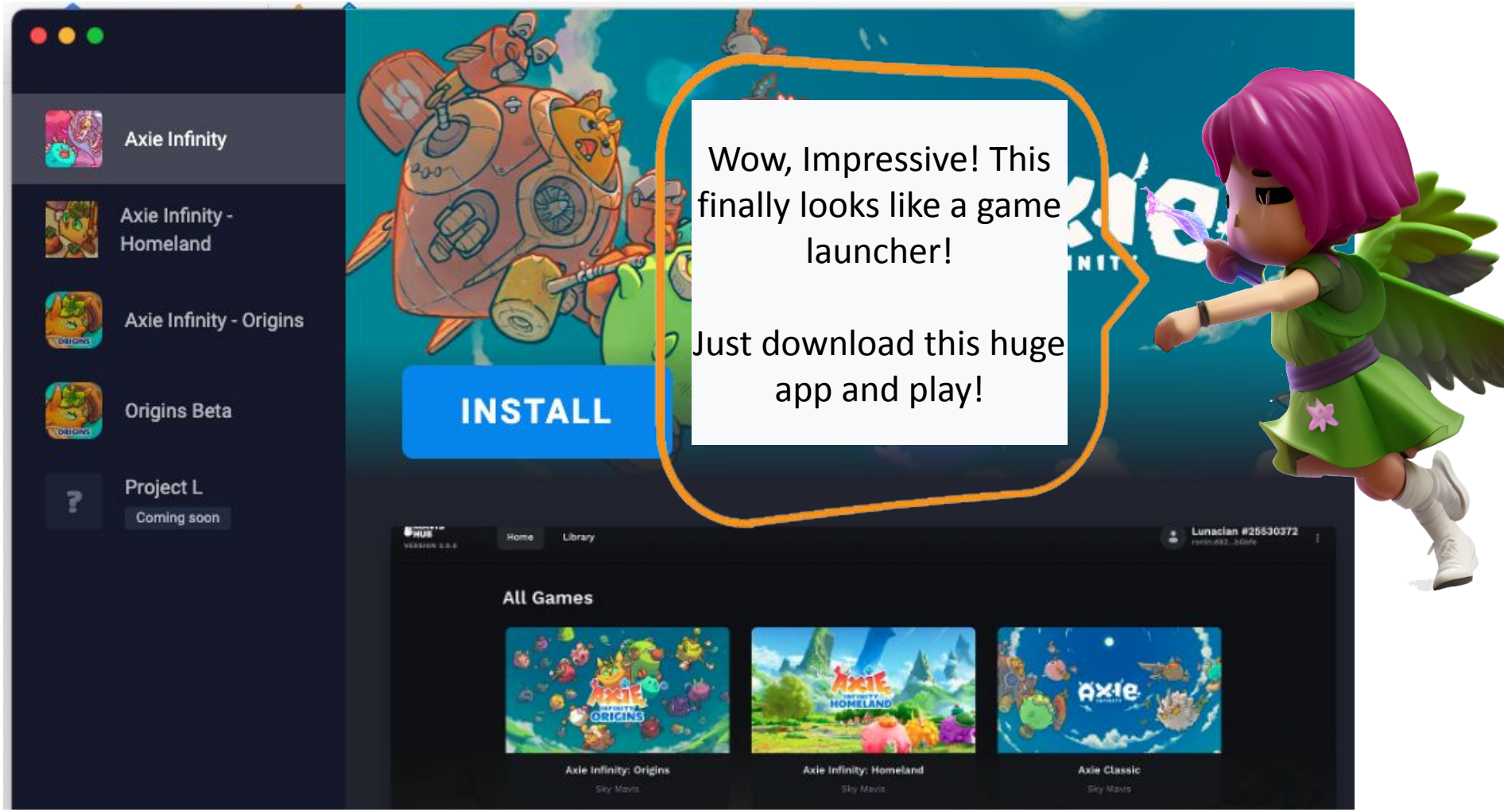
Now Figure Out How to Buy Some Eth With These Crazy Random Fees?

Then Wait *How* Long?

Then *Pray*?



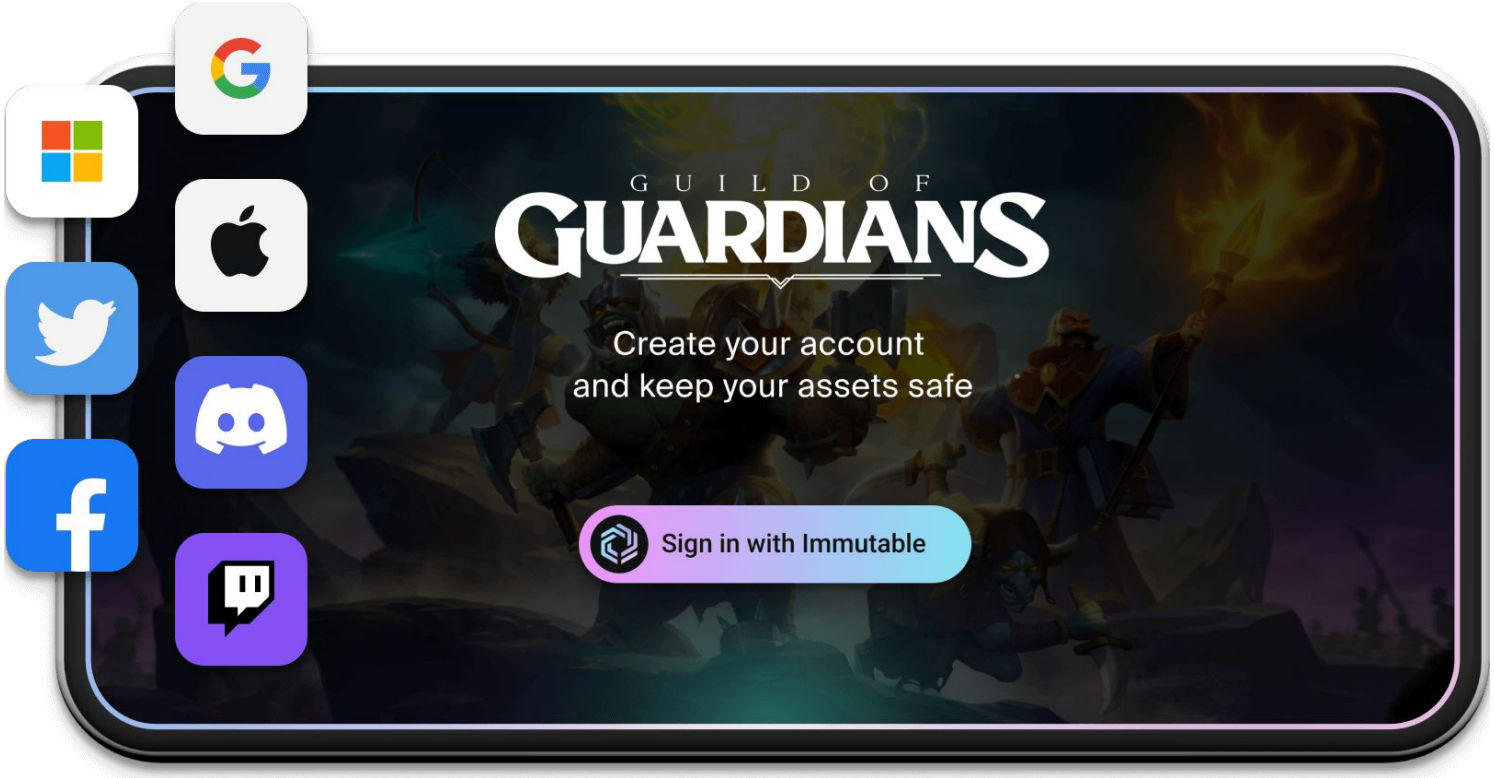
Download Some Strange Software on my PC or Side-Load It On My Android?

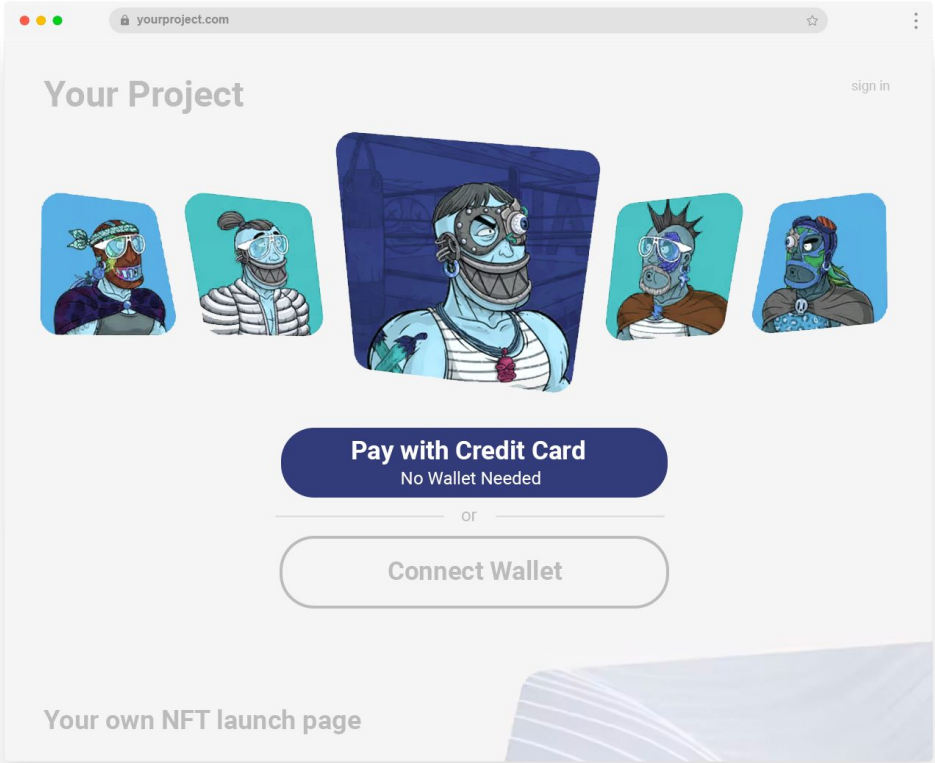

Axie Infinity
Axie Infinity - Homeland
Axie Infinity - Origins
Origins Beta
Project L
Coming soon
INSTALL
Wow, Impressive! This finally looks like a game launcher!
Just download this huge app and play!
Home
Library
Lunacian #25530372
All Games
Axie Infinity: Origins
Sky Mavis
Axie Infinity: Homeland
Sky Mavis
Axie Classic
Sky Mavis

Ok, ok! There’s a Lot of First Generation Crazy Hoop-Jumping For A Tech in its Infancy and Based on Principles of Security.

But Many New Web3 Games Are Available In App Stores And Play Like Any F2P Title!

Others Are Web-Based and Use Cloud Wallets - A Click or Two to Pay and Play!


GUILD OF
GUARDIANS
Create your account
and keep your assets safe
Sign in with Immutable


yourproject.com
Your Project
sign in
Pay with Credit Card
No Wallet Needed
or
Connect Wallet
Your own NFT launch page

Chameleon Soldier, Concealed Operative – Emergents TCG Card

Volta - Drew Moss, Volta - Yulia Ptitsyna

Serial #: 16

This unlocks your copy of Chameleon Soldier, Concealed Operative in game.

Faction: Strongarm
Card Type: Character
Cost: 4 Energy, 2 Strongarm

Ability:
If your rival controls no characters, Chameleon Soldier is unaffected by actions.

Description:
"Nothing is showing up on the scanners sir."

Purchase options

3 ৳ OR $3.38

Topic 5: There’s No Real Addressable Audience

Topic 6: F2P Economy Design is Counter to Crypto Economies

Topic 7: Apple and Google Rules Make NFTs Impossible

Counter Those, Fool!

Slow Down, Angel.

This Requires a Whole New Section…

03

Web 2.5

F2P + Web3 Best Practices

Using Current Real-World Examples

NFTs as Collectible Cards in Trading Card Games (TCGs)

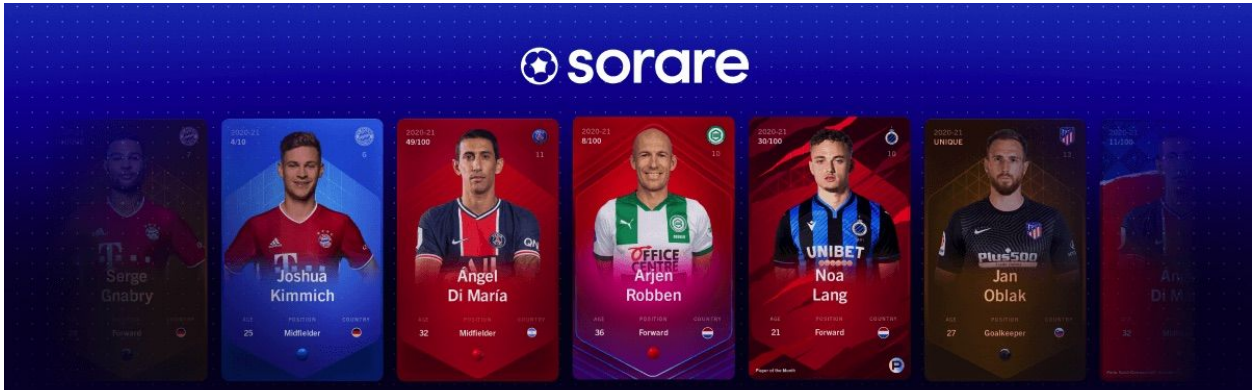
- Most have *Free to Play* starter cards similar to *Hearthstone, Magic The Gathering* or any other TCGs
- But packs + better cards on-chain
- Tournaments give valuable rewards
- Fully exchangeable - no restrictions
- *Rental* model

Tournaments w/ Real Rewards

- ❏ May need to pony up to play...
- ❏ But can win valuable tokens
- ❏ Or NFTs that can be cashed in.

… Or Other “Collectible Card” Games

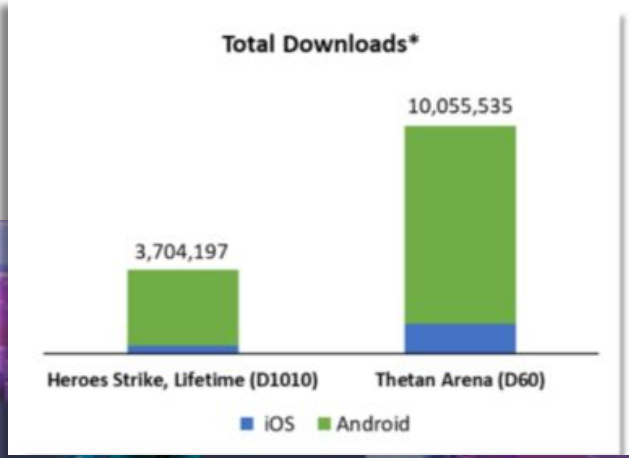
- ❏ Fantasy Sports Teams
- ❏ Any existing game where “Collection” and “Trading” is Core
- ❏ Etc.

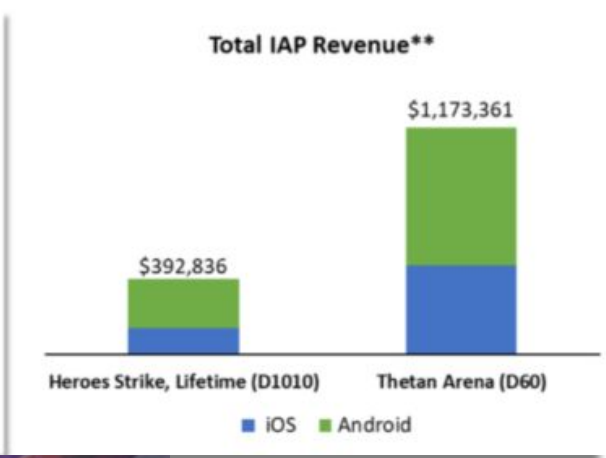


Give Out Crypto As a *Real* Reward / Incentive

- Alternate Form of Marketing / Retention
- **ZEBEDEE** Platform Gives Out Small Bitcoin Rewards - Gift Cards or Cash Out
  - *Bitcoin Miner* – stale game attracted 1M Players!
  - *Wheel of Trivia* saw huge IAP and Ad revenue bumps
  - *Big insight:* People sure do like free money!

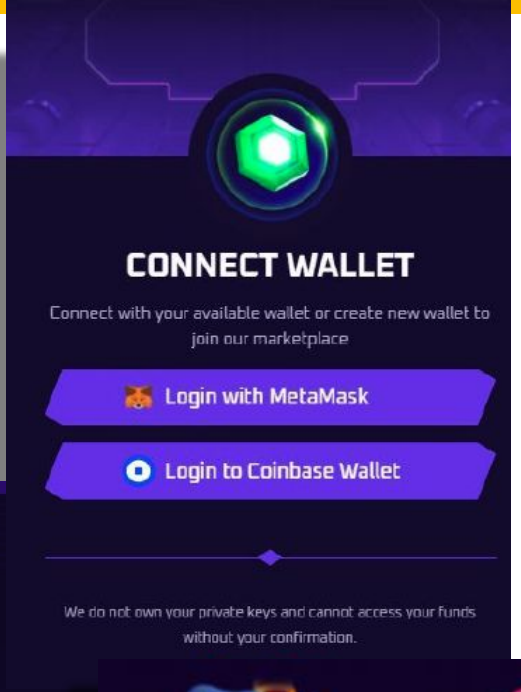
Thetan Arena MOBA Example

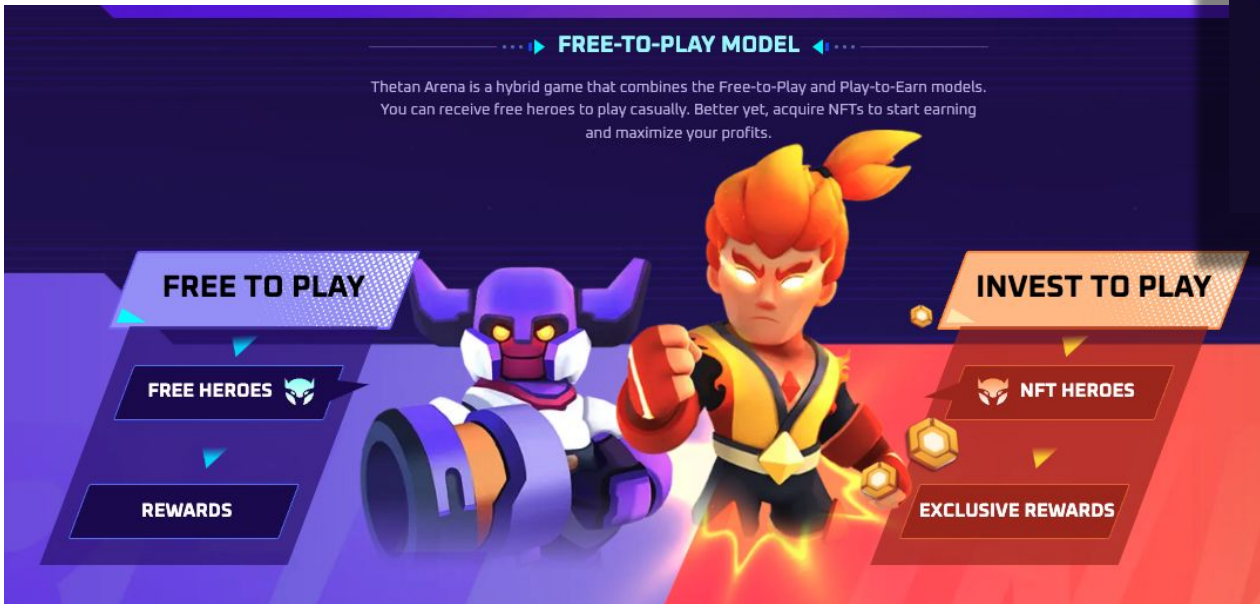




Web3 As Elder-Game Feature

- Normal F2P MOBA
- Optionally Use Web3 Heroes For Deeper Competition w/ Rewards

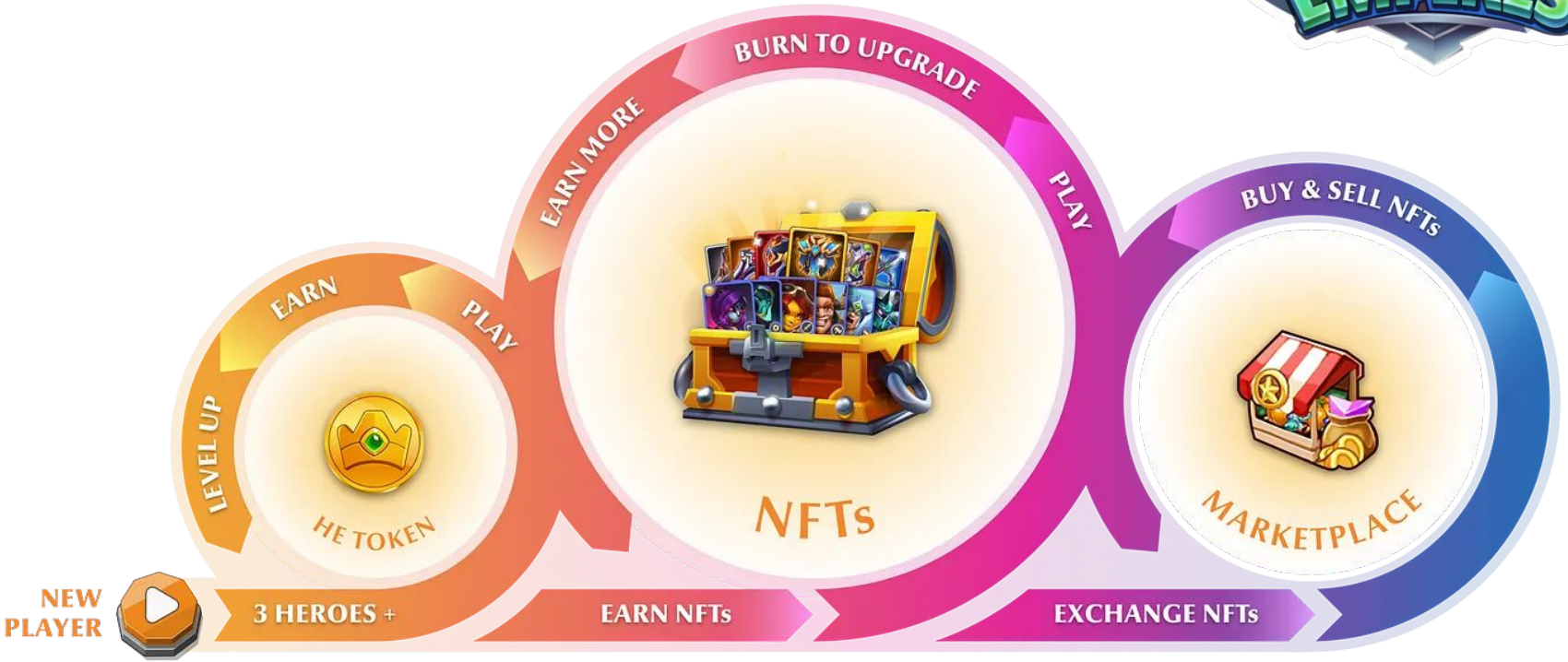




Another Example: League of Kingdoms

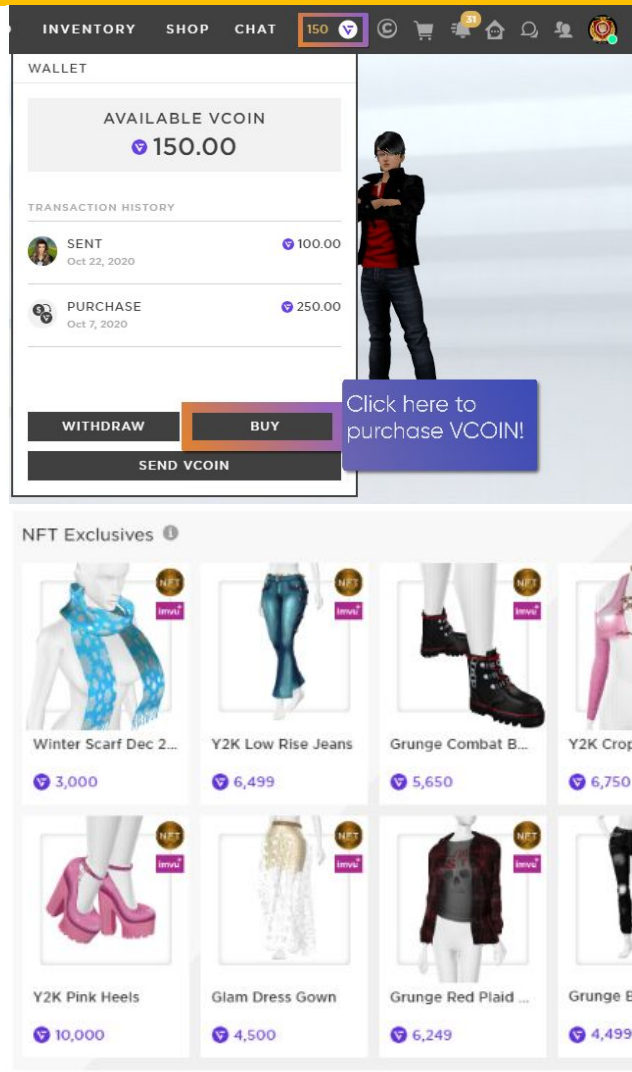
- F2P “MMO” 4x Game
  - iOS / Android
- Blockchain Features for Whales / Power Players
  - Alliance Leaders can Own **Land** (And Earn Reward Tokens)
  - Or **Vote** / **Share in Growth** w/ Separate Governance Token

Emerging Hybrid Model...



IMVU: Nice UGC Example

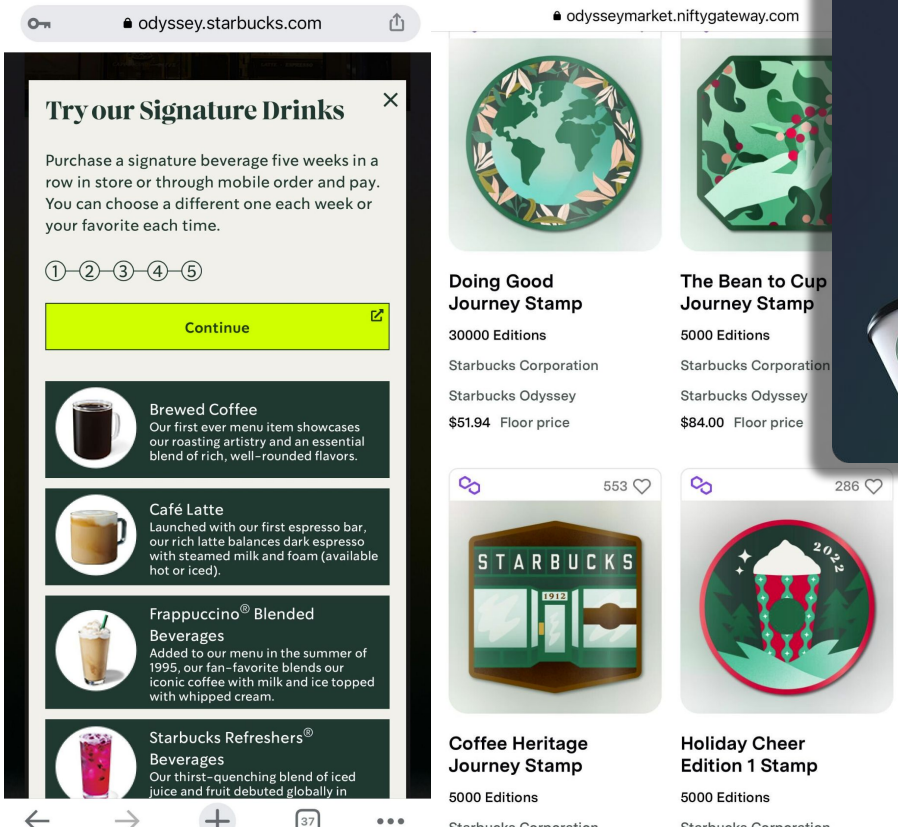
- ❏ Optional - Alongside “Normal” In-Game Accessories
- ❏ NFT Exclusives and Limited Editions
- ❏ VCoin “Stable Coin”
- ❏ “Gigs” Platform: Pay People to Create for You
- ❏ 750K Wallets

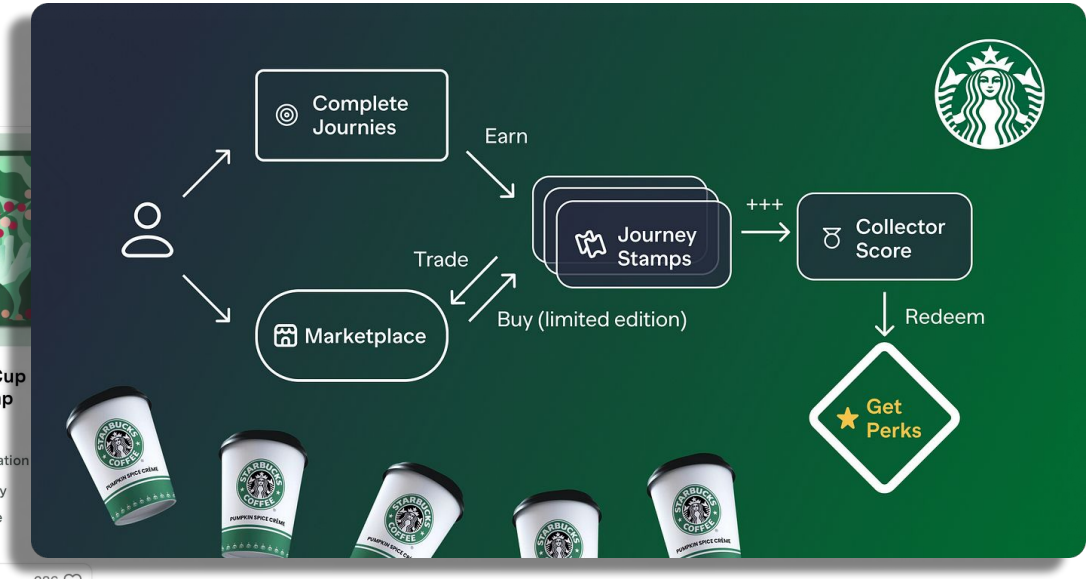


Joyride Skill Games:
Solitaire Blitz, Trickshot Blitz, Blackjack Blitz, Etc.

- Similar model to Skillz, Pocket7, Etc.
  (Top Games In Mobile Casino Category)
- Deposit via Credit Card, PayPal etc.
- Cash out as $RLY Crypto

Starbucks Odyssey

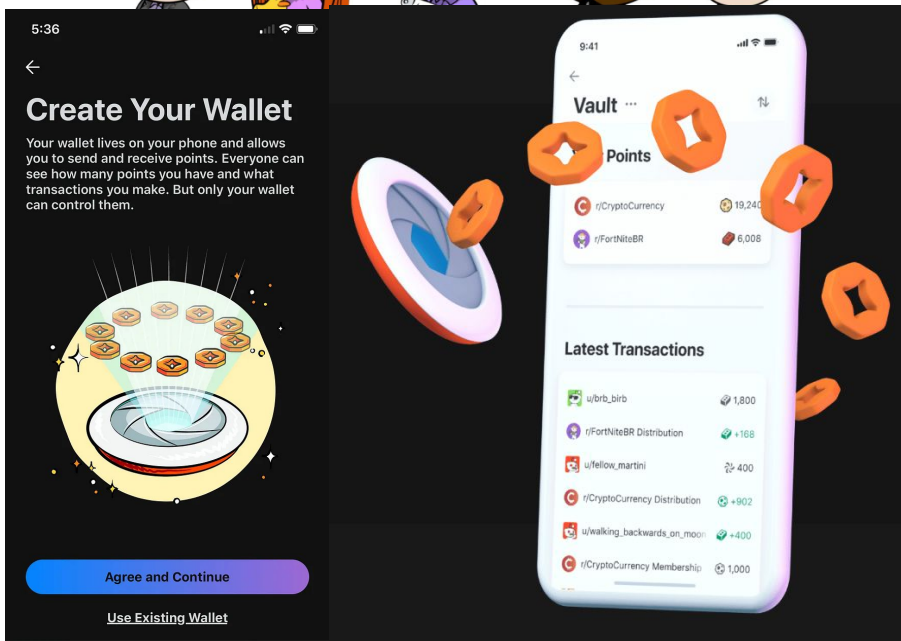




- ❏ Unique “Journey Stamps”
- ❏ In-Beta
- ❏ No “Crypto Onboarding” – Just Works w/ Existing Loyalty App
- ❏ In-App Marketplace

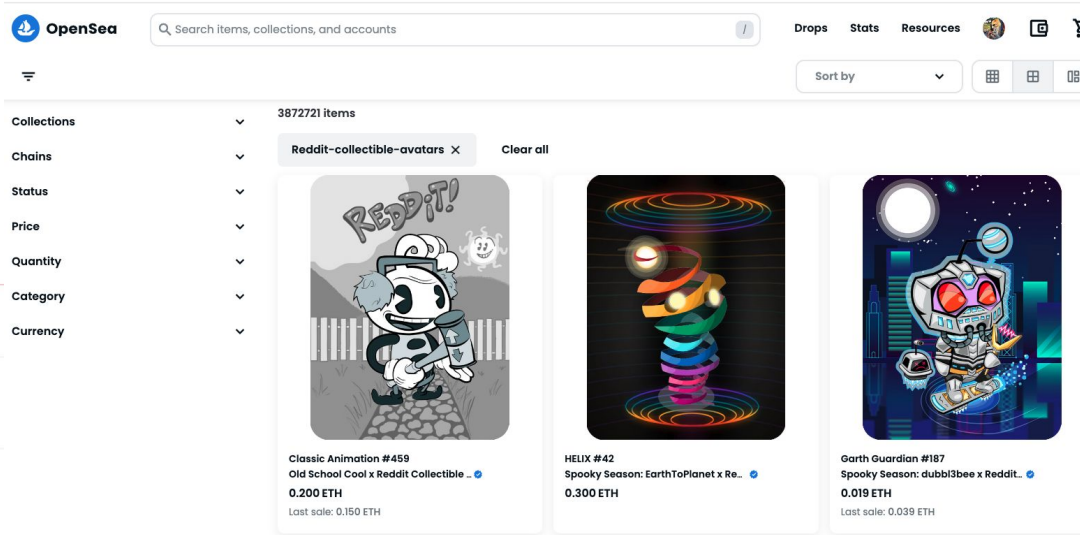
Reddit Avatars

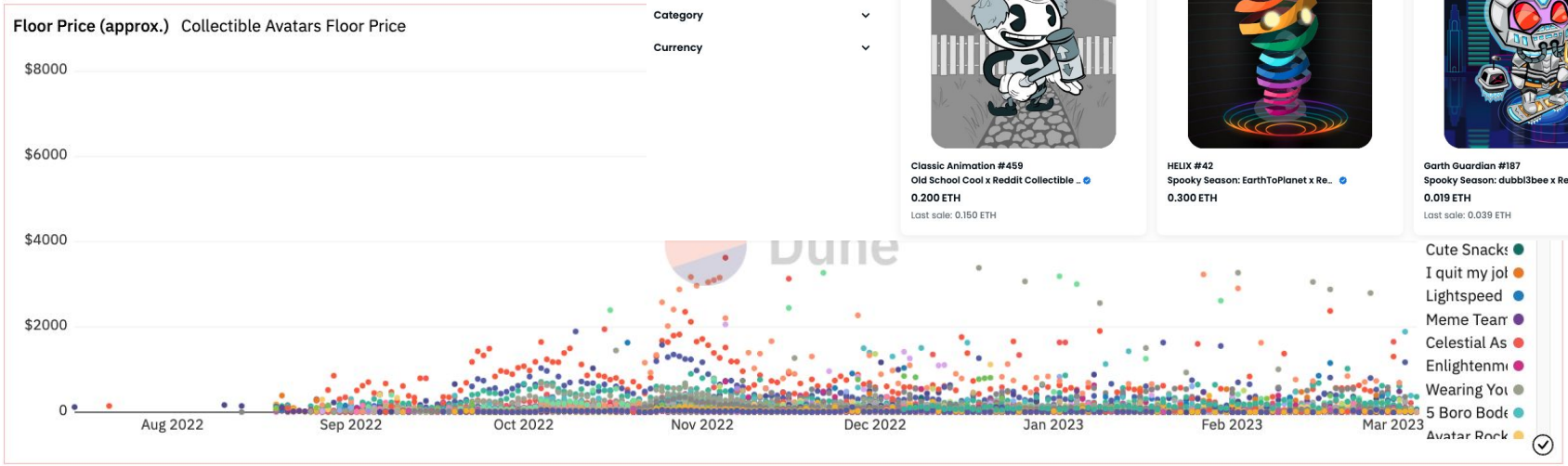
- Seamless onboarding:
  - Mint first basic one free
  - Some rare / lucky attributes
  - Mix and match gear
- Create “Vault”
  - Custodial wallet - keep keys on Reddit
  - Or keep own keys
- Buy Limited Edition From Collections
  - Sell Out Quickly
  - One made $2.5M in one day



Reddit Avatars - On-Chain, Off-Reddit

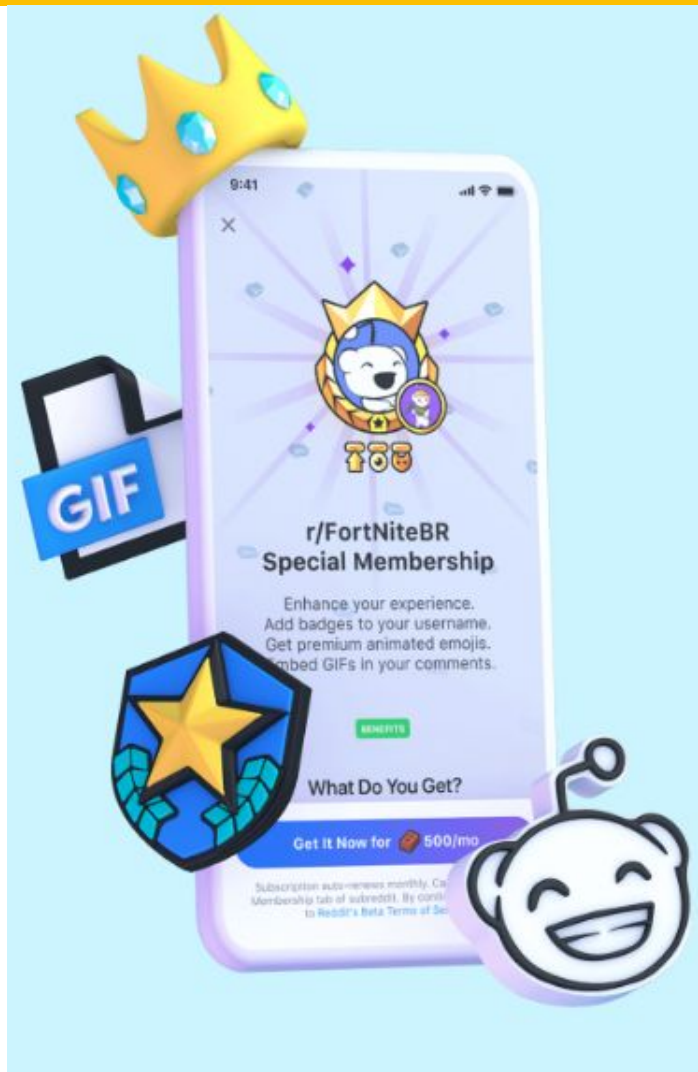
- ~7M Redditors Have Avatars
- Can Put for Sale on OpenSea, Etc.
- Floor price around $5
- Rare ones a few Thousand $





Coming: Reddit Community Points

- Community Points Token
  - Each subreddit can have own token/symbol
  - Prizes or incentive for best posts
  - Tip to appreciate great comments
  - Weighted polls to make decisions
  - Unlocks special memberships, awards, etc.



04

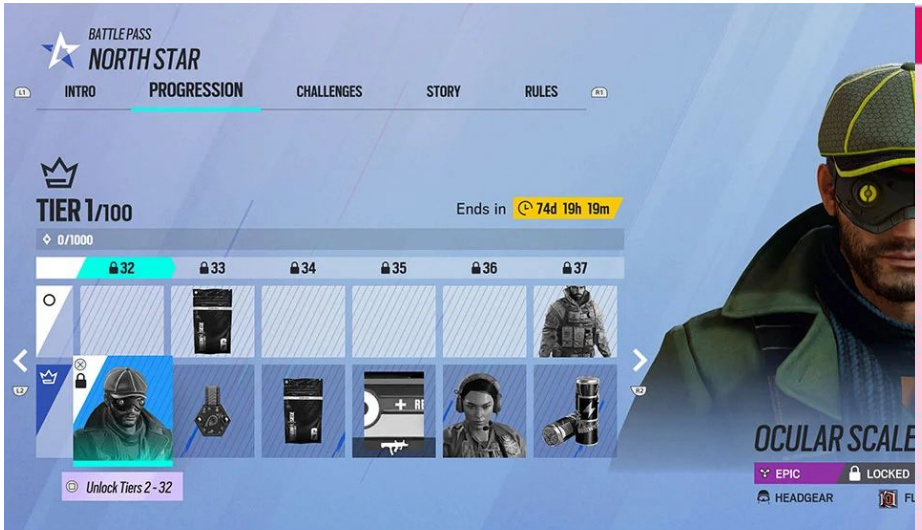
Grab Bag of Crazy Ideas For Future

NFTs as Achievements / Proof of Expertise

- ❏ Profile fully cross-game and cross-platform
- ❏ Airdrop accounts with these NFTs free tokens and more NFTs
- ❏ Gate access to certain game power-ups or features

NFTs as Battle Pass / Mega-Quest Reward

- ❏ Mix transferrable (NFT) and non assets
- ❏ Make it to the end, get an NFT skin you can show off / use
- ❏ … Or sell for a little $$!



Day	Reward Type	Reward Description	Non-Transferrable Reward $ Value	Transferrable Reward $ Value
0	Battle Pass Cost	Monthly Pass	($10.00)	($10.00)
1	Token	10 Tokens	$0.33	$0.33
2	NFT	Common NFT	$0.17	$0.17
3	Currency	100 In-game Credits	$0.33	
4	Skin	Common Skin	$0.17	
5	Token	15 Tokens	$0.50	$0.50
6	NFT	Uncommon NFT	$0.25	$0.25
7	Currency	200 In-game Credits	$0.50	
8	Skin	Uncommon Skin	$0.25	
9	Token	20 Tokens	$0.67	$0.67
10	NFT	Rare NFT	$0.33	$0.33
11	Currency	300 In-game Credits	$0.67	
12	Skin NFT	Rare Skin	$0.33	$0.33
13	Token	25 Tokens	$0.83	$0.83
14	NFT	Epic NFT	$0.42	$0.42

NFTs For Community Access

- ❏ VIP Members vs. Dabblers
- ❏ Premiere access to Game Devs / Support on Community / Discord Channels
- ❏ Whitelist For Top Events / Mints
- ❏ In-Game Item Freebies and Discounts

Game Governance Tokens Becoming Common / Expected

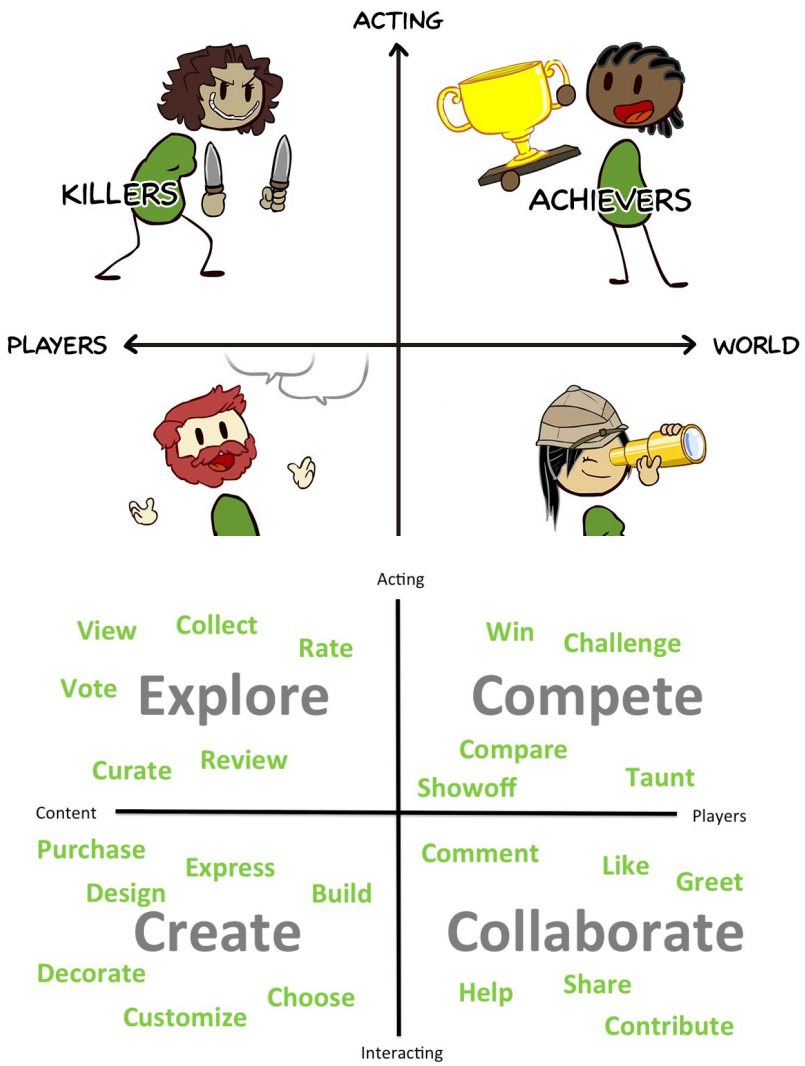
- **Investment**: Go up in value as game grows
- **Involvement**: Vote on big decisions / game design questions

- Some govern *Game Platforms*
  - $GALA (Gala Games)
  - $ENJ (Enjin Coin)
  - $SAND (Sandbox)

- Others for Specific *Game*
  - $AXS (Axie Infinity)
  - $SPS (Splinterlands)
  - $POLIS (Star Atlas)

“Beyond Bartle”
Additive Web3 Player Personas

- **Investors - “The Diamond Handed”**
  - Staker – Small Profit-Maker
  - Land-Holder / Big Rent-Taker
- **Believers - “The WAGMI Crew”**
  - Want Feeling of Co-Owning The Game
- **“True” Collectors**
  - Keen Observers of Rarity and Scarcity
  - Want Open Transferability
  - For Own Satisfaction
  - Or To Show Off



Adding “Skin to the Game”
Web3 + eSports Streaming + F2P

Dr Disrespect
@DrDisrespect

Imagine trying to ‘extract’ with an item you discovered worth $100,000 on the chain.

Think about entertainment value as a viewer let alone player.

A new pvp experience is upon us...

6:17 PM · Mar 5, 2023 · **5.9M** Views

1,409 Retweets **1,377** Quote Tweets **15.8K** Likes

05

Conclusion

Web3 Isn't the End-All-Be-All
But it *is* a Useful Tool

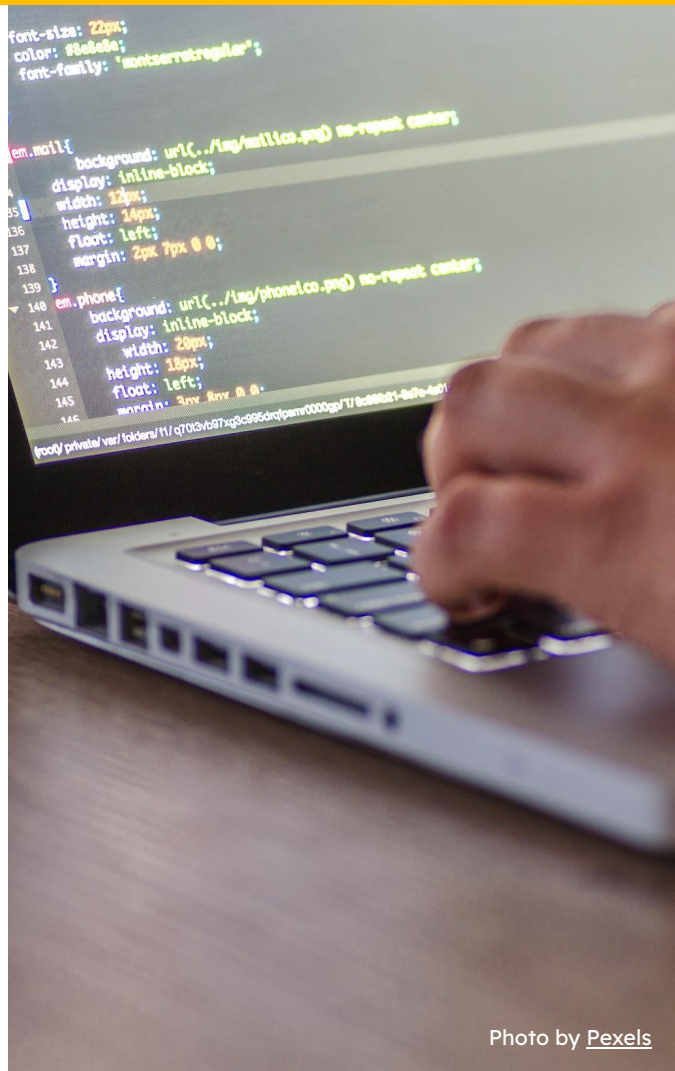
- Allows For Wider / Deeper Experiences
  - Different *Types* of Games
  - More Varied Textures of Fun!
  - Bringing In More Player Personas
- New Biz Models
  - More Ways to Raise $
  - Alternate Revenue Sources in Tough Market
  - Players Can Partake & Profit Too!

06

References / Tools / Questions!

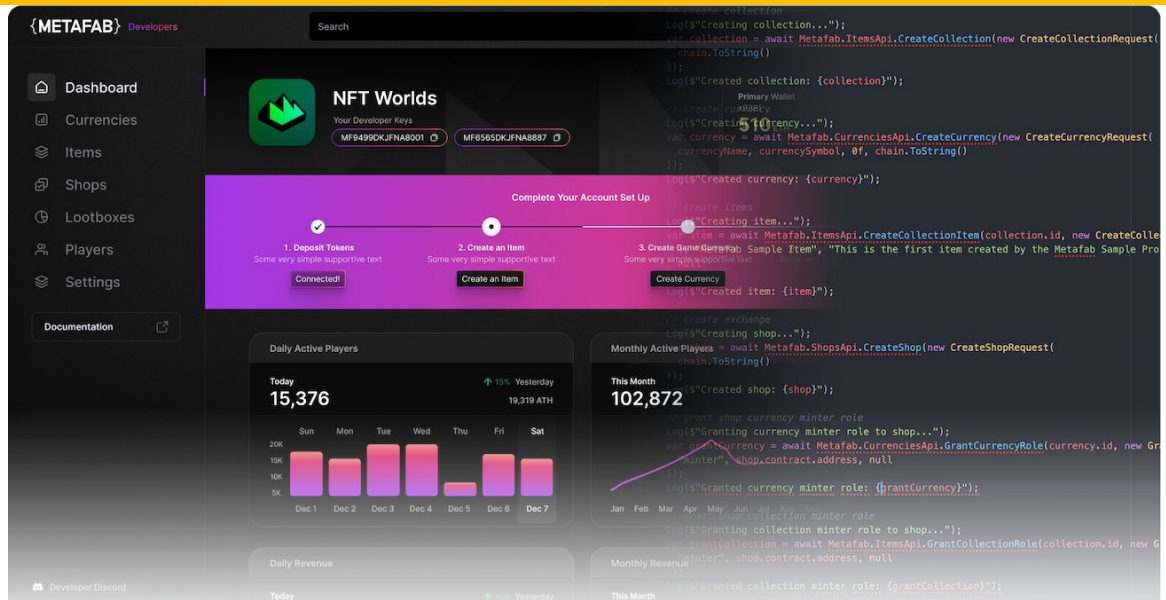
Platforms + SDKs To Handle the Tough Crypto Stuff

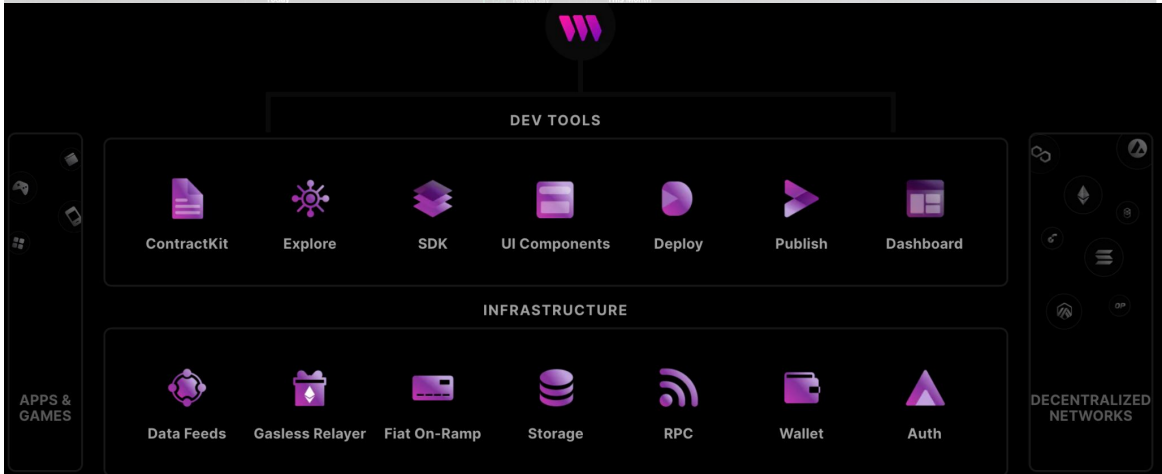
- Wallet Creation
  - Tied to Simple Google / FB / Twitter Account
  - Or “Keep Own Keys”
- Token Stuff
  - Purchasing with Credit Card
  - Minting
  - Allocation
- NFT Stuff
  - Minting
  - Airdropping
  - Custom In-Game Marketplace



“Crypto as a Service” Examples:

- ❏ Metafab
- ❏ Sequence
- ❏ Stardust.gg
- ❏ Fractal.is
- ❏ ThirdWeb
- ❏ GameBridge
- ❏ Vessel
- ❏ Nefta
- ❏ Altura
- ❏ QAF NFT
- ❏ HyperPlay
- ❏ Venly
- ❏ Etc.
- ❏ Etc.
- ❏ Etc.!



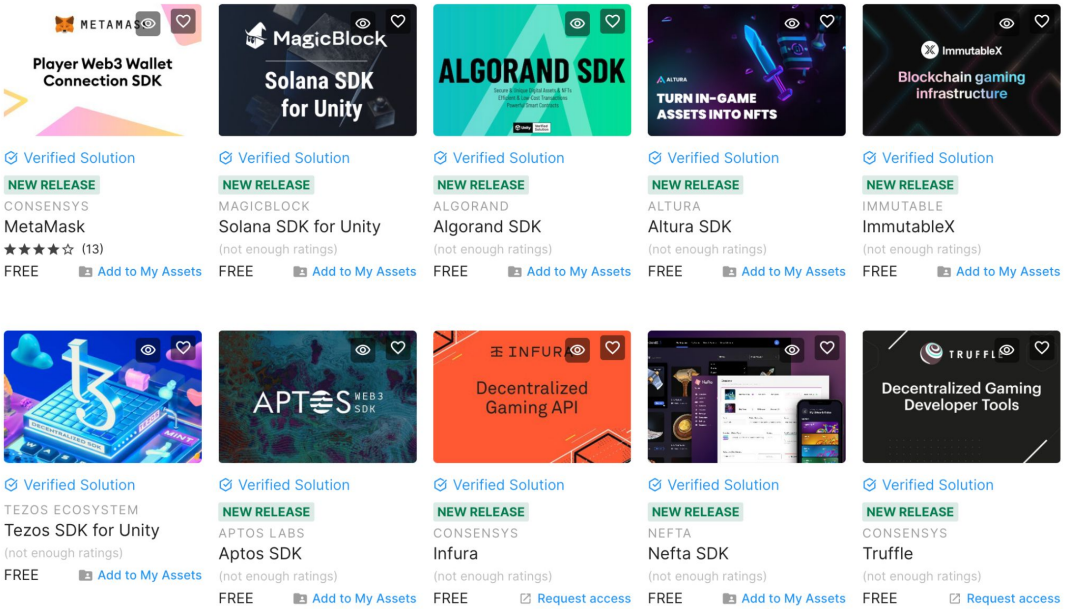


Web3 Node APIs

- Creates “Node”
  - Cloud Infrastructure
  - Let’s Web2 Talk To Blockchain
  - Secure & Fast
- Examples:
  - Moralis
  - Tatum
  - Infura
  - QuickNode
  - Alchemy

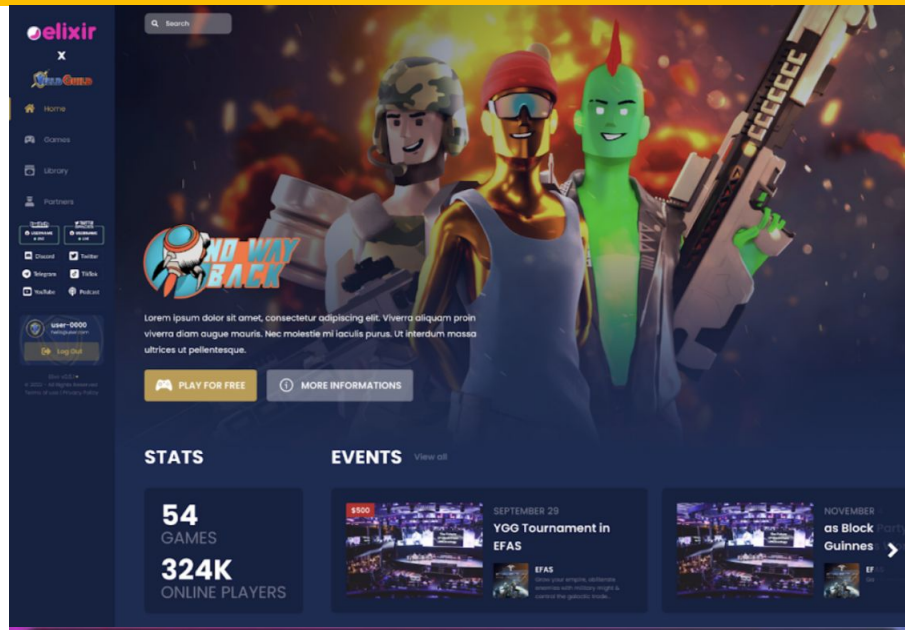
Examples of Blockchain-Specific SDKs

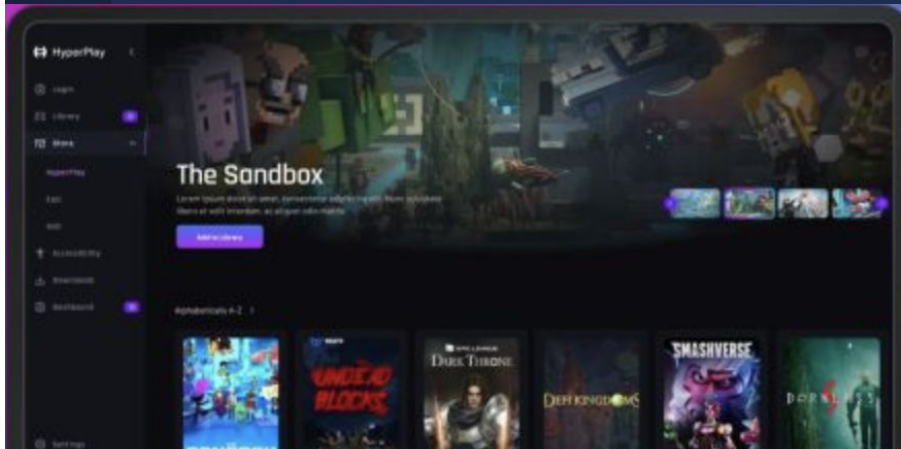
- Usually Web-Based / Unreal / Unity
- Examples:
  - Chainsafe SDK
  - Forte SDK
  - Flow SDK
  - Algorand SDK
  - Tezos SDK
  - Solana SDK
  - Immutable Passport

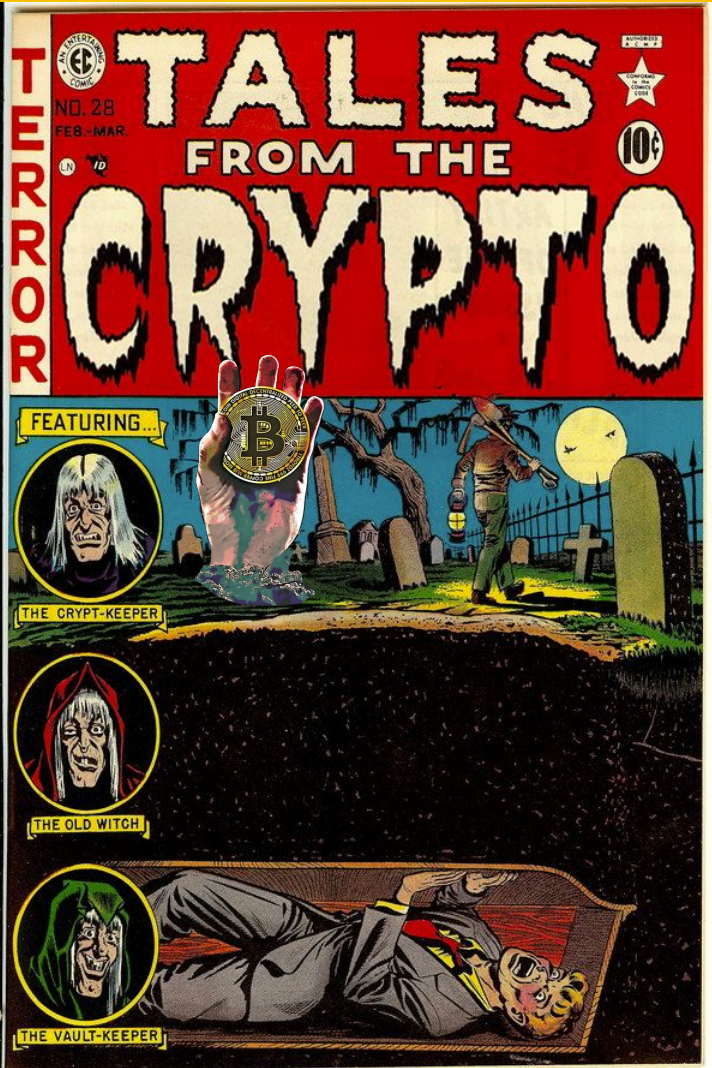


Launchers

- For PCs....
  - Like Valve's *Steam* or *Epic Store*
  - Discovery of New Games
  - Easy Digital Downloads
  - Game Library
  - Easy Client Patches / Updates
  - Securely Launch and Play
- Examples:
  - HyperPlay
  - Elixir
  - Flame Store
  - Also... Epic Store Itself







Thank You!

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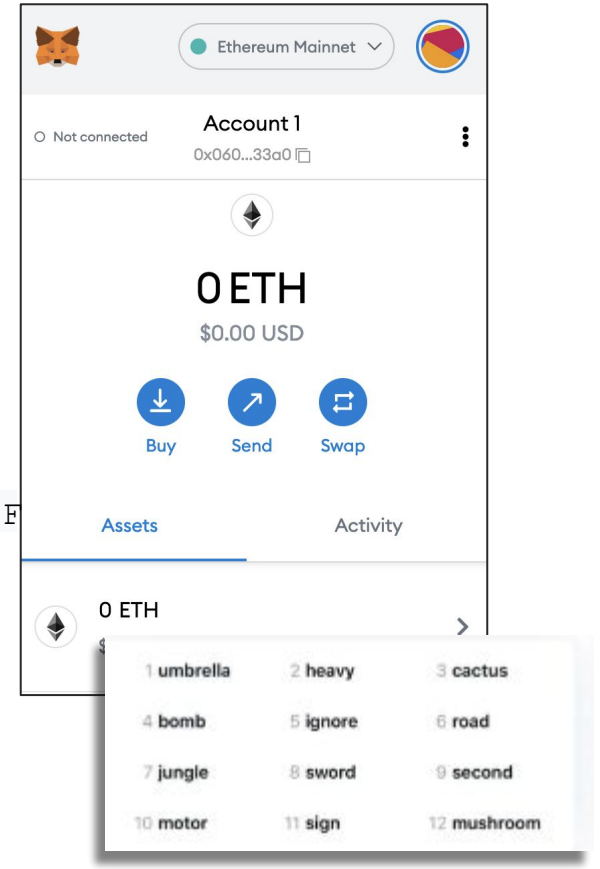
Wallet Types

- **Custodial:** Someone Else Keeping Your Key “Safe”
  - Exchanges (Coinbase, Kraken, Binance, Etc.)
  - Cloud Wallets (Email/Pass or Google / FB Login)
- **Non-Custodial:** 100% Control
  - Can’t Access w/o a Private Key E.g. `E9873D79C6D87DC0FB6A5778633389__F4453213303DA61F20BD67FC233AA33262`
  - Made “Friendlier” With a *Recovery Phrase*
  - Various Types
    - Browser Plug-Ins (*Metamask*, *Coinbase Wallet*)
    - Desktop App
    - Mobile App
    - Hardware Wallet - USB Stick