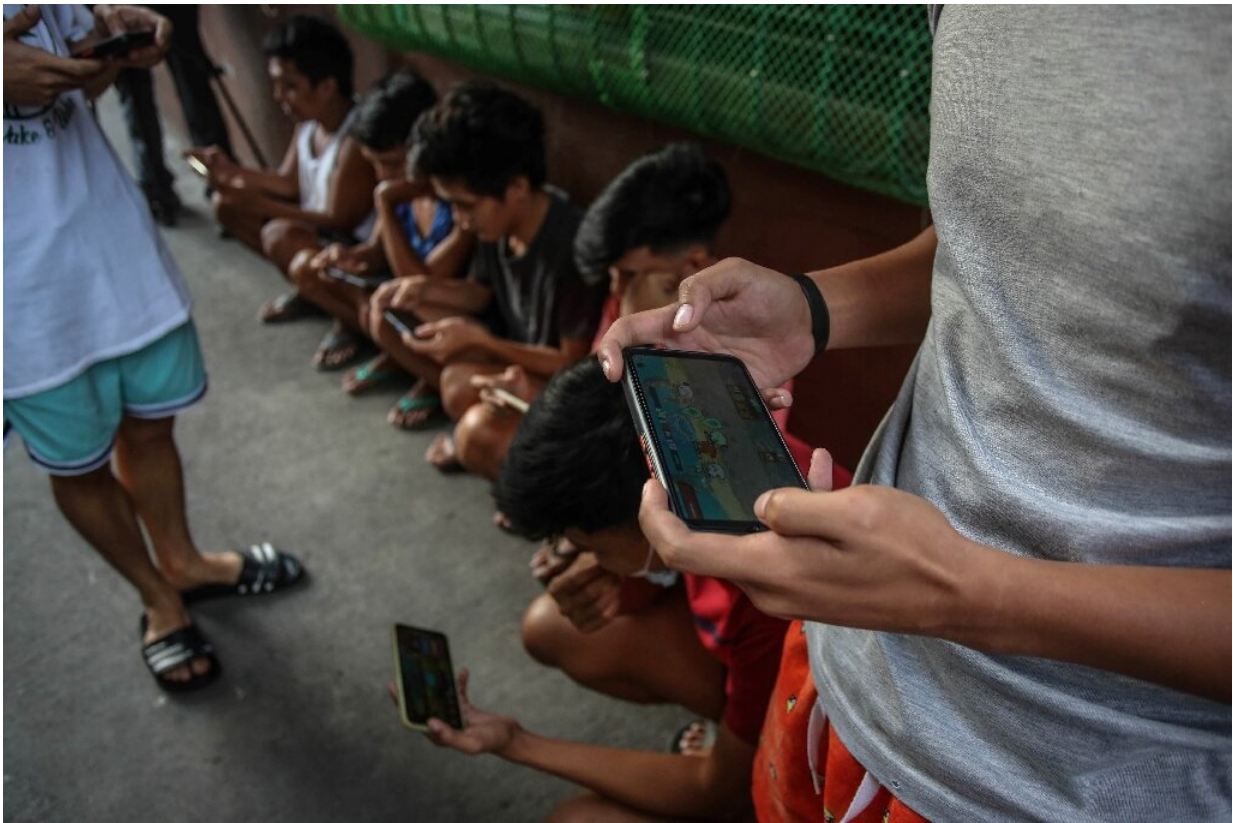


# Space invaders: How video gamers are resisting a crypto onslaught

August 10 2022, by Joseph BOYLE

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Blockchain-based play-to-earn games have proved hugely popular in parts of Asia and Latin America.

When video game designer Mark Venturelli was asked to speak at Brazil's biggest gaming festival, he submitted a generic-sounding title for

his presentation—"The Future of Game Design"—but that was not the talk he gave.

Instead, he launched into a 30-minute diatribe against the [blockchain](#) technology that underpins cryptocurrencies and the games it has spawned, mostly very basic smartphone apps that lure players with the promise of earning money.

"Everything that is done in this space right now is just bad—actually it's terrible," he told AFP.

He is genuinely worried for the industry he loves, particularly because big gaming studios are also sniffing around the technology.

To crypto enthusiasts, blockchain will allow players to grab back some of the money they spend on games and make for higher-stakes enjoyment.

Critics say the opposite is true—[game makers](#) will capture more profits while sidestepping laws on gambling and trading, and the profit motive will kill all enjoyment.

The battle lines are drawn for what could be a long confrontation over an industry worth some \$300 billion a year, according to Accenture.

## **'Ecologically mortifying'**

Gamers like Venturelli might feel that they have triumphed in the early sorties.

Cryptocurrencies have crashed recently and dragged down the in-[game](#) tokens that had initially attracted players.



Blockchain games became big business with the rise in value of cryptocurrencies.

"Nobody is playing blockchain games right now," Mihai Vicol of Newzoo told AFP, saying between 90 and 95 percent of games had been affected by the crash.

Ubisoft, one of the world's biggest gaming firms, last year tried to introduce a marketplace to one of its hit games for trading NFTs, the digital tokens that act as receipts for anything from art to video game avatars.

But gamers' forums, many already scattered with anti-crypto sentiment,

lit up in opposition.

Even French trade union IT Solidarity got involved, labelling blockchain "useless, costly, ecologically mortifying tech"—a reference to the long-held criticism that blockchain networks are hugely power hungry.

Ubisoft quickly ditched the NFT marketplace in Tom Clancy Ghost Recon Breakpoint.

Last month, Minecraft, a world-building game hugely popular with children and teenagers, announced it would not allow [blockchain technology](#).

The firm criticised the "speculative pricing and investment mentality" around NFTs and said introducing them would be "inconsistent with the long-term joy and success of our players".

The wider sector also has a serious image problem after a spectacular theft earlier this year of almost \$600 million from Axie Infinity, a blockchain game popular in the Philippines.

Analyst firm NonFungible last week revealed that the NFT gaming sector crashed in the second quarter of this year with the number of sales plunging 22 percent.

All of this points to a bleak time for crypto enthusiasts, but blockchain entrepreneurs are not giving up.





Ubisoft was hit with a fan backlash over its attempt to leverage NFTs.

### **'Revolutionise' gaming**

Sekip Can Gokalp, whose firms Infinite Arcade and Coda help developers introduce blockchain to their games, argues it is still "very early days".

He told AFP some of the attention-grabbing play-to-earn games had been "misguided" and he was convinced the technology still had the potential to "revolutionise" gaming.

Reports of a culture clash between gamers and crypto fans, he said, were overplayed and his research suggested there was substantial overlap

between the two communities.

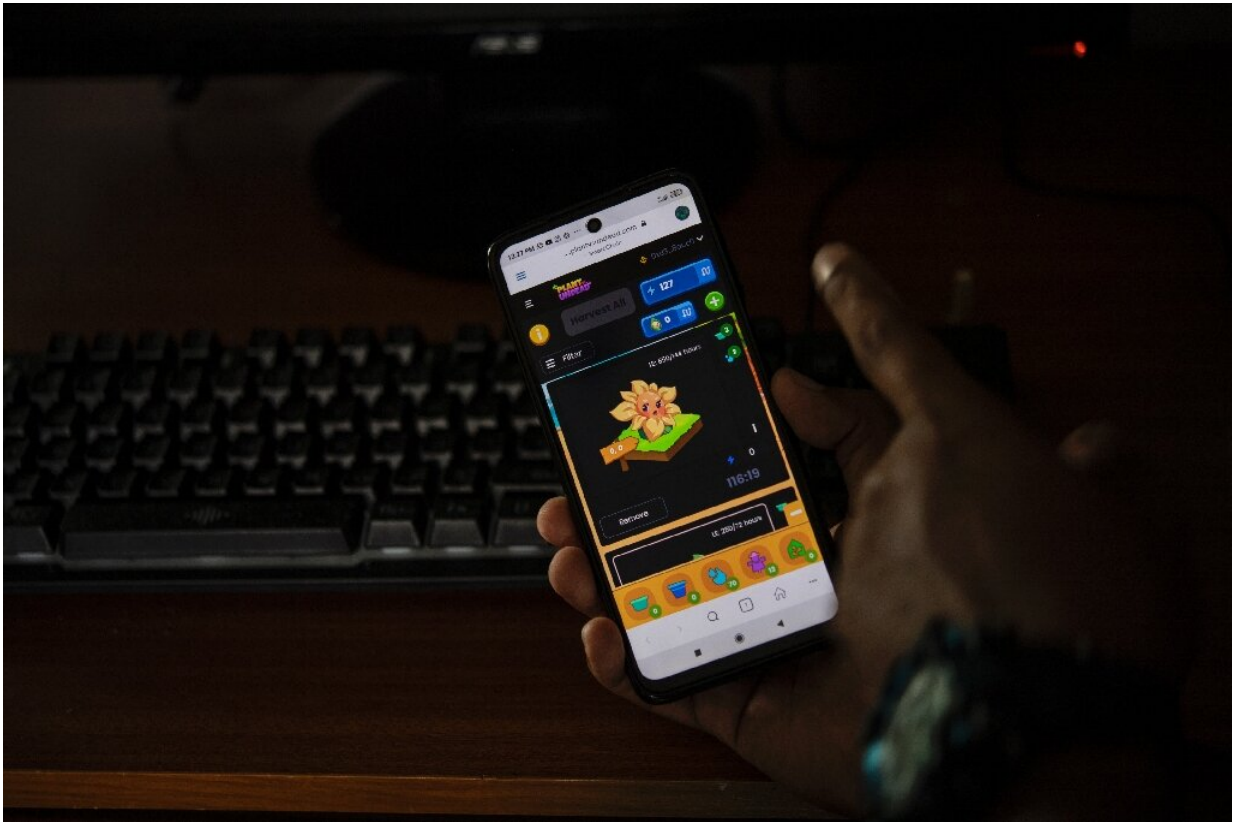
Gokalp can take heart from recent announcements by gaming giants such as Sega and Roblox, a popular platform mostly used by children, indicating they are still exploring blockchain.

And Ubisoft, despite abandoning its most high-profile blockchain effort, still has several crypto-related projects on the go.

Among the many benefits trumpeted by crypto enthusiasts are that the blockchain allows players to take items from one game to another, gives them ownership of those items and stores their progress across platforms.

Vicol, though, reckons blockchain gaming needs to find other selling points to succeed.

"It could be the future," he said, "but it's going to be different to how people envisage it today".



Blockchain games have been marketed across Latin America as a way out of poverty.

Brazilian Venturelli, whose games include the award-winning Relic Hunters, used his talk at the BIG Festival in Sao Paulo to dismiss all the benefits trumpeted by crypto fans as either unworkable, undesirable or already available.

And he told AFP that play-to-earn games risked real-world damage in Latin America—a particular target for the industry—by enticing [young people](#) away from occupations that bring benefits to society.

He said many people he knows, including [venture capitalists](#) and the heads of billion-dollar corporations, shared his point of view.

"They came to congratulate me on my talk," he said.

But with new blockchain games emerging every day, he accepts that the battle is far from over.

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