

Pay-to-Play In-Game NFTs: Proceed With Caution

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Gaming fans have once again voiced dissent to NFT and blockchain integration. On March 22, Gaming company Good Luck Games announced its intentions to incorporate NFT and blockchain technology into its game *Storybook Brawl*, only to be widely panned by its fanbase. Fans of the game proceeded to leave negative reviews on Steam, eventually shifting the game's rating to "Overwhelmingly Negative." As mentioned in the original post, such reception to in-game NFT integration is far from new or surprising—when a developer from Good Luck Games mentioned the possibility of non-cosmetic options for NFTs, the community responded with further backlash. For now, gaming companies will need to continue navigating their transition into NFT integration as the gaming community continues to voice concerns about NFTs' legitimacy and blockchain technology's environmental effects.

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Game developers have been increasingly integrating cryptocurrency and Non-Fungible Tokens (NFTs) within their games hoping these digital assets will increase their games' longevity with an expanded content offering. But, early feedback suggests these features risk fan-blowback so developers are advised to proceed deliberately. Just how many fans are against in-game NFTs is unclear, but as a recent article from *The New York Times* makes clear, the answer is not zero. The article details an 18-year-old gamer's vehement opposition to the Ukrainian developer GSC Game World's recent attempts to introduce NFTs in the game *S.T.A.L.K.E.R.* GSC was criticized for "squeezing money out of its players," and GSC subsequently abandoned in-game NFT plans despite GSC's hopes for a "transformative step" towards the Metaverse.^[1]

For some time now, many gaming publishers have been selling in-game items, such as XP boosters that help players quickly advance through games.^[2] Many gamers have criticized these microtransactions as nothing more than a "pay-to-win" scheme.^[3] Given the resemblance of in-game NFTs with these microtransactions, many gamers view NFTs as a scam within a community of bad actors.^[4]

The article echoes reports we have seen elsewhere that many fans view in-game NFT’s compromising the game’s core integrity—some even calling companies implementing in-game NFTs as “trying to sell [you] snake oil.”¹¹ Our [previous blog post](#) detailing Ubisoft’s foray into in-game NFTs in *Ghost Recon Breakpoint* examined a similar backlash against NFTs from the game’s fanbase. Recently, however, more than half a dozen game studios have announced plans to integrate NFTs or have spoken favorably despite the negative fan community sentiment.¹²

These negative reactions are similar in many ways to the reaction fans had to in-game microtransactions. But now, many of the most significant games now rely on in-game microtransactions as their primary, if not sole, source of revenue. Even if a gamer purchases a particular game for the full market value, game producers could launch a new digital item or other forms of downloadable content for an extra price. Although the content expansion may be criticized as a cash grab, eventually many gamers will pay for it.

We expect that the roll-out of in-game NFTs will proceed similarly: there will be bumps and growing pains, but they are likely here to stay. Despite industry leaders like Sega and Ubisoft acknowledging the fans’ negative reactions towards NFTs, the future of videogaming looks to be heading towards in-game digital assets integration.

The take-away for developers here is this: proceed with caution. As we discussed in our [previous post](#), NFTs within games raise concerns of fraud and liability exposure. Such concerns led [Steam to ban NFTs from their platform](#). Even more concerning, is the fact that NFTs can risk alienating long-time gamers and fans. It is important for developers to remain cautious of both the legal and business issues as they determine whether and how to integrate NFTs within their games. And as always, the Winston [Videogames, Esports, and Gaming](#) group is here to help!

¹¹ Crypto Enthusiasts Meet Their Match: Angry Gamers, New York Times, <https://www.nytimes.com/2022/01/15/technology/cryptocurrency-nft-gamers.html> (last accessed January 16, 2022).

¹² Gaming NFTs: Why Do People Seem To Reject Them Left And Right?, TechTimes, <https://www.techtimes.com/articles/270187/20220106/gaming-nfts-why-people-hate-them.htm> (last accessed January 16, 2022).

¹³ Id.

¹⁴ Id.

¹⁵ Crypto Enthusiasts Meet Their Match: Angry Gamers, New York Times, <https://www.nytimes.com/2022/01/15/technology/cryptocurrency-nft-gamers.html> (last accessed January 16, 2022).

¹⁶ Id.

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