

In the fast-paced development of Web3 games, numerous challenges arise. How can users maximize their profits?



Singapore, Hong Kong Dec 6, 2023 (Issuewire.com) - What type of game can yield the most substantial returns? Many users immediately think of participating in Web3 games. Yes, the wealth effect of Web3 games is evident, with the most typical example being during the 2021 crypto asset bull market. The native governance token of the top-tier Web3 game, Axie Infinity, called AXS, skyrocketed from \$3 to \$156 within a span of six months.

In terms of wealth creation, Axie Infinity once achieved the highest monthly income, but upon comparison and reflection with established games like "World of Warcraft" and "Genshin Impact," a series of questions arise: Several years later, can Web3 games completely surpass traditional games in terms of user volume and market size during a bull market? What factors determine the prosperity of the Web3 gaming industry? How can ordinary users maximize their chances of grasping opportunities in this immature market? What tools and applications can assist users in discovering quality projects and analyzing market trends effectively? The following sections will address these questions for users one by one, serving as industry information for reference purposes only and not constituting investment advice.

I. From a data perspective, Web3 games may consume traditional gaming market share at a faster rate

The wealth effects stemming from Web3 games are self-evident, but from a macro perspective, comparing their development data with that of traditional games may reveal more intuitive and obvious trends.

According to a recent report from Xangle, a platform for disclosing digital asset information, the annual revenue of global PC games surpassed \$1 billion around 1983. It took 13 more years to grow to \$10 billion and an additional 25 years to reach \$15 billion. The annual revenue of mobile games surpassed \$1 billion around 1995, and it took 10 years to grow to \$10 billion and another 12 years to reach \$15 billion.

In comparison, Axie Infinity's monthly revenue surpassed \$300 million in August 2021 (launched in November 2020). By October 2022, the project's total annual revenue reached \$2 billion. It is evident that Axie Infinity achieved in just a few years what the entire industry of PC and mobile games took several years to accumulate in total revenue during the bull market.

Xangle data also indicates a rapid increase in Web3 game investments, rising from 1.1% of the entire gaming industry in 2020 to 9.5% in 2021, 38.3% in 2022, and an astonishing 57.2% in the first quarter of 2023. This suggests that more professionally rational investors are voting with their feet, making significant strides into the lucrative realm of Web3 games with a stronger fundraising effect, while traditional games gradually become "abandoned pawns."

From this series of performance data, it appears that Web3 games may rapidly consume a larger share of the traditional gaming market. In the future, the popularity and application space of Web3 games are expected to greatly expand.

II. Beneath the Extremely High Failure Rate, the Fact That the Lifecycle of Web3 Games Depends on the Cryptocurrency Market Cannot Be Ignored

Despite the promising trend, the development of Web3 games is still in a state of upward spiral, accompanied by lows that are evident in changes in investment and financing data.

According to the "Q3 2023 Chain Game Situation" report released by DappRadar in early October, Web3 games secured \$600 million in funding during this quarter, a 38% decrease compared to the second quarter (\$973 million). This brings the total financing for the first 10 months of 2023 to approximately \$2.3 billion, only equivalent to 30% of the total financing for the entire previous year.

For the burgeoning Web3 market, external funding is crucial for the industry and project lifecycle, a departure from the growth logic of traditional games, which is largely dependent on player experience and game quality. In contrast, the overall stability of the Web3 gaming market and specific projects falls significantly short of the traditional gaming industry. What is particularly challenging for users to accept is that the mortality rate of Web3 gaming projects far exceeds that of traditional games.

According to a recent post by Coingecko, a cryptocurrency asset data analysis website, since the inception of the GameFi concept five years ago, 2127 Web3 games have failed, accounting for 75.5% of the total 2817 GameFi launches. Coingecko determines the failure of Web3 games based on the criterion of a decline of over 99% in the average number of active users within 14 days.

Why is the failure rate of Web3 games so high? Many Web3 gamers can likely summarize it with a common answer: the increasingly speculative industry environment, fueled by hot money, leaves developers reluctant to make long-term commitments to their projects. Profit-driven users, participating with a purely speculative mindset, further exacerbate the situation. When the wealth effect recedes, the economic models of Web3 game projects quickly collapse, leaving a mess in its wake. This cyclic pattern repeats, with more failed projects possibly on the horizon. A recent industry news piece seems to aptly support these conclusions.

The Web3 game token SHRAP of Shrapnel experienced a short-lived surge of over 5 times after being listed on Bitget. The project had previously raised nearly \$30 million, with a whopping \$20 million raised in the third funding round in October alone. However, the wealth influx seemed to come too quickly, leading to irreconcilable disagreements and conflicts among the core team members. One of the founders accused two other executives of embezzling company funds in court. As a result, the project's credibility and reputation suffered greatly, and subsequent operations were fraught with uncertainties. For those familiar with the ins and outs of the Web3 gaming industry, such events are not uncommon.

For the vast majority of users, we should not excessively blame Web3 game developers for team disputes, as this is ultimately human nature. Moreover, users come to the Web3 gaming market primarily to earn profits. The real issue we need to address is how to identify good projects in the information-asymmetric industry or seize booming trends in the shortest possible time. Of course, in this process, we need to be cautious about risk and ensure the security of assets.

III. Users Cannot Control the Industry's Direction; They Can Only Seek Value Opportunities in Highly Uncertain Markets

Currently, the overall development trend of the Web3 gaming market is far from mature, and the profit and loss situation for ordinary users investing in projects is more random. Therefore, users cannot control the industry's direction and can only seek value opportunities in highly uncertain markets. The question, however, is how users without information resource advantages in this opaque market can capture industry opportunities.

In recent days, Gamify's data performance has surged to the forefront of the industry, using popular projects as an example. According to DappRadar data as of December 1st, Gamify's independent wallet active users and transaction volume have risen to the industry's second position, with both experiencing around a 20% increase in the last 24 hours. The rapid growth of Gamify may harbor certain valuable opportunities. However, the question remains: how can users proactively discover such projects and strategically position themselves early on?

A more comprehensive and feature-rich Web3 gaming industry data website can help users address this dilemma. Towards the end of the article, the author provides users with two representative tools for reference.

Firstly, let's introduce HyperPlay, a Web3-native game launcher and game store aggregator. It seamlessly integrates users' assets, wallets, and NFTs into every Web3 game application they participate in. In June of this year, HyperPlay successfully secured a \$12 million funding round.

Upon entering the HyperPlay official website, users can click on the "Store" button at the top to access the Web3 game marketplace. Through detailed categorization, users can search and select specific Web3 game projects, entering the game's details page and embarking on the Play-to-Earn journey.

Compared to other industry data websites, HyperPlay stands out for achieving full interoperability in blockchain games. Users simply need to link their personal wallet accounts to the HyperPlay website to engage in various blockchain gaming projects. However, a drawback is that the number of Web3 games included is relatively limited, and the displayed game details are not comprehensive.

Now, let's take a look at another platform: DeGame. DeGame has become the most comprehensive community and download platform for WEB3 game receipts. The latest version of DeGame has enhanced features, better meeting user needs to discover high-quality Web3 game projects.

In terms of inclusion effectiveness, with extensive data accumulation and cutting-edge algorithm technology, DeGame can seamlessly aggregate all types of tracks and projects in the Web3 space. Users only need to enter the corresponding project name or click into various track sections to seamlessly integrate the majority of Web3 projects.

In terms of user experience, DeGame's Top Communities, Quest, Leaderboard, Gaming, and Event functional modules directly showcase project communities, rewarding tasks, project rankings, application downloads, and entrances to online and offline activities. Users can navigate various project modules with a single click, playing across different projects without the need for constant switching.

In terms of information dissemination, DeGame's platform features such as Feeds and Academy exhibit clear user-generated content (UGC) attributes. Global professional Web3 creators can share industry news and insights through text and video, allowing Web3 users to clear cognitive blind spots and address the challenge of information asymmetry by searching for information on a single DeGame webpage.



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