

# **FRICTIONLESS OPEN MARKET GAMING**

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# YES

✓ OPEN MARKETS  
OWNERSHIP AFFORDANCE  
UPSIDE POTENTIAL  
DESIGN CHALLENGES  
DESIGN APPROACHES

# NO

✗ HOW BLOCKCHAIN WORKS  
DIFFERENT BLOCKCHAINS  
GAMEFI ECOSYSTEM  
MAGIC BULLETS  
DIGITAL ASSET REGULATION

**HELLO, MY NAME IS:**

DON NORBURY



**SHRAPNEL**





SHRAPNEL

With Blockchain-enabled gaming...

**1**

**OPEN MARKETS ARE INEVITABLE**

**2**

**MACROECONOMICS MATTER**

**3**

**FREE-TO-PLAY IS HARD(ER)**



# — DEFINE “HARDER”

How is it harder, exactly?



## THE ECONOMIC DESIGN

Designs must balance macro and microeconomics with every altitude of the engagement loop – and must offer a free on-ramp to a value-laden ecosystem.



## THE USER FRICTION

Web3 UX is terrible. We need people to jump in and play immediately without caring about the technology.



## THE OPERATIONS

Setting up company structure, protocol foundations, who-does-what, and the flow of funds is a new art and science.

# OWNERSHIP AFFORDANCE

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- Meaningfulness directly correlated to affordance
- Affordance can be emotional/personal or utilitarian
- Ex: Ferrari in the woods has limited affordance



# BUY AND SELL

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- Two best days in a boat owner's life
- Fundamental affordance of ownership
- Network affordance

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# COMMAND ECONOMY

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Fully centralized control of resource allocation  
Most games are some variation of command economy  
Most designs are highly focused on microeconomics



## DEFINITION

# OPEN MARKET NOUN

: a freely competitive market in which any buyer or seller may trade and in which prices are determined by competition



# PLAYER DRIVEN ECONOMIES

Closest existing analogues to open market design.

**Key Takeaway:** EVE and OSRS are excellent comps (valuation, take-rate, stockpile value, etc.)

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# DIGITAL ASSET CLASSES

(In Games)





# NFT

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- Non-fungible token
- Everyone is familiar with this one
- Purest form is 1/1
- “Collections” still have unique items

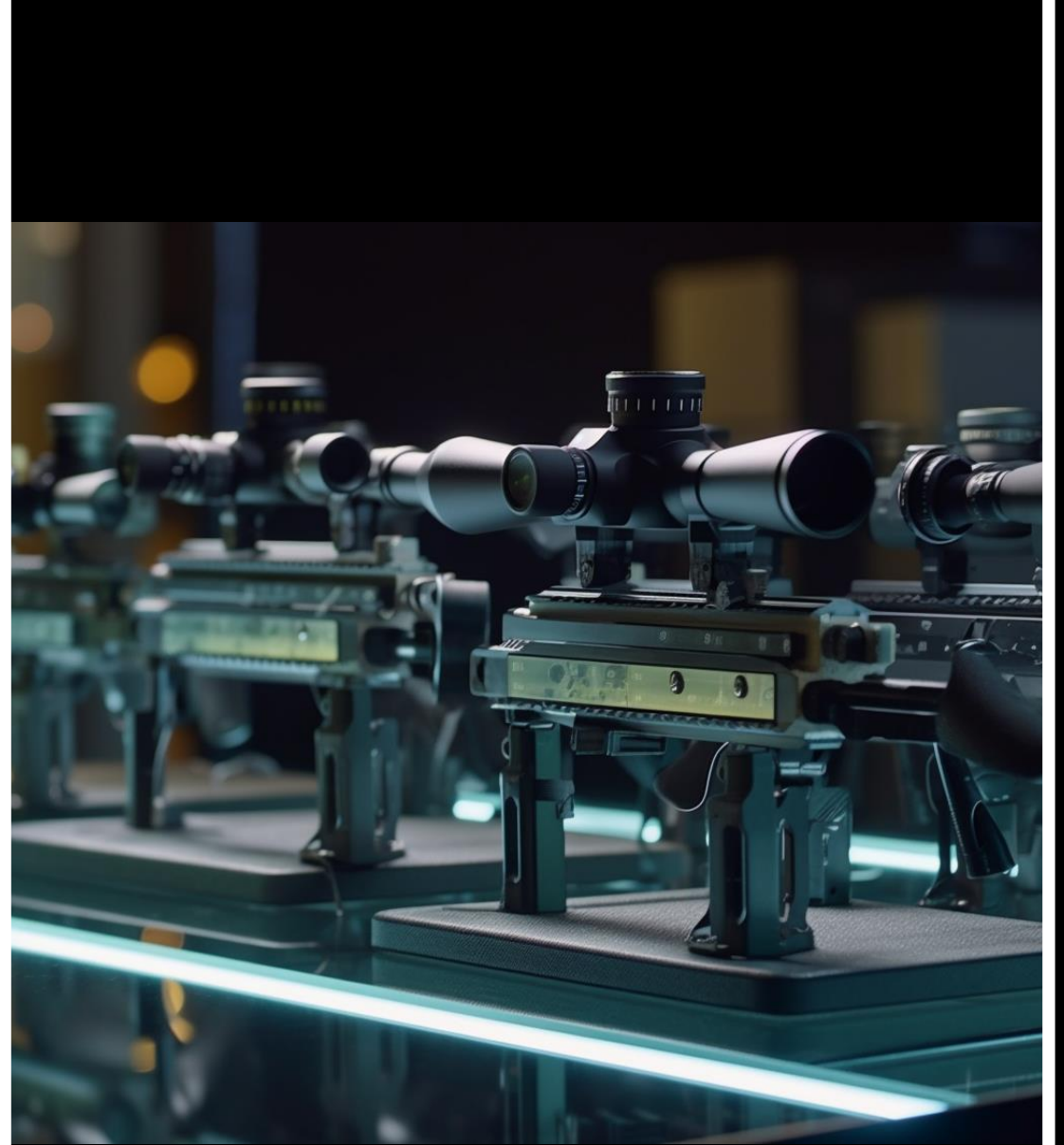


# SFT OR MULTI-TOKEN

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- Semi-fungible token
- Supply of identical items
- Differ only in ID and history

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# FUNGIBLE TOKEN

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- Utility and altcoins
- Supply can be fixed, inflationary, or deflationary
- No concept of unique ID





# FUNGIBILITY

Is a gradient



Less

More

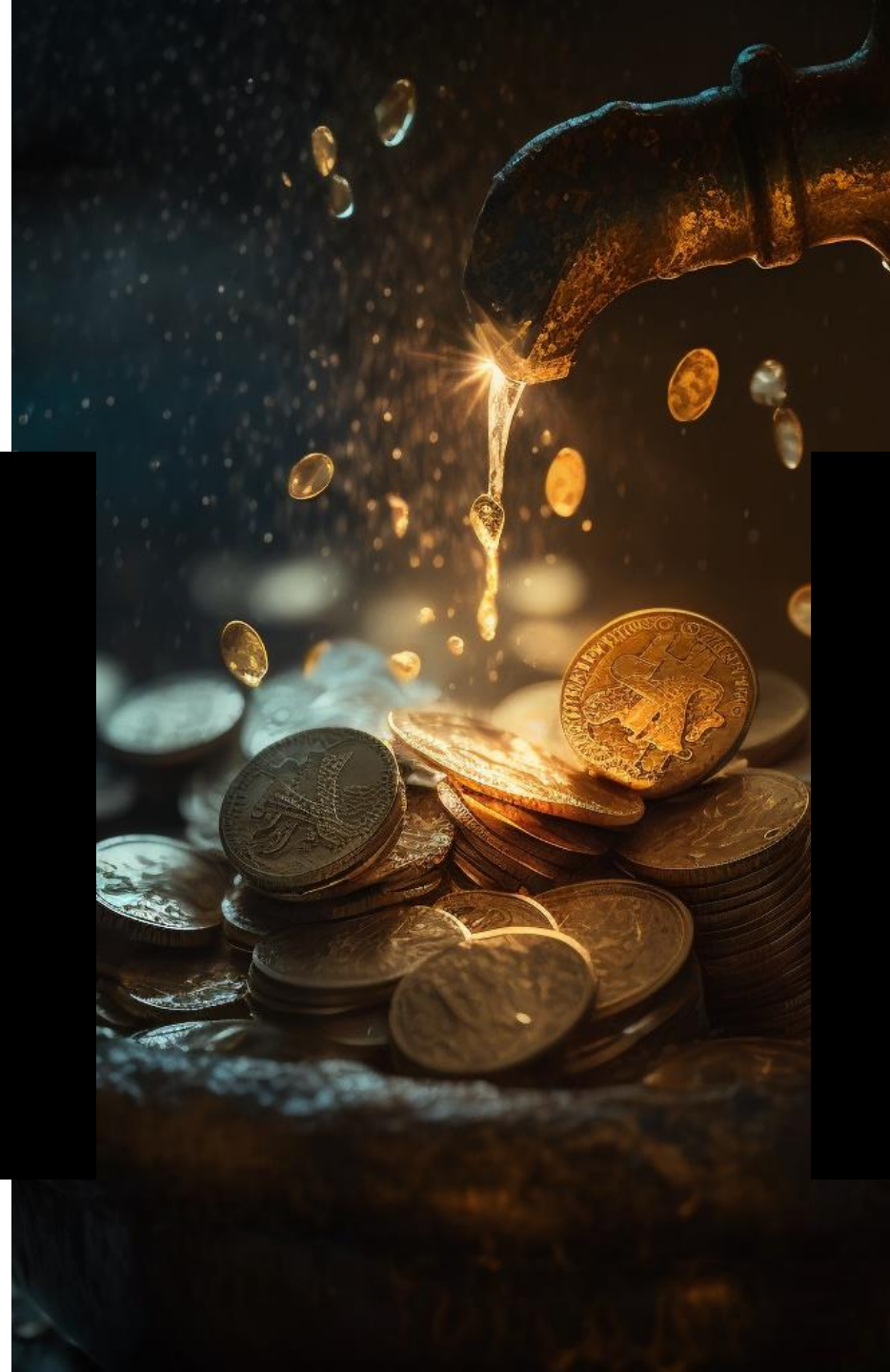




DEFINITION

# LIQUIDITY NOUN

: the efficiency or ease with which an asset can be converted into ready cash without affecting its market price



# NEED FOR HIGH LIQUIDITY

Correlates strongly with fungibility

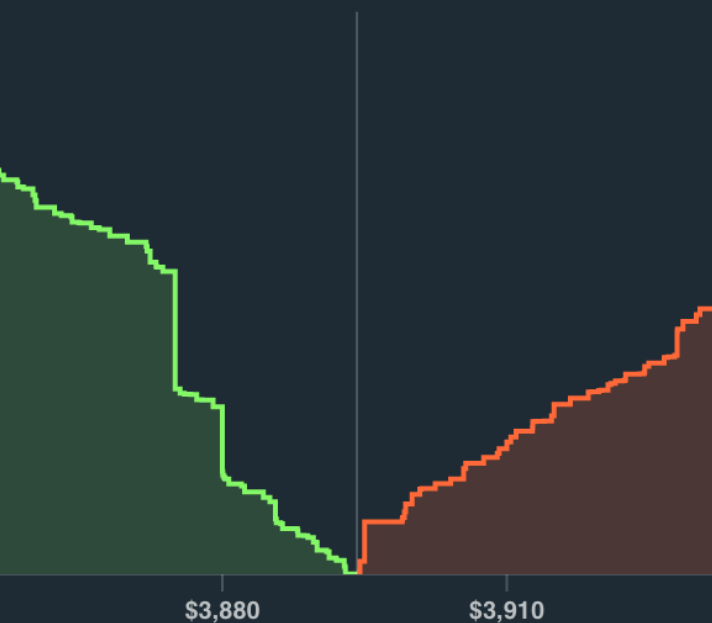


Less

More



⊖ 3,894.185 ⊕  
Mid Market Price



# MARKET MAKING

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Ensuring liquidity

Direct vs. Automated

Variable vs. Fixed Supply

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# CONTROL MECHANISMS

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- Tokenized vs. untokenized assets
- Single vs. multiple utility tokens
- Inflationary/Deflationary vs. fixed-supply
- Enforced Digital Asset Scarcity Mechanisms
- Direct Publisher market participation





# MACROECONOMIC DESIGN

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- Goal is stable economic growth
- Inflation, GDP, price levels, CPI, etc. are critical measures
- Need volatility protections



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**“Designing a blockchain game economy is effectively building a large city/state where the sole economic driver is tourism.”**

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FRANCIS BRANKIN



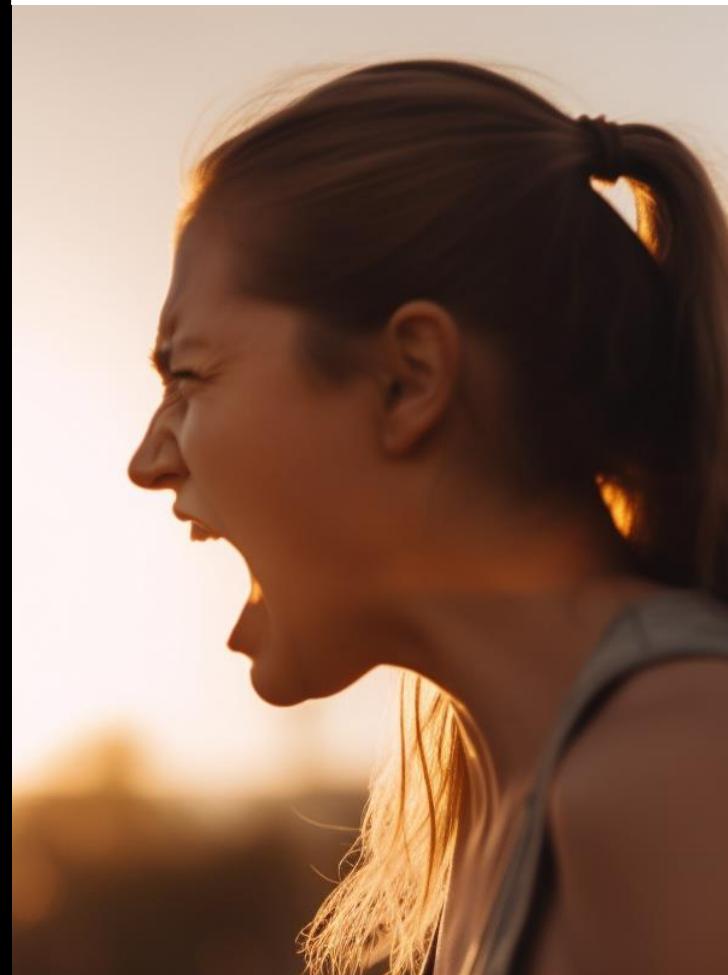
# DESIGN CONFLICT

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Microeconomy vs. Macroeconomy

*For Shrapnel:*

Creative Director vs. Head of Economy



# REVENUE SOURCES

Some of them



## DIRECT SALES

Items must enter the ecosystem somehow. Publisher is always some form of market participant.



## MARKET TRANSACTION FEES

PRICE x VOLUME

Ensure players can trade seamlessly.



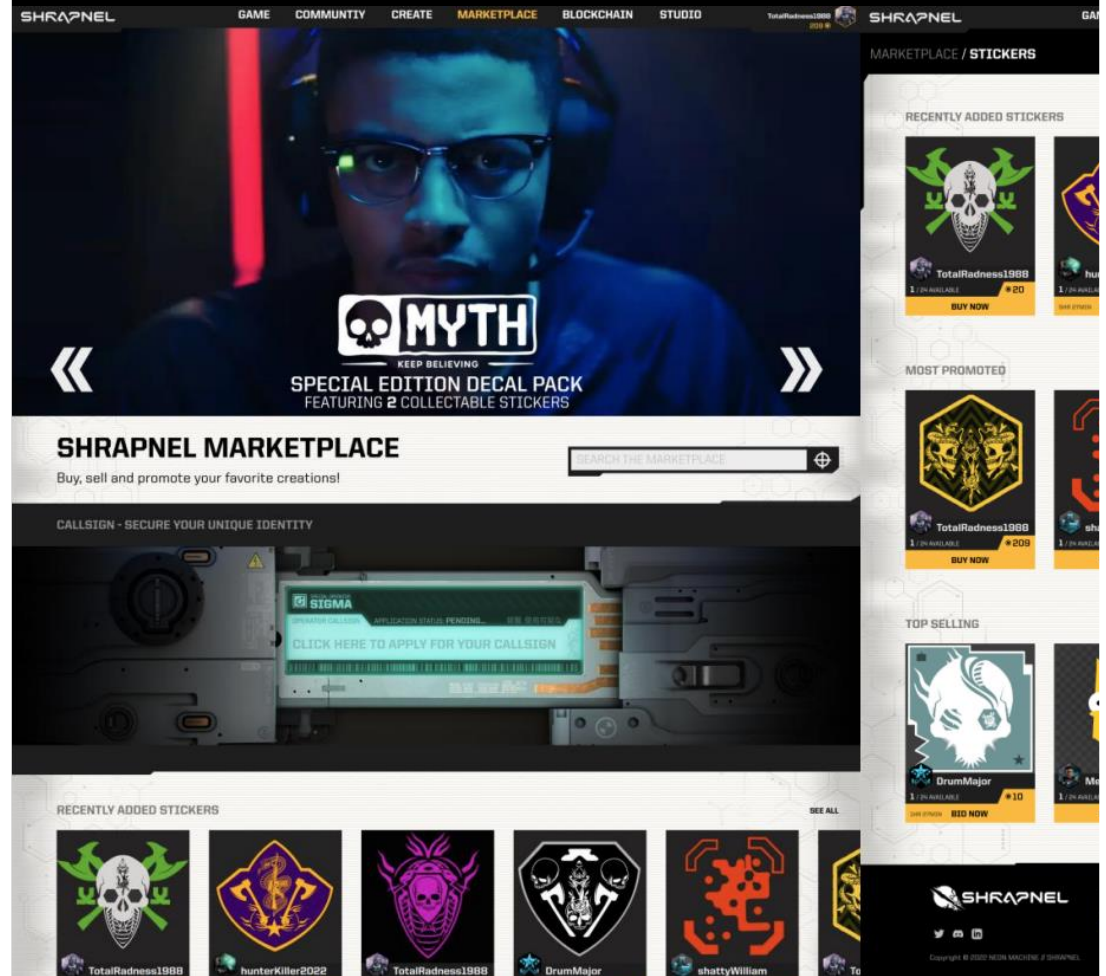
## MARKET MAKING SPREADS

Bridge the gap between buyer and seller. Provide liquidity.



# YOU NEED A SLICK MARKET

- Needs to be the best place to trade
- Trading styles need to match fungibility
- Roll your own (0x, Raribles, etc.)... or...
- Partner with reputable markets
- Remember: Players can trade elsewhere



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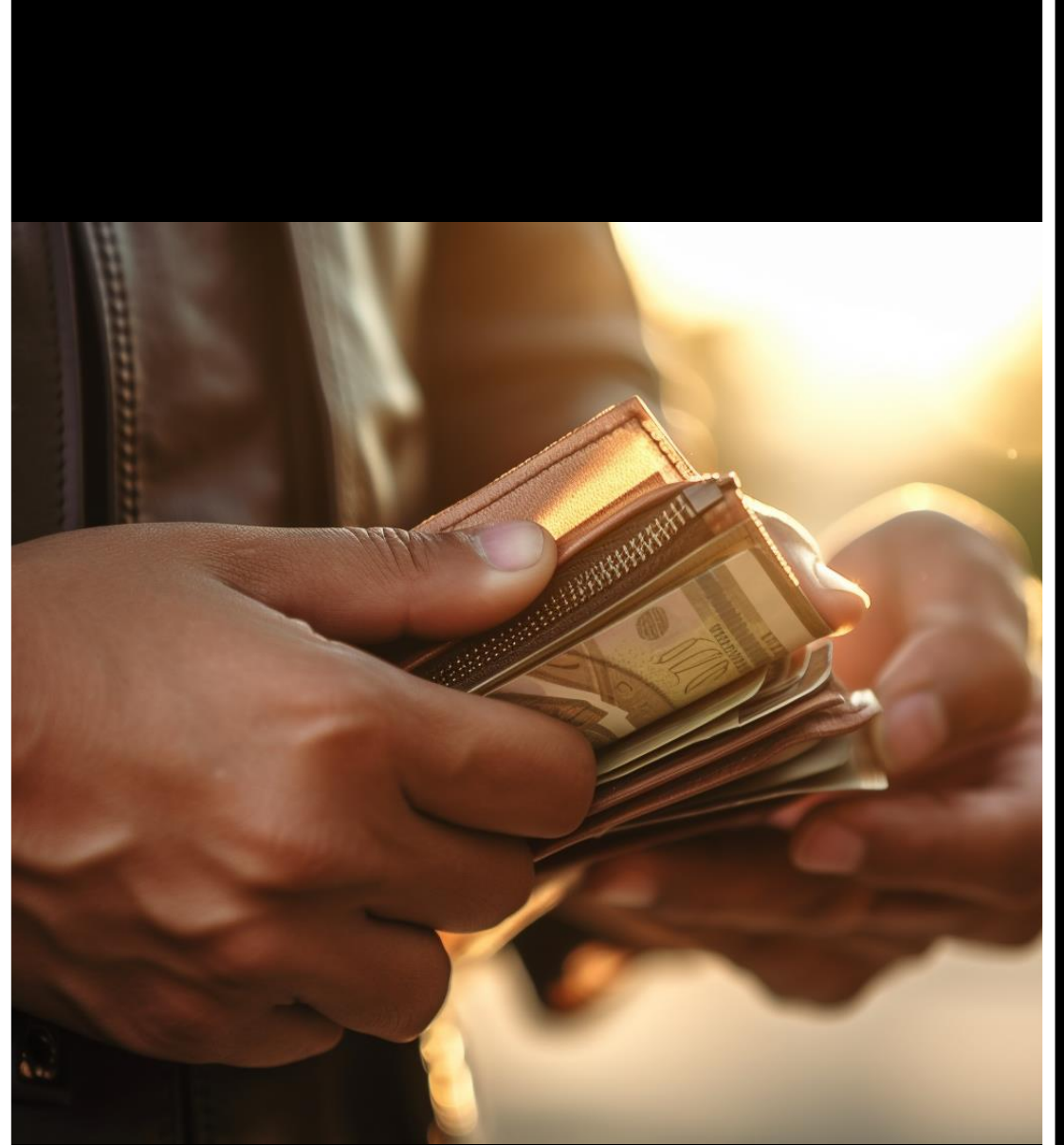
**“The easiest way to stop piracy is... by giving those people  
a service that’s better than what they’re receiving from  
the pirates.”**

—  
GABE NEWELL

# OH YES... FRICTIONLESS

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- Two aspects – UX is the first
- Custodial wallets
- KYC/AML
- Payment Processors/Fiat Ramps





# — FRICTIONLESS FREE TO PLAY

In an economy where assets have real value: how do you onboard players?

Some ideas...



## GIVE “STARTER” ASSETS

New players are given low tier assets that are considered part of CAC. This is their starting point for market entry.



## CONVERSION “EDGE”

Entry players don’t initially have assets. Convert completely free players into players who engage with asset market requiring purchase.



## BIFURCATED ECONOMY

Two “modes” of play. Economy has hard split between tokenized and soft assets. Tokenized market is entirely separated.



## IMPLICIT CONVERSION

Over time and effort – valueless assets can accumulate value and be tradeable in the wider economy.

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# SHRAPNEL CASE STUDY

- “Implicit Conversion” strategy
- All players have access to “Level 0” equipment
- XP is infused for character and equipment progression
- Boosts and accelerators are tokenized, lootable, and Shrapnel is a direct market participant
- Level 1+ equipment is tradeable in the market – entirely player driven



One final note on...

# MODELING

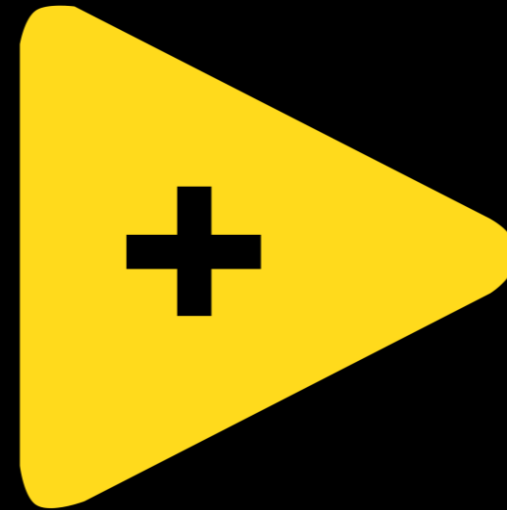
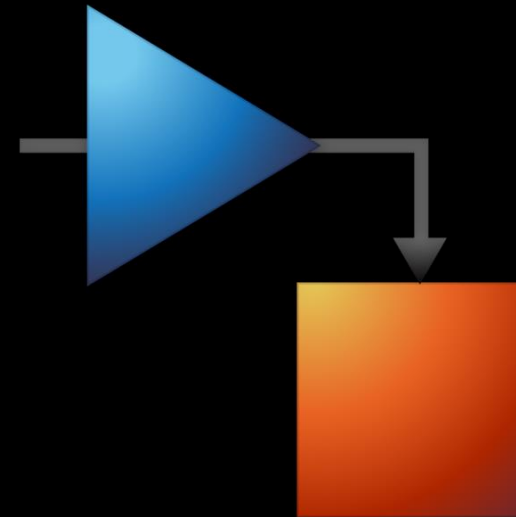
Some options – depending on your team.

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SIMULINK



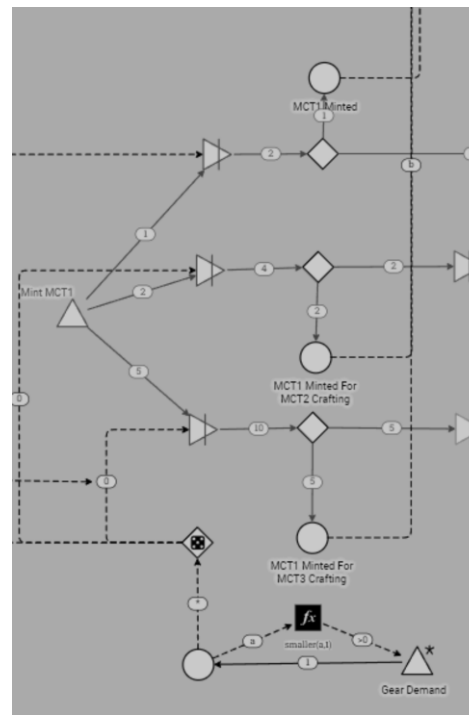
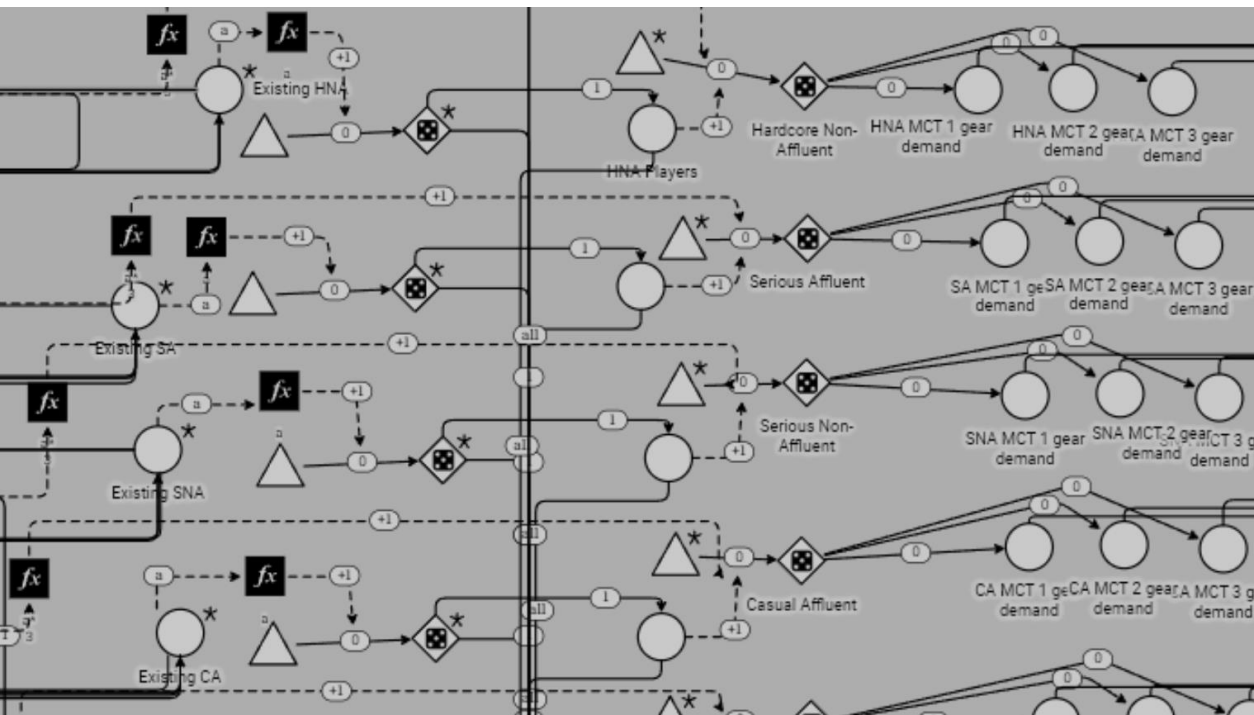
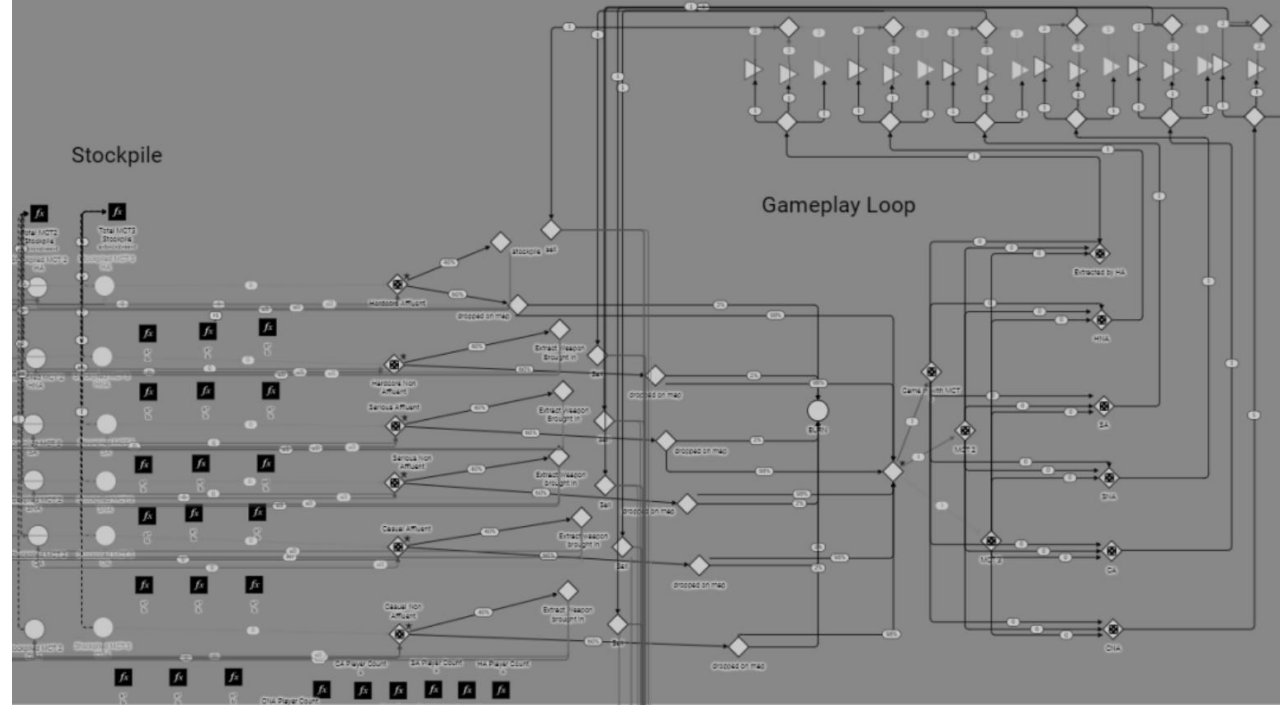
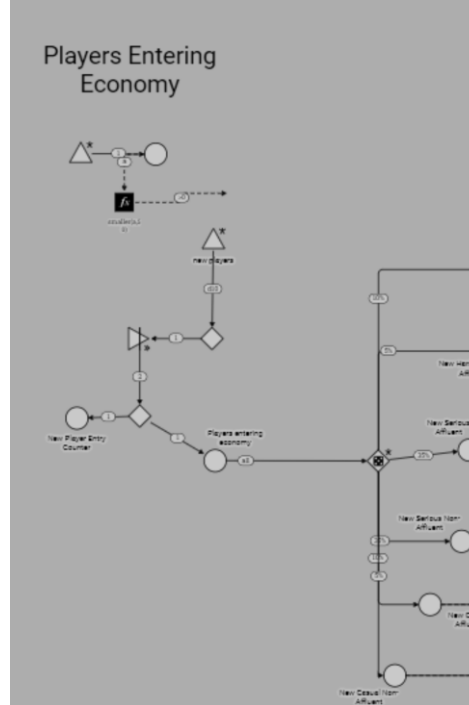
MACHINATIONS



LABVIEW



# MODELING



- Familiar concept, but differing scope
- Front-run modeling for open-market
- Core understanding is FUD stability

# KEEP IN TOUCH



We are always looking to connect with curious individuals and teams seeking to explore the next frontier.



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<https://discord.gg/shrapnel>

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# Q & A

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