



Snail Games and the Metaverse

April 26, 2022 at 8:00 AM EDT

Snail Games founder and chairman, Shi Hai participates in a 1:1 fireside chat with Dean Takahashi at Gamesbeat Summit 2022. Conversation will surround metaverse, web 3.0 and Snail's plan on tackling the subject.

Below is a transcript of the session:

Tell us a bit about yourself.

It has been more than 20 years since I founded Snail Games in China. I left China about 6-7 years ago due to Chinese policies on the gaming industry. Therefore the headquarter is now in Los Angeles. The company has been developing and publishing MMORPG and sandbox survival games ever since.

Why are we talking about the Metaverse?

In fact, we were one of the first companies to develop 3D online games in China. In 2002, our business card was printed with the motto "Virtual World Manufacturer." So we have always believe the existence of this digital virtual world. As we can see, the Metaverse is now a trend. Many others are more concerned about hardware, technology, gaming experience and digital assets. However, we in Snail Games believe that we have now reached an era of Web 3.0, the ownership of digital assets is the most important issue for our fellow users.

Why is Snail Games interested in Web 3.0?

Our company has released many games with different themes and styles, and we have created many kinds of gameplay templates. We have survived within the game industry in the past with these unique gameplay. Since we don't have our own platform or internet traffic, we rely on our own products to attract customers and monetize via our unique gameplay. We have tried to develop our own platform in the past but all failed. Web 3.0 is now a very big opportunity for us. In the past, the assets created by content creators belonged to the platforms, and in turn the platforms used the assets created by content creators to thrive. However, no matter how influential the content creators are, they may end up being banned by the platform. This is just not fair. We have over 30 years of experience with developing digital assets, and as a very experienced gamer myself, I am emotionally resonating with these gamers and content creators. It is a very frustrating experience when you lose all your work. Perhaps you have been posting articles on a forum and as the policy changes or the forum disappears, so do all of your contents and efforts. Many ARK content creators developed many MODs, however they did not receive enough feedback or profits from the community market. Therefore we want to create a supportive environment for content creators so that more content creators and users would join us.

What are your views on the Metaverse and NFTs?

Over the past 20 years we have gone through many ups and downs, and as a result we have found that there are only failed products. The ongoing trends will not fail or change. People hold many different perspectives on the metaverse today. Some are from hardware point of view, and some are from the technical aspect. However, from our past experience, we believe a successful product must be developed based on user's preference. What we as content creators, are concerned about the most with the Metaverse is how to preserve digital assets in this environment and who these digital assets truly belong to. These are the major issues we want to address. Only then will the users be willing to spend time creating new content, technologies and digital assets. I personally attended the NFT LA conference last month. Although I had a lot of knowledge about the industry, I was still very astonished. We are very familiar with how excited and passionate the users are about the digital assets. NFT is also a digital asset. A lot of different industries and companies are taking a new step in this brand new industry, and pursuing what value digital assets hold for their users. Therefore I do not believe they would fail.

What are your plans to tackle the metaverse?

We have developed our own engine that is available for PC, console and mobile game development. We plan to incorporate all of our games into this engine so that we can provide a supporting platform with many templates for content creators. For example, there are a lot of maps involving deserts in ARK. In this metaverse project, players will be able to transfer into a desert planet where they can have their own unique gameplay. They will be able to create new digital assets or even their own cryptocurrencies that can be traded with other planets.

How will you execute this?

The metaverse relies heavily on user engagement and community interactions. All digital assets are based on circulation, otherwise they would be worthless. We have a lot of experience in multiplayer games and therefore in terms of technology, we are well prepared for the metaverse including server issues and anti-hack measures. However, it is still rather difficult to choose the right technology that would allow the user's assets to be retained in the metaverse. In the case that one day Snail Games ceases to exist, how will these assets continue on existing. We have started work on this project about a year ago, and this issue is still a big challenge for us. The second issue involves the transfer of digital assets between planets. There will be a lot of different planets with different

gameplays, rules and unique digital assets. These assets can belong to an individual, a company or even Snail Games. How to transfer these assets amongst the planets is another big challenge that we are facing. In conclusion, how to reach a consensus that allows for maximum circulation of these digital assets in the Metaverse still remains a question.

Are you referencing having the ARK game as a planet?

ARK might have different planets due to its different maps and DLCs.

Thoughts on game developer's negative perception of blockchain games?

This trend will not change. Real money trading in multiplayer games have been a major topic that is frowned upon by single-player game developers even until now. I believe this is just a lack of understanding of each other. As developers of single-player games ourselves, we know it is very rewarding to deliver a good game content for our fellow players. At the same time, we also develop many multiplayer games, and we are very well aware that only a small portion of the players will purchase digital assets. Many players also farm repeatedly to create more digital assets as well. Objectively speaking, we believe this market is created by player demands, and therefore it is hard to judge whether this is a good or bad issue. Many players in the past have expressed their concerns that real money trading will make more players into farming labors. I believe Web 3.0 and metaverse are exactly the opposite. Many players enjoy farming as they accumulate their digital assets. Leveling and upgrading equipment is also a part of this process. Objectively speaking, the rewarding feeling of accumulating digital assets commonly exists. I think the issue with digital assets right now is not the act of creating them, but with not enough protection to retain ownership of these assets. Now we have the trend and the technology to resolve this issue so that we can free these players and help them get the assets they deserve. Another possible reason is that a lot of platform holders and game developers have unintentionally set the bar too high. A lot of them would see an interesting feature of a game and decide to integrate it into their own game, which later proven to be not interesting. However, a lot of popular and interesting game contents were developed by fellow players, such as all the Mods in games. The mod community needs to have an open source platform or technology to protect the ownership of their assets.

Where in the world are you targeting the launch of your Metaverse?

We will find out very soon. Most likely it will take place in the United States first.

Visit <https://www.flexiengine3d.com/en.html> to learn more.

Web 3 platform inquiries: metaverse@snail.com

Engine inquiries: flexi@snail.com

Link to source: <https://venturebeat.com/2022/04/27/snail-games-ceo-talks-property-rights-in-the-metaverse-at-gamesbeat-summit>