

Title: Layers, zkrollup what GameStop is looking into.

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EDIT: Edited some term being wrong for clarity.

In my first post we went into explaining the basics and difference between Web 1 , Web 2 and Web 3 and little bit of speculation but you can skip that part :) ! If you are interested into learning the difference between these with a 5 minutes post to read I recommend that you read this.

[https://www.reddit.com/r/DDintoGME/comments/s01mk1/value_of_a_nfts_marketplace/](https://www.reddit.com/r/DDintoGME/comments/s01mk1/value_of_a_nfts_marketplace/)

It's important to understand in what GameStop member are investing and why Web 3 is a game changer.

In this post we will get further into detail regarding NFTs while staying with a simple language to teach the basics of concepts in which the GameStop board are investing with proof that they are indeed looking into these Innovation.

Term that need to be understood before we go further.

****WHAT IS DEFI****

Basically, Defi means decentralized finance. Imagine it to be a bank that no one own. But everyone can store money or do transaction with. Ethereum and Bitcoin are 2 good example of what Defi are.

****WHAT ARE GAZ FEE****

Gaz fee are the price that the users pay when they want to conclude transactions. The users pay the miners (people who process Data with their hardware) to add the transaction into the blockchain.

Gaz fee can be very expensive and problematic in the case of a company that want to scale to have higher amounts of transaction on their Dapp (Decentralized Application)

For example specifically for gaming, Gaz fee are problematic, imagine a skin that cost 50 cents but you have to pay \$10 in Gaz fee to have it or a stake of a game like Ubisoft are looking into, users pay \$70 their game but to process the transaction they have to pay 20\$ of Gaz fee. It's terrible. (But there are solution that will be explained further in this post).

****LAYER 1****

Imagine a highway with cars using it. The highway represent the Blockchain And the cars are the Block store on it. Layer 1 is use as the primary Highway to do transaction, but it comes with problems. More cars

are coming on to the highway and more traffic there is. When traffic is high, transaction settlement takes a lot of time and Fee are increasing. Layer 1 can't fundamentally work alone otherwise Defi would become again centralized and only the wealthy individual could utilize them.

[.](https://preview.redd.it/z00nnhtciza81.png?width=2000&format;=png&auto;=webp&s;=a8fa8ab9733cc2197306d9f89c3e91b8dcda7176)

During high demand period for example on Ethereum Gas fee can go for \$30 a transaction. Imagine paying a bus ticket with that. Fundamentally it's meant to fail without any scalability solution to reduce the price of each transaction.

We need to add new lane on the highway so price settlement is lower as well of time settlement.

Layer 1 is being design to be utilize for basic protocol otherwise if all usage would utilize layer 1, it would be meant to fail.

Layer 1 is being scale in 2 ways

- * Make block transaction faster on it's blockchain
- * Increase the Data that each block can contain

Layer 1 is demanding of processing power as of proof of validation for each block as been drastically reduced because of Ethereum 2.0, you can post collateral just like you would do if you would borrow money at the bank they would ask collateral. In this way per example if a company has \$30 million in collateral frozen on layer 1, transaction can go way faster because they are backed by stacking collateral. This make the process way more efficient.

****LAYER 2****

Like said on layer 1 the scaling is required and meant to fail if not done. This is where Layer 2 comes into play. Remember the highway with the cars on it, Now imagine the main highway for truck, taxi etc... with a superposed highway on top of it for everyday worker going to work with their car.

Now you can understand this image From Loopring better!

[Representative of the future of layers. It's just the begining.](https://preview.redd.it/c9ostwfdiza81.png?width=1024&format;=png&auto;=webp&s;=0727e4899961c895666ce560cab91e5cc67fa1bc)

They are scaling.

Layer 2 is used to reduce congestion on the Layer 1 and improving the efficiency of the transaction at the same time. Layer 2 will mainly be used for Dapp transaction removing the load of processing from the layer 1.

Layer 2 from Loopring has been there for more than a year with \$35 million locked into it and can do transaction for pennies. Not dollar, pennies.

Lookpring will use a solution named zkRollup to help it's layer 2 scaling.

****ZKROLLUP -ROLLUP****

zkRollup are a solution that will help the scaling of the amount of transaction. Now imagine the highway but we add a lane specially for bus for big amount of users. Or put big amount of block together and process them Off-chain to reduce the load charge of processing power on the mainchain(Layer1).

Now with zkRollup, they can take 1000 transaction and put them together to process the calculation off chain to send back the Final data once they are processed improving again the efficiency. This allow the confirmation of 1000 transaction in a single one.

Each block need to be validated to ensure that they are valid transaction and this process require a lot of processing power so doing it off-chain and in 1 block increase the efficacy.(Not each individual block need to be validated) The chain receive the final calculation and process a minimal amount of Data.

Problems with rollups is that they require high end expert because they can easily be manipulated and be use to fraud if the protocole is not used properly. Imagine someone sending 1000 block of false Data because there's flaws in your Dapp. The risk are really really high.

You can't launch a product if it's not completly finished with rollups otherwise you are taking extremely high risk.

To give you an idea of the scalability of rollup Visa does around 20 000 transaction per second. Bitcoin on the other end only does 3 to 7 transaction per second. With rollup on Ethereum 2.0 can do 100 000 transaction per second. Still doubting their effectiveness?

Rollup also reduced fee by roughly 40x to 100x

rollup

- * High amount of capital to be implemented , developed and the maintenance cost of their execution process.

- * Like said higher they present high risk if they are launched to fast and require QUALIFIED expert.

- * The technology is still in it's testing phase and not ready to be released yet, mass adoption is not ready yet.

zkRollup

- * High amount of capital to be implemented , developed and the maintenance cost of their execution process.

- * Present less risk of fraud than "optimistic rollup"(Will compare all kind of protocol in future post).

Does Gamestop have employee with rollup and layer2 knowledge?

[Yes they do !](<https://preview.redd.it/mgf12b28iza81.png?width=965&format;=png&auto;=webp&s;=e2b564a5739b925d72f6842f88e5402a0bb81734>)

I will keep this post simple and end it here. I'm hovering these subject partially but keep the more complex side of them for further post. The next part will again enter a little bit more into detail educating further this

community in more complex subject relating to Crypto and NFTs.

Website used for information and Data:

[https://notes.ethereum.org/@vbuterin/data_sharding_roadmap](https://notes.ethereum.org/@vbuterin/data_sharding_roadmap)

<https://medium.loopring.io/guide-how-to-use-the-l2-loopring-exchange-d67b6b8127f0>

<https://coinmarketcap.com/alexandria/article/what-are-gas-fees>

<https://learn.bybit.com/blockchain/blockchain-layer-1-vs-layer-2/>

<https://thedefiant.io/whats-layer-1-vs-layer-2/>

<https://blog.mercury.cash/2021/04/16/what-are-ethereum-rollups-all-about/>

And more but most information can be found on those.

GameStop is investing in hard sector unknow yet to even GAFA (Google, Amazon, Facebook, Apple), the possibilities in the near future will be beyond expectation and the efficacy of a marketplace will surpass any Old school model by far.

But first they need the structure to support it and layer2 on top of layer 1 with addition of zkrollup protocole will provide that structure. Now you see between the curtain what GameStop are doing without them telling you what they do and why they can't release a marketplace because of the risk associated with scalability.

Be patient and Zen , trust the process. Trust the board.