

The Token model of “Gamification” Projects

Frequency, Capital, and Labor

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The Cybernetic Thesis: Gamification of Real World



What is Gamification

Gamification is the strategic attempt to enhance systems, services, organizations, and activities by creating similar experiences to those experienced when playing games in order to motivate and engage users. This is generally accomplished through the application of game-design elements and game principles (dynamics and mechanics) in non-game contexts.



Characteristics of a gamified system

Subcultural community with highly interactive members.

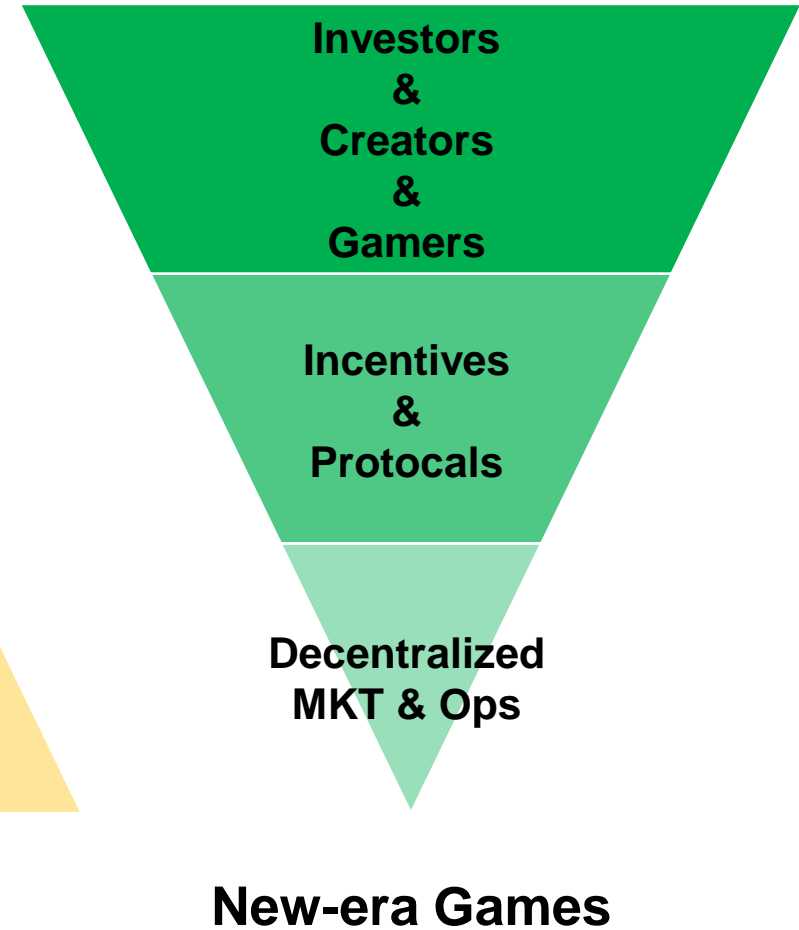
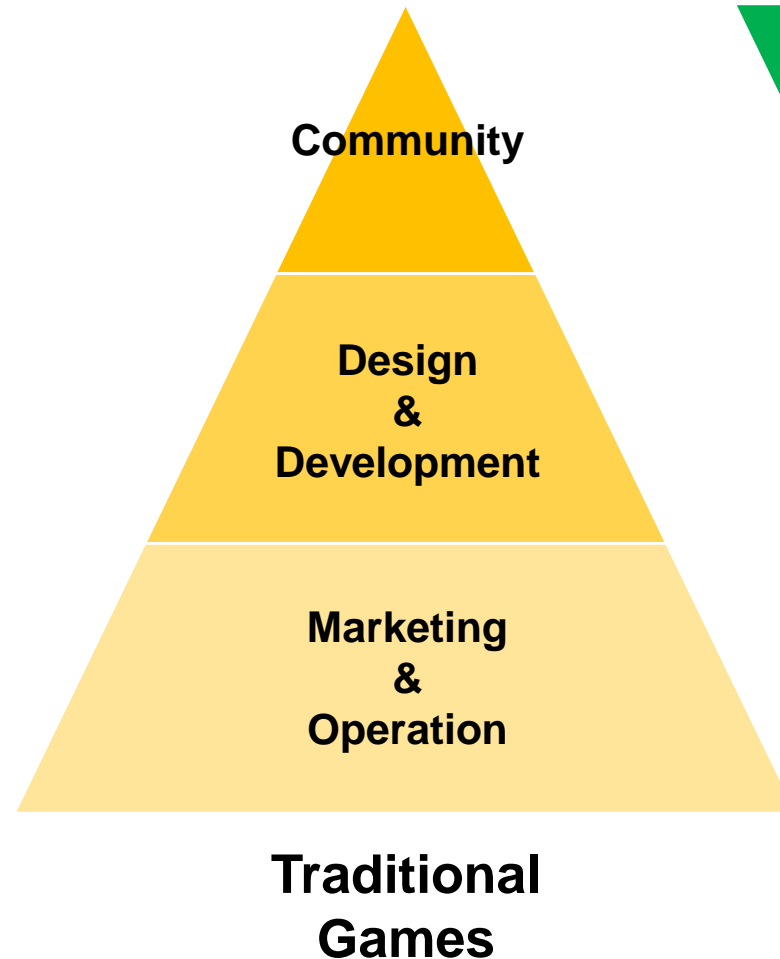
Virality and scalability is easy.

New professions and marketplaces entail.









Personal wealth and reputation could be achieved here.

Differences: Traditional & New-era Games

With Blockchain technology, web3 game drives the next gaming evolution

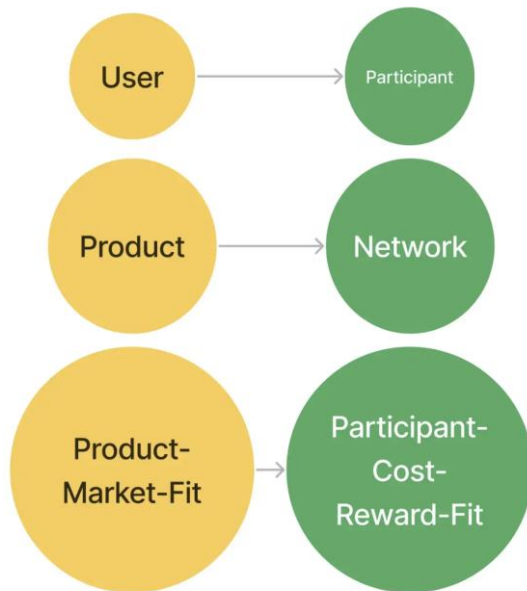


We Have Gamified These Industries...

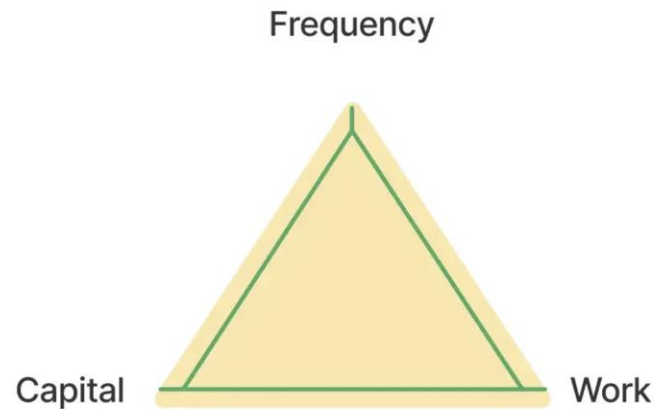
"2008-"	"2018-"	Now
Currency	Banking	Real Life
	  	<p>Human Labors:</p>   <p>Machines:</p>  

How to Design? Some Methodologies

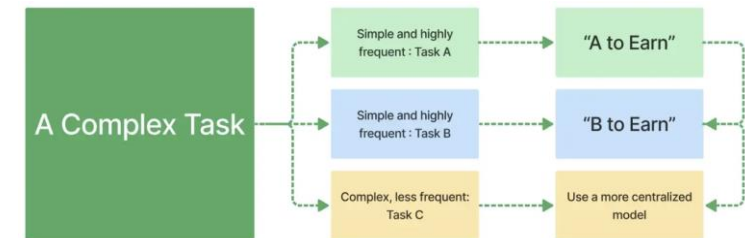
Token Economics



Business Models

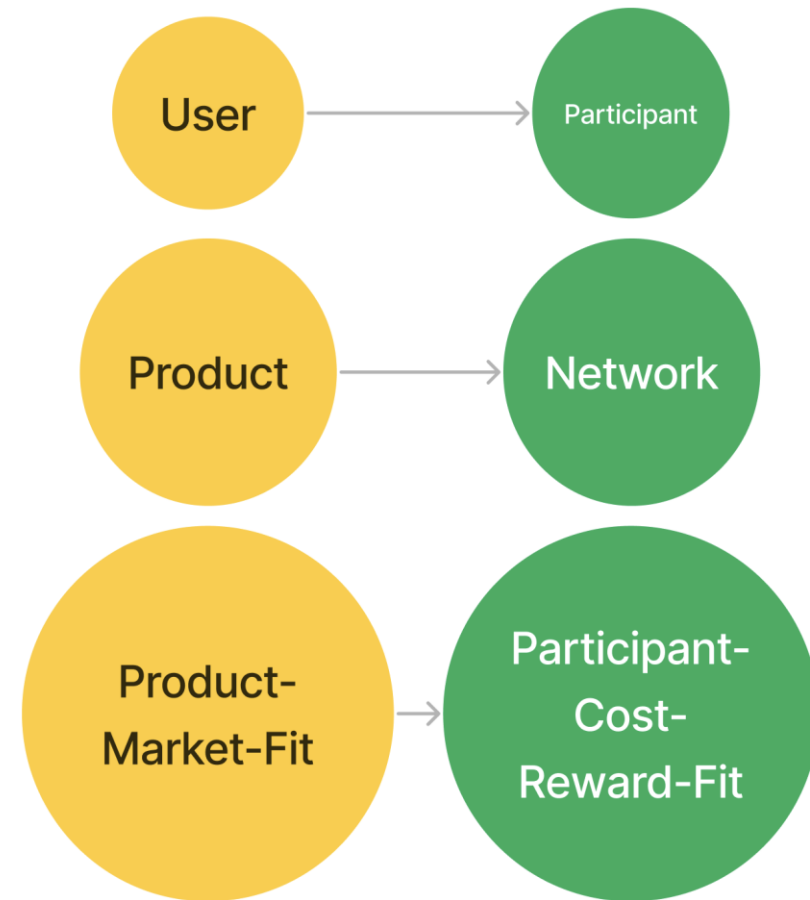


Protocol-Task Alignment & Anti-fraud Design



Gamification Design: PMF -> PCRf model

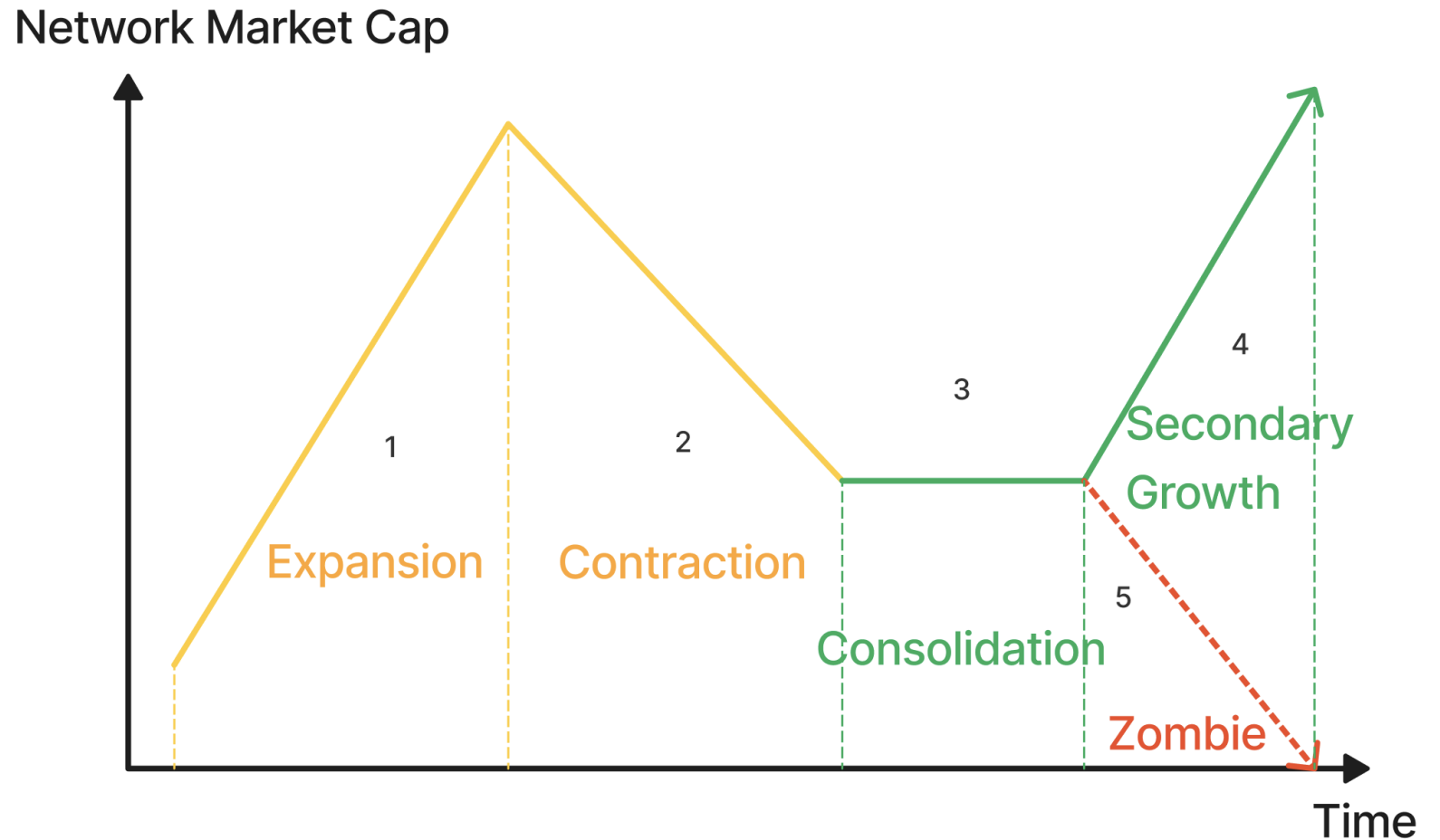
- Web3 is an obscure concept
- Gamification is a productized concept
- A16Z: the future of work is to receive steady benefits from participating in DAOs and crypto networks.
- Web2.0 framework: users, products, and PMF (Product-Market-Fit)
- Web3.0 framework: **participants, networks, and PCRf**
(*Participant-Cost-Reward-Fit*)



Gamification Design : Life Cycle, 5 Phases

- 1 Expansion
- 2 Contraction
- 3 Consolidation
- 4 Secondary Growth
- 5 Turning Zombie...

Build new things!



Gamification Design : The Triangle of PCRf

Frequency

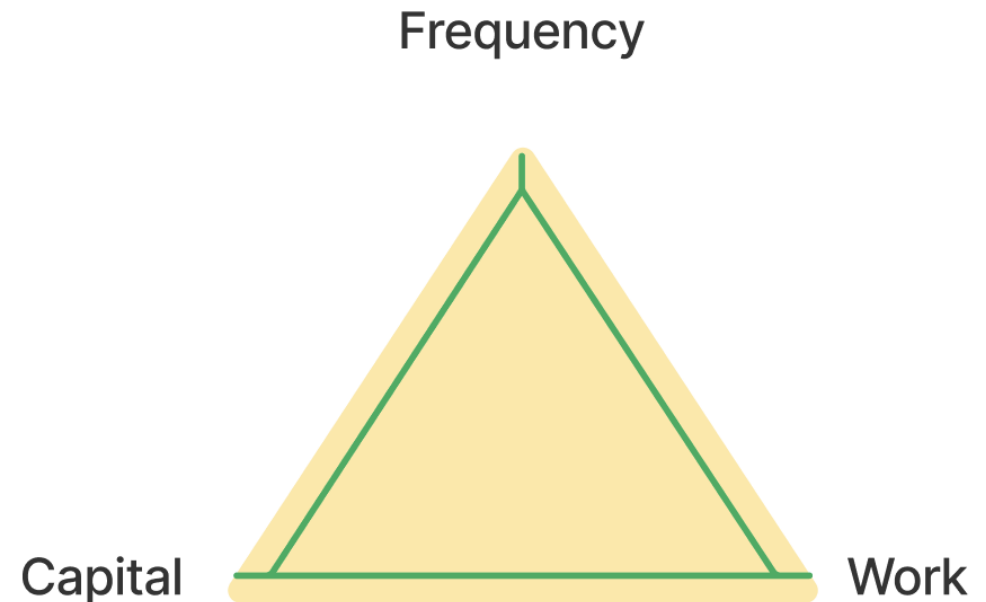
How often a participant submits a task and receives rewards. Example: The frequency of bitcoin is approximately every 9 minutes, and the frequency of a Stepn may be several hours in a day.

Capital

The financial cost of participating in the network, such as a physical miner, the principal of a liquidity provider, and access NFTs.

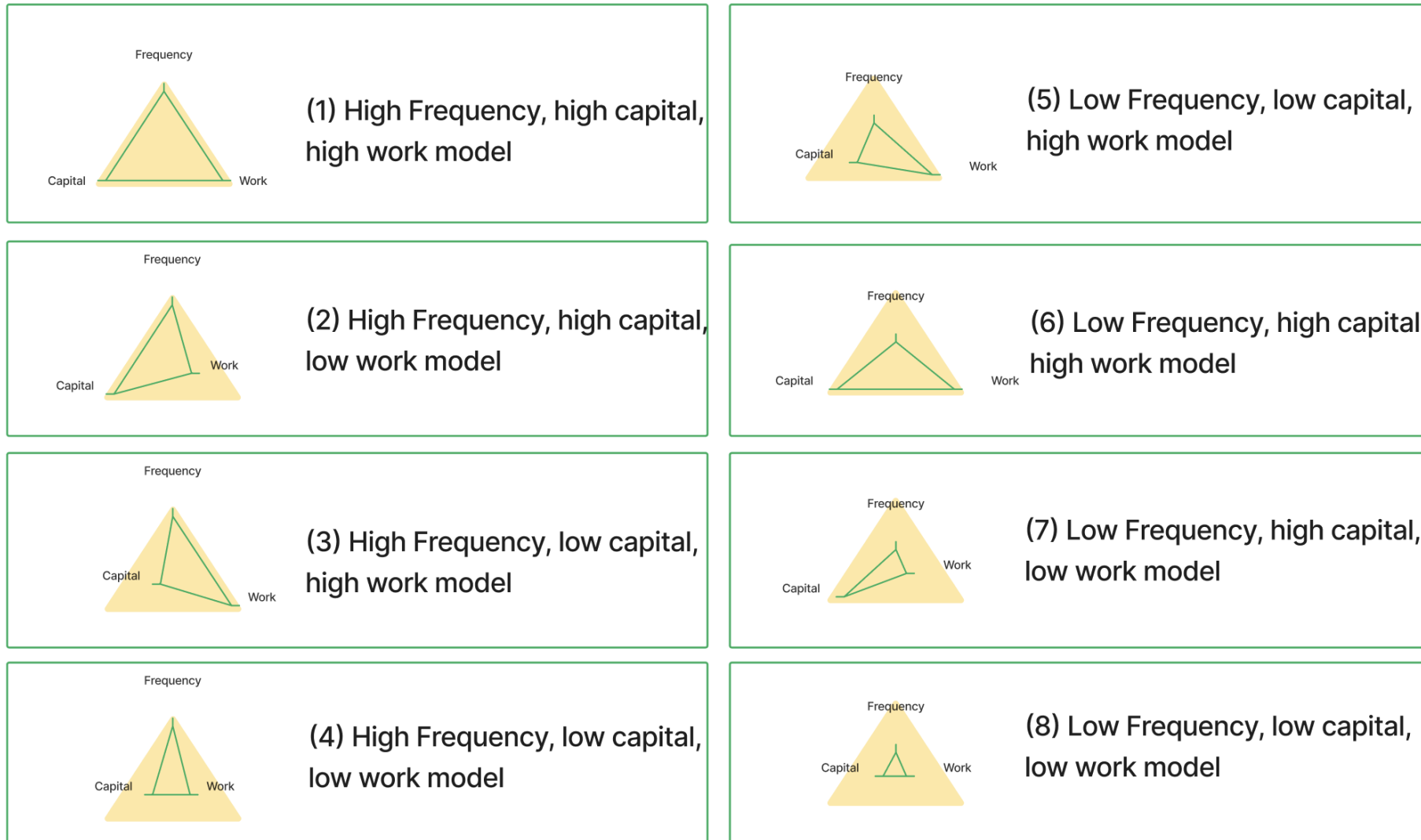
Work

The work cost of participating in the network. Examples: playing games, physical work-outs, and creative jobs that require trained skills.

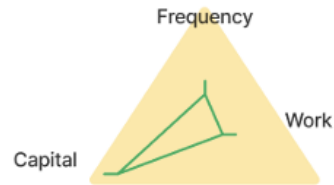


Normally, higher frequency underlines standardized work, and lower frequency underlines specialized work.

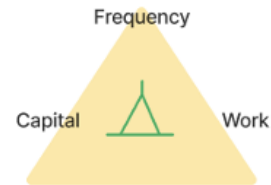
Eight combinations for design models



Take out the two irrelevant models...

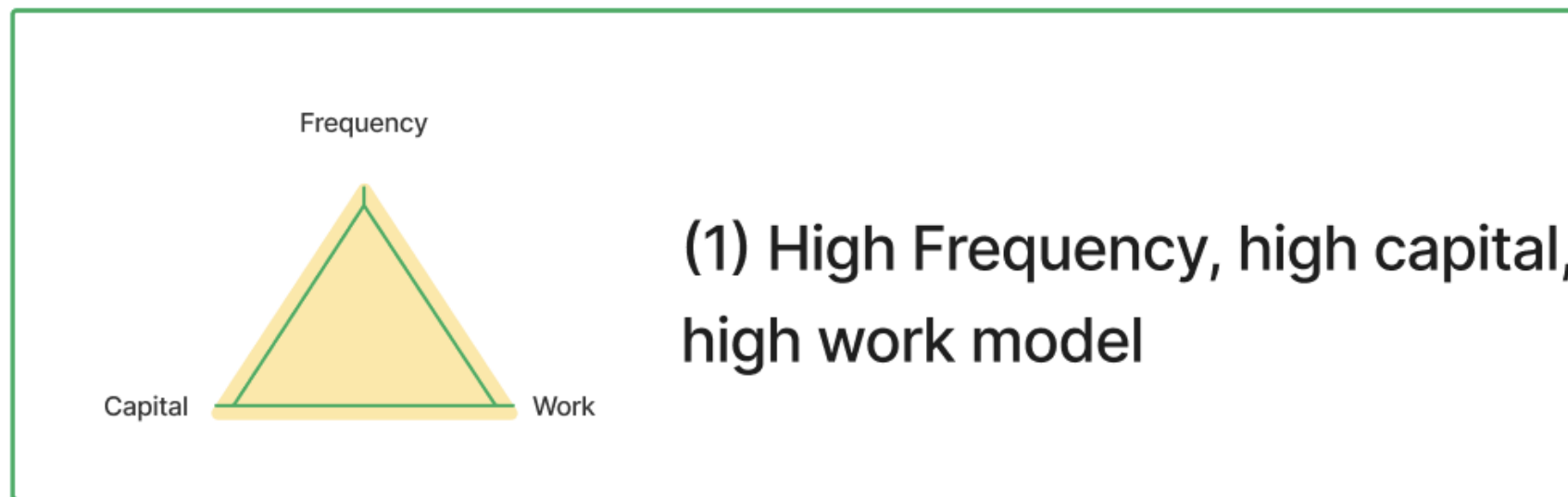


(7) Low Frequency, high capital,
low work model



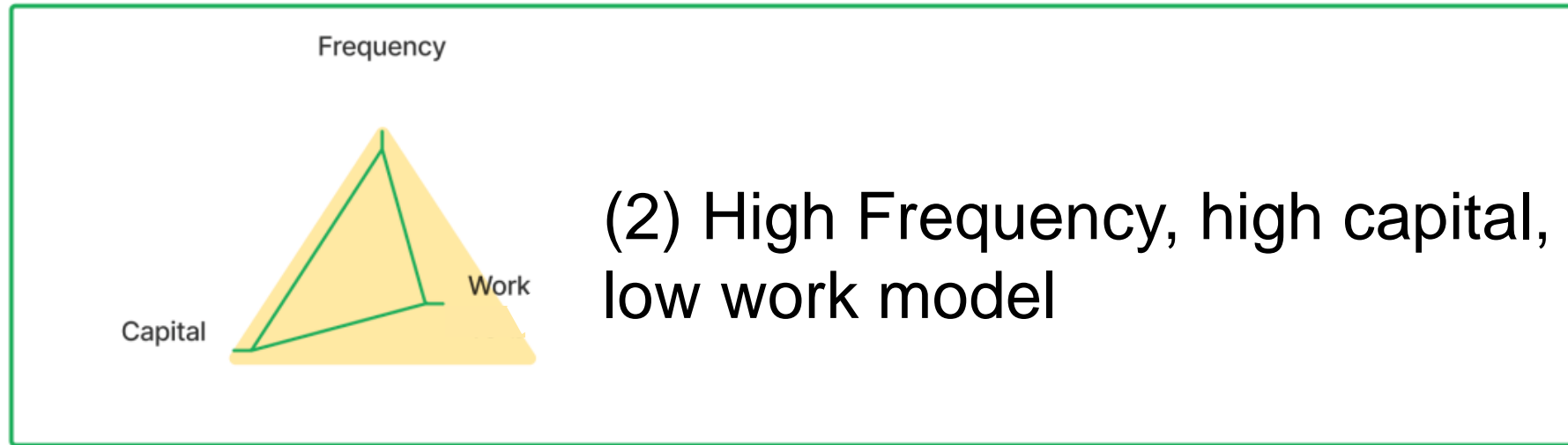
(8) Low Frequency, low capital,
low work model

1: HHH -> AI & Capital Dominance



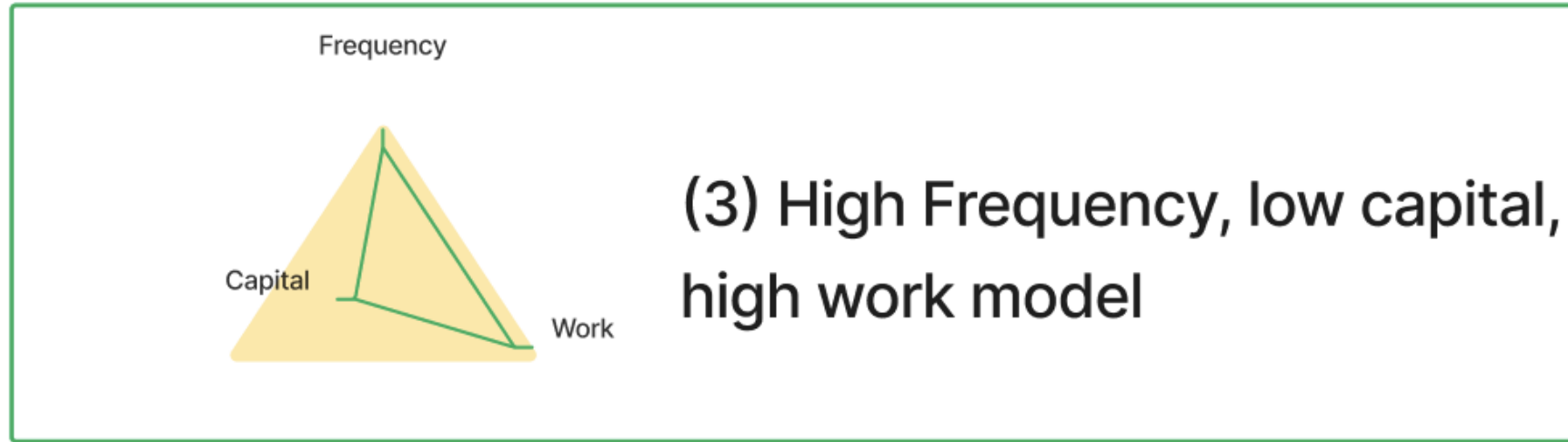
- Pros: It is theoretically the most efficient and powerful model. Bitcoin looks like this.
- Cons: It becomes arms race. Organized players are prevailing.
- Ideas: This is where the endgame is heading, so do not do it in the beginning. It is easy to turn the product into an inactive network. Should lower the barrier in the early stage for more participants to join, try to prolong the window for them.

2: HHL -> Capital Dominance



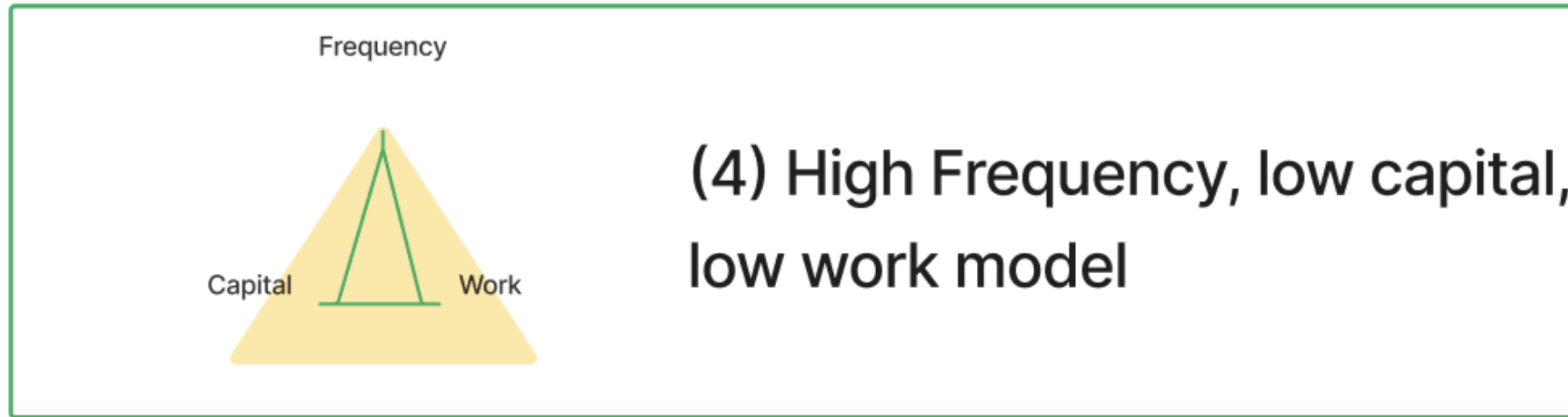
- Pros: Capital efficiency is amplified, a very efficient way to raise capital and liquidity for the network. e.g.: PoS consensus protocols, and most Defi protocols
- Cons: easy to control by whales, & over-financialization
- Design ideas: To introduce more participants to the network, increase participants' non-financial costs such as reputation, time, opportunity costs, etc.

3: HLH -> Labor Dominance



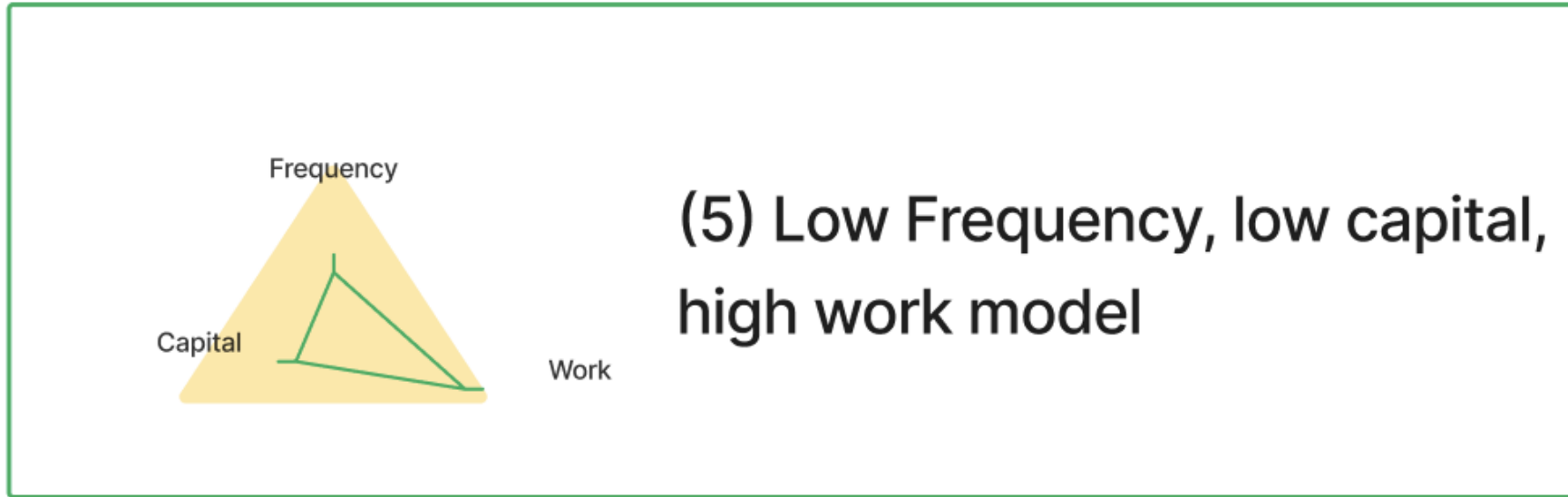
- Pros: money is not the problem, as long as one pays sweat equity in the network. We have seen play-to-earn, move-to-earn, translate-to-earn, drive-to-earn, & share-house-to-earn, etc.
- Cons: Work needs to be quantifiable, and its business model needs to be found.
- Design ideas: Have sophisticated anti-cheating techniques, or even introduce IoT devices and external oracles; explore economic value of positive externalities.

4: HLL -> Great user base, but low value



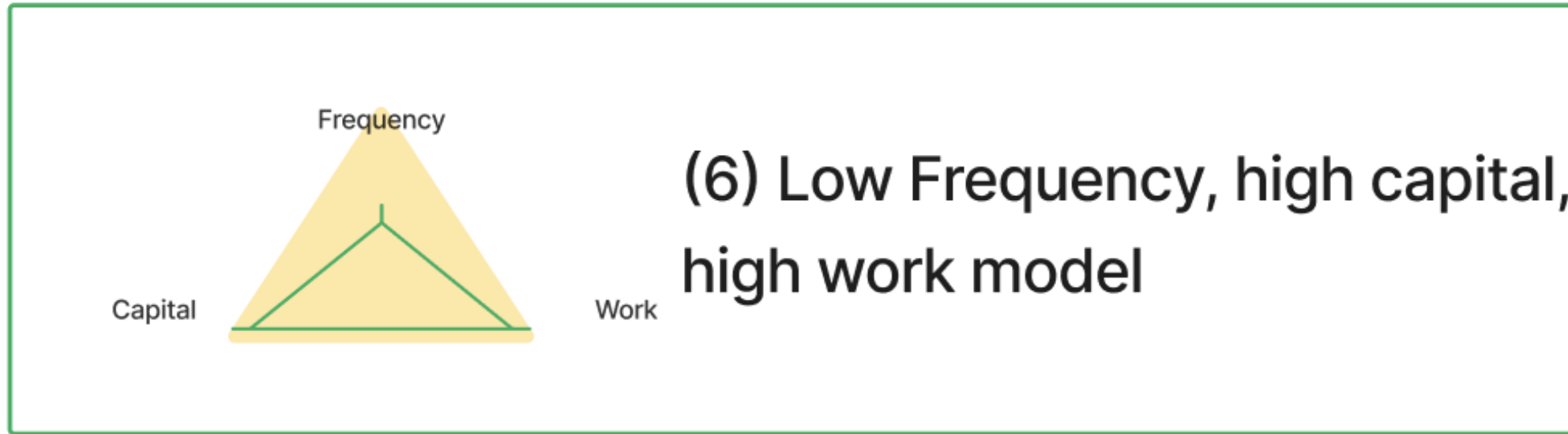
- Representative: sleep-to-earn, read-to-earn, share-to-earn, comment-to-earn, etc.
- Pros: The bar is relatively low, resulting in a substantial potential group of participants.
- Cons: The profile of participants could be very diverse given the work is generic (anyone can "like", "comment", "share", etc.), and the value of labor generated is low, as is the capital contribution. It is easy to become a low-value network.
- Design ideas: To raise capital or work requirement of participants and find vertical areas where such actions ("X") are more meaningful. Appropriately increase the capital investment so that labor participants will not cheat or else forfeit the capital.

5: LLH -> Skill Dominance



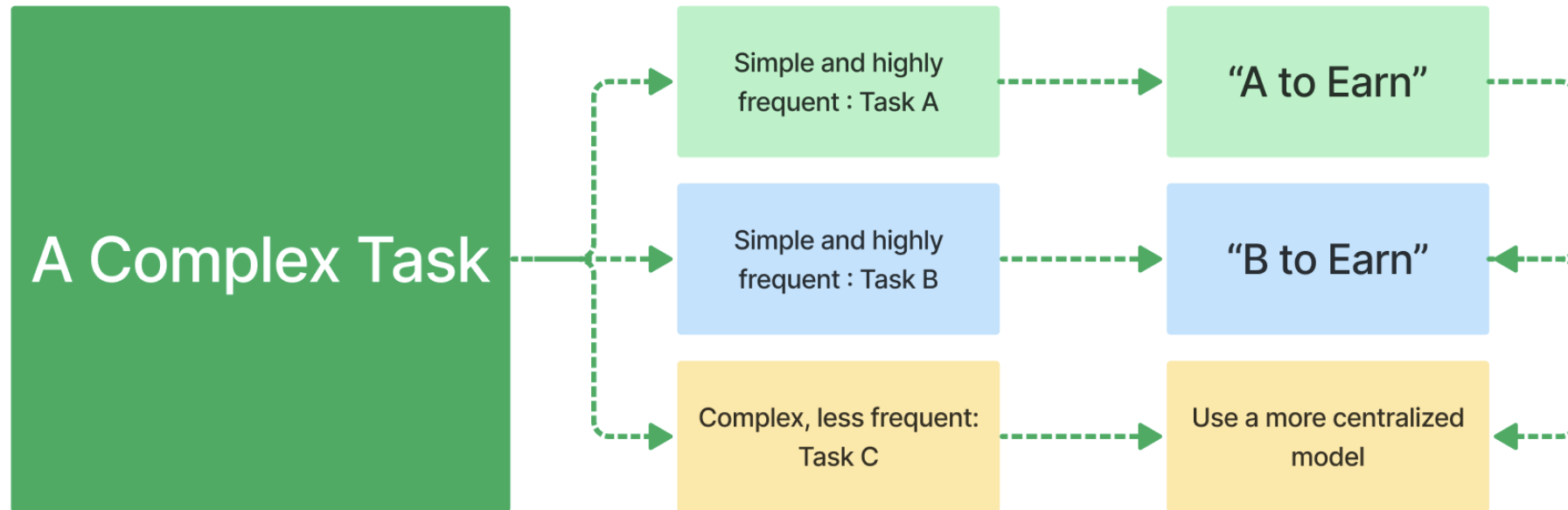
- Representatives are: research-to-earn, code-to-earn, create-to-earn etc.
- Pros: a vertical, smaller pool of skilled participants who may create economic value
- Cons: the participants are elitist, making it difficult to scale up, and the tasks are challenging to quantify and reward.
- Design ideas: To split a complex skill task into several simple tasks and then combine them.

6: LLH -> Hard to build, better centralize



- This model is uncommon, similar to Venture DAO, where participants jointly contribute money, make investment strategies, and share dividends.
- Difficulties: Confirmation and incentive frequency is very low, the workload is difficult to measure, and work tasks are extremely non-standardized, leading to difficulty in reaching consensus. So it is difficult to form a scale.

Inspiration: Redesign the workflow



- Split up, much as you can, and reorganize
- Turn the high-frequency and quantifiable actions into gamification network models
- Keep the non-quantifiable, complex, and personalized actions retained for centralized business as a special participant in the network.

One More Inspiration: Focus design on tokenized work, not capital

- Human nature is relatively difficult to let go of "wasted effort".
- Create, and tokenize work, build that into the network.
- One of the most reliable way to create positive externalities.

Thank you!



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X2earn's Product Methodology: Frequency, Capital, and Work

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Web 3 9 min read



Jul 5

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#0. Why we wrote this article 0.1 Hardware (esp. IoT) is still primitive in Web3 If blockchain ever evolves into a decentralized world computer, its...



Helium 15 min read



Jun 27

Value Capture [Where Are Web3's Revenues Going?

TLDR; Conclusion: (1) Total Revenue: The Web3 business model has evolved significantly, with the dominant still being the "sale of blockspace", followed by the NFT marketplace, DeFi, GameFi, and infrastructure. (2)...



Blockchain 9 min read

