

# Blockchain in the Gaming Industry

## Lucrative Gaming Industry

With 2.7 billion gamers worldwide, the gaming industry is set to raise \$159.3 billion in 2020 (Newzoo, 2020). It is no surprise that there is an increasing demand for innovations to enhance gaming quality experience.

This is where blockchain comes in. Blockchain-based game companies have raised \$567 million in 2020 from investments. Blockchain and gaming complement each other as the gaming industry can tap into the decentralized database blockchain technology to revolutionize the gaming industry.



Application of Blockchain in the Gaming Industry

## Benefits of utilizing blockchain in gaming

### What is in it for the gamers?

Gamers can use cryptocurrencies to purchase in-game assets quickly and cheaply because it saves the hassle of relying on 3<sup>rd</sup> party payment providers like PayPal or Visa.

Blockchain also provides a secure environment for gamers to store and sell these in-game assets.

Unlike traditional online games where gamers only get a “license” of the in-game asset when purchased, blockchain allows gamers to actually “own” their in-game assets. In the event where a gamer is unable to access the game in the future, he/she will still be able to trade or sell the in-game assets.

A single gamer profile is compatible across different blockchain networks. They can transact with the same cryptocurrencies across different games.

Certain blockchain-based games like “Decentralized Apps” can be modified by the gamers, so this allows gamers to have more control over the features of these games.

Gamers can communicate and collaborate with game developers due to the open yet secure environment of blockchain games. This combines the innovation of gamers to improve a game with the technical skills of game developers to implement it.

### How about the game developers?

By providing a secure and decentralized network, blockchain technology makes it extremely difficult for hackers to infiltrate and alter existing transactions in these games. Hence, game developers can develop their games safely without the worry of external factors interfering. This secure environment also prevents frauds from happening because of the open ledger of blockchain technology.

Game developers can be their own entrepreneurs. Since blockchain games are gamer-centric, any developer can create games, even without prior gaming industry experience. If the game developer has the necessary technical skills, he/she can build a game from scratch or follow a base code from other games that are already developed.

The creation of intangible and rarer in-game assets will increase sales in the gaming industry. Because of the increasing popularity of blockchain technology being used in games, digital in-game assets are more recognized as intangible assets with real value to gamers. Furthermore, rarer in-game assets are becoming more common as the features of blockchain-based games are constantly updated and improved.

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## Types of current blockchain games

### 1) Collectible Items

One of the first blockchain-based games is called “CryptoKitties”; a game where gamers can collect and breed digital cats that are exclusively owned by the gamer. The transactions in this game are powered by a type of blockchain network called “Ethereum platform”.

### 2) Card

Collectible trading cards are powered by non-fungible tokens. Non-fungible tokens are digital assets that each has their own unique characteristics. This is how cards are being differentiated from each other and users can literally own a unique digital card.

### 3) Casinos

Compared to traditional online casino games, blockchain-based casino games allow for better and fairer probability in the gambling experience. This improves gaming experience quality for the gamer.

### 4) Real-time strategy

There are different varieties of in-game assets that gamers can have access to, which increases the appeal of the game. Rules of the game are being regulated by smart contracts. Smart contracts are legal documents that are self-executing when both parties agree.

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***Blockchain will be a huge part of the future of gaming.***

***With an integration of blockchain and gaming, it is possible for other technologies like virtual reality to be implemented into this ecosystem. This will open opportunities for not just gamers, but also game developers and entrepreneurs.***

***Not only will blockchain give gamers a high-quality real-world experience in gaming, it will also allow gamers to participate in innovation for the future of the gaming industry. Not only will game developers and entrepreneurs gain from the innovation, they will be part of this increasingly lucrative industry.***

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