



# 1. A brief history of the game industry in numbers

## Review

The game industry was born in the middle 1970s as an enthusiast movement and in a few decades grew up from the small market into mainstream industry with annual profit of 9,5 billion dollars in the USA in 2007 and up to annual profit of 11,7 billion dollars in 2008 (according to ESA annual reports). The market employs both large players and small firms and startups, as well as independent developers and communities.

## 1970s

The history of the industry began in 1971 with the launch of the arcade game Computer Space. In following year, Atari released the first commercially successful Pong video game.

Pong is one of the earliest arcade video games, it is a tennis sports game using simple two-dimensional graphics. There had been other video games, such as Computer Space, but Pong became the first really popular video game.

The original version for arcade machines was sold out in the amount 19 thousand pieces. During the same year one of the first home console video game - Magnavox Odyssey – was released on the market.

## 1980s

By the early 1980s, the "Golden age of arcade games" was in its Prime. The volume of the arcade machine market in the USA has increased significantly from \$50 million in 1978 up to \$900 million in 1981, while the revenue of the entire arcade games industry tripled, amounting to \$2.8 billion in 1980. In seldom 198, the arcade games industry in the USA earned \$5 billion, i.e. \$12.3 billion in 2011 prices. The arcade games reached their peak in 1982, earning \$8 billion (\$18.5 in 2011 prices), exceeding the total sales of pop music (\$4 billion) and the U.S. movie industry (\$3 billion). It was also more than 2 times higher than the sales market of home gaming systems which in the same year amounted to \$3.8 billion. Thus, the total income of the market of arcade and home games of the computer games industry in 1982 amounted to \$11.8 billion (more than \$27.3 billion in 2011 prices). The arcade games market continued to generate \$5 billion in sales until 1985. The most significant game of that period was released in 1980 PAC-Man by Namco, sold out in the amount of more than 350 thousand machines and earned for that year more than \$1 billion. The total sales of Pac-Man for the entire 20th century were estimated to exceed \$ 2.5 billion (more than \$3.4 in 2011 prices).

## **1990s**

In the 1990s, there was the wide development of technologies associated with computer games. At the same time the development of technology and the game market also took place. Thus, at the beginning of the period the licensed games became the most successful ones, as well as sequels games.

In 1993, sales of computer games in the world amounted to \$19.8 billion (\$31 billion in 2011 prices), \$20.8 billion in 1994 (\$32 billion in 2011 prices) and approximately \$30 billion in 1998 (\$41.5 billion in 2011 prices). Arcade machine sales to the US in 1994 amounted to \$ 7 billion (\$11 billion in 2011 prices), while sales of games for home consoles amounted to \$6 billion (\$9 billion in 2011 prices). Thus, the total sales of the gaming industry in the USA became more than 2.5 times higher than the sales of movie industry in the USA.

## **2000s**

During this period the games remained the driving force to develop computer technologies, which were subsequently used for other purposes. During this period, many casual and indie games were created and became popular. The branch of games for mobile platforms was also strengthened. Miniaturization of hardware and mass distribution of mobile phones contributed to the emergence of mobile games applications; the route of creating games for social networks was born. Zynga developer is especially well-known by developing games for Facebook social network. Another example of successful gaming platforms are iOS and Android.

## **2010s**

Nowadays computer games make a significant contribution to the world economy due to the great success of sales of major gaming systems and games like "Call of Duty: Black Ops", which has earned during the first 5 days of sales of more than \$600 million, which set the world record of five-day sales of movies, books and computer games. The game's sales exceeded the box office sales of the movie "Spider-man 3: Enemy in reflection", which was released in the movie theatres the same weekend, as well as the previous record among the games set by Halo 3. A lot of people become reach contributing from the success of the computer games industry such as the former President of Nintendo and one of the richest men in Japan Hiroshi Yamauchi.

## **2017**

In 2017 the total volume of the gaming market amounted to \$108,9 billion of dollars.



### **3. The blockchain helps indie developers**

Based on the new technology it is possible to create the alternative of large trading platforms like Steam. Theoretically it can lead to freer market with less costs and interest payments, which make games cheaper. Moreover, small developers will have more opportunities to declare themselves without having passed the selection procedure. But there are obvious problems here: anarchy is not always a good alternative to such proven systems as GOG or Steam.

### **4. The blockchain unites real and gaming currencies.**

Theoretically it is possible to fully build a gaming economy based on Bitcoin itself or altcoins (alternate cryptocurrencies). Your gaming process can lead to generating "real" crypto coins which you can spend in the real life later on. Or vice versa: you take to the game few satoshi and buy a new helmet. But again we face the issues of poorly predicted and sharp fluctuations of cryptocurrency rates (volatility), in-game inflation and economic crimes which are poorly studied at gaming.

## **3. CryptoKitties – the most popular game in the blockchain.**

Official web-site- <https://www.cryptokitties.co/>

**This project is based on the cryptocurrency Ethereum. Its popularity achieved such heights so that in just few weeks "The CryptoKitties" took 15,4% of the entire Ethereum system traffic. But obviously the most important feature of this game is the ability to earn money. In total the players have invested in this project more than \$ 3.2 billion!**

### **Essence of the CryptoKitties games**

The main idea of the game CryptoKitties, which is essentially an investment project, is that you need to breed digital kitties. Figuratively speaking, this process can be compared with cryptocurrency mining, but in a slightly different sphere. So, you do not need to calculate blocks in the blockchain network with the help of computer power, here you need to develop your strategy of the game and interbreed the purchased kitties so that they have a successful brood. The more unique your digital pets brood, the better you do in game.

Thus, each virtual kitties appears in the game world with its own set of individual characteristics, parameters and its own pedigree, which, according to the rules of the blockchain system, it is principally impossible to fraud. Every furry inhabitant of the world "Cryptokitties" in fact is a completely unique creation that can never die or otherwise be copied. The digital cryptokitties themselves can only love each other, breed, then they can be put up for sale or you can buy new pets.

It is worth mentioning that the interbreeding of different breeds of your virtual pets can make up new characteristics. For example, kitties with blue and yellow eyes are able to give you brood with purple color of their eyes. Moreover, there are no specific "recipes" for the breeding of the necessary kitties - basically, the characteristics of a newborn kitty are generated randomly.

Here comes a logical question - how much coins of Ethereum do you need to buy the treasured cryptokittie? It is easy to answer, but the cost of one digital kitten can vary greatly. For example, to get the standard virtual pet, you need about 13\$, and the cheapest option of a kitties would cost you roughly in 0.5\$ or 0.001 ETN. If we talk about the most expensive options, on sale you can find a special kittie named Genesis - it is estimated at 118 000.

### **How to play and breed kitties at CryptoKitties?**

The main idea of the game is to buy virtual kitties and interbreed them with other members of the kitties family for the sake of a promising brood. Of course, successful specimen can be sold later for a lot of money. Also you can interbreed both your personal kitties and outside kitties. To do this, there is a special section "Auction" where you can choose any suitable partner for your pet, paying a tax.

### **How to earn at CryptoKitties?**

You can buy your own kittie at the special auction, where you can also sell it. There are no specific difficulties: you place your kittie on the online market of the web-site, put on the minimum and maximum price and wait for the buyers. At the same time, you can set any price-there are no restrictions here. The only matter is to find a buyer.

If your furry pet is not bought immediately, then within 24 hours its value is gradually reduced. For this reason, it will be more logical to sell it quickly for a modest price than to do the same, but after a few days, when the price drops itself.

It is also worth to mention about a separate category of cryptokitties called FancyCats. Such pets are distinguished by their special appearance and unique art, which is often drawn from real celebrities. If you manage to somehow get one of these FancyCats, we can assume that you are very lucky, as one such fluffy companion can cost up to 5 thousand dollars. Naturally, it is possible to earn at more simple methods - on the interbreeding of your cats with strangers. So there are many opportunities and strategies to earn in the game CryptoKitties, and you only have to choose the most suitable options.

## **Developer's earnings**

How do the developers of the project earn themselves? The main emphasis here is on commissions for each transaction, which is about 3.75% of the amount spent. Each new crypto cat gene "Gen 0" appears with the help of these funds in every 15-20 minutes.

Moreover, the brand new blockchain cat is estimated by the average amount of the last five cats sold plus 50% to this. All this "Catbreeding" will go on until the end of November 2018, and then the new representatives of the cat family can be created only by using the existing seals. In the network, this game has long gained immense popularity, especially among members of the cryptocurrency community. And apparently, in the near future the interest in CryptoKitties will not weaken.

## **4. Background for cloning**

In the gaming industry, there are many examples of very successful companies that specialize in cloning. This became part of the system, and it often happens that the clone is superior to the original, because companies that clone the game can offer base games and plus add-ons, the lack of which was claimed by the players themselves.

Cloning also has a number of advantages for developers themselves.

### **Advantages of cloning:**

- ready logic of the game
- Reducing the risk of failure
- Shorter development time

Now interest in Cryptokittes is reduced due to in-game problems. If the developers do not bring in the game fresh ideas urgently, CryptoKitties die and pets players sharply devalue.

But the new games always come to replace the old ones. Especially when the old games for the month bring 25 million to its creators.

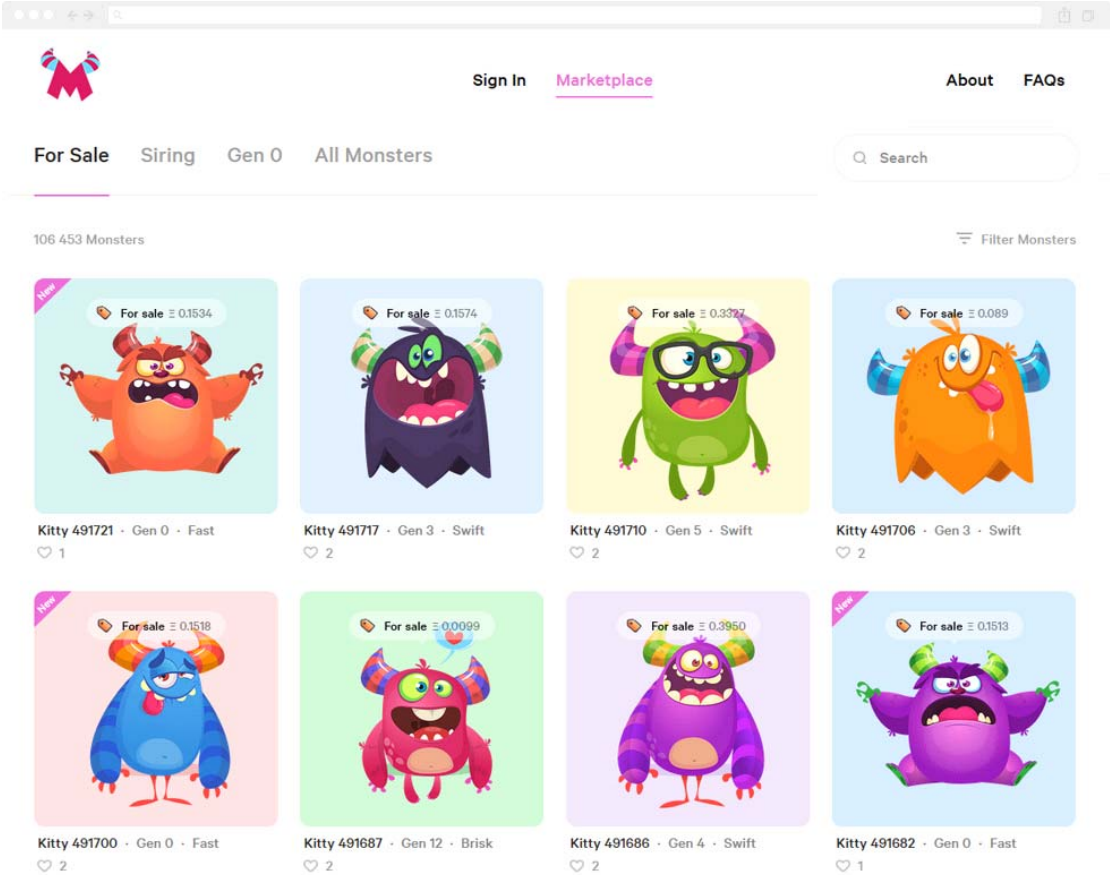
Our goal is not to replace Cryptokities by our game. First of all, we set the task to earn a lot of money for both developers and, respectively, for You.

# 5. Monsterbit - is just a super cool clone of Cryptokitties with its add-ons.

## Advantages:

### Design

Bright gradient UI characters - unique Monsters. In addition to different gradients, the DNA of monsters includes a huge number of facial expressions, which will make the new monster visually even more unique.







## Breeding

As well as in the Cryptokitties game new monsters appears through interbreeding

Here there is also a division into generations of "Gen". Also, every certain time the system generates a monster Gen 0, the price of which is equal to the average price of the last 5 monsters +50%.

**Only big monsters can be bred. The possibility of reproduction is limited by time and furthermore, the more time is needed. To reduce this recovery period, users can feed the monster with food.**



## Add-ons

After the implementation of the main base, we planned to create two unique add-ons

### Monster fight and blasters

Adult monsters can organize a battle with blasters to pick up the blasters themselves and monsters of different sizes and generations. I E. all that is in the system can be picked up in battle.



Blasters will also be sold in the store.

## **Commercial monsters.**

Here we will offer to advertisers possibility to advertise their products with the help of monsters. The user who wants to join the system will be able to supplement his monster with the goods of one or the other advertiser and get paid for it. This step will greatly increase interest in the game and further increase profits.



## **Monetization of the game:**

- Fee transaction system is 3,5%
- Selling zero-generation monsters that will be generated by the system every certain time.
- Sale of food for growing up and accelerating the readiness of monsters to breed.
- Selling blasters and refills to the blasters.
- 30% from the sale of advertising through monsters.

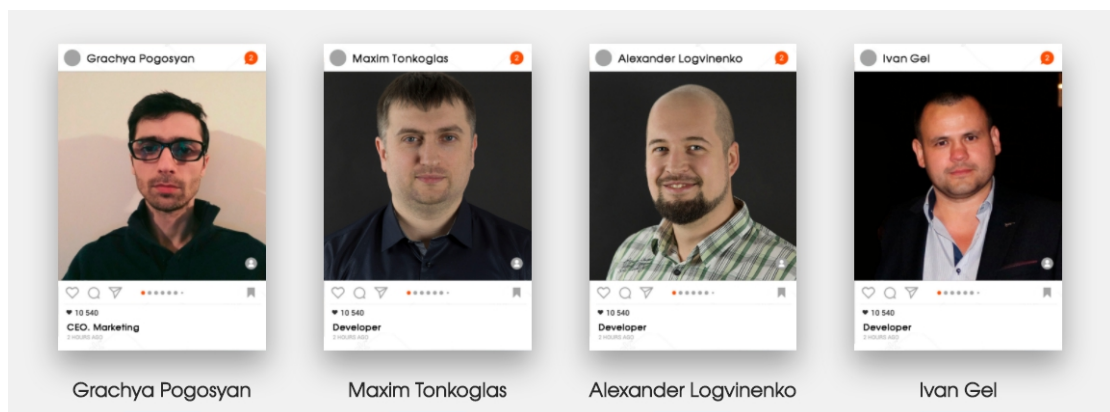






1. They generate commission on purchases and sales of monsters to the users. Monsters gain part of these commissions.
2. They generate Monsters GEN 0 and also sell it for ETH.
3. They generate all the food for monsters and sell it. I.e. the tokenholders will sell food for ETH to the users.
4. They generate blusters and its refill and sell them for ETH to the users.

## Team



## Road map

At this phase we form architecture of the future system, select the main features in it and fix their requirements.

Heroes design concept, it will be drawn within 10 000 monsters, in different periods of life and in different moods

The design concept of the playground

The implementation of the contract local currency - MSTR

The implementation of the contract GOD monsters

1 phase of CROWDSALE

2 ROUND

2 phase CROWDSALE

Implementation of MVP playground

Monster shop

The implementation of the contract storing DNA monster

The implementation of the algorithms spawning monsters

Design of variety of monsters

Debugging and stabilizing the application

3 ROUND

3 phase CROWDSALE

The extension of the playground functions

Fault-tolerant architecture of the playground

Animation of monsters

Food shop

Implementation of algorithms of reproduction, aging, starvation, fatigue

Implementation of the algorithms of generating food

Exchange market GOD of monsters

Food design

Debugging and stabilizing the application

Additionally, it may be developed: advertising monsters, war of the monsters.

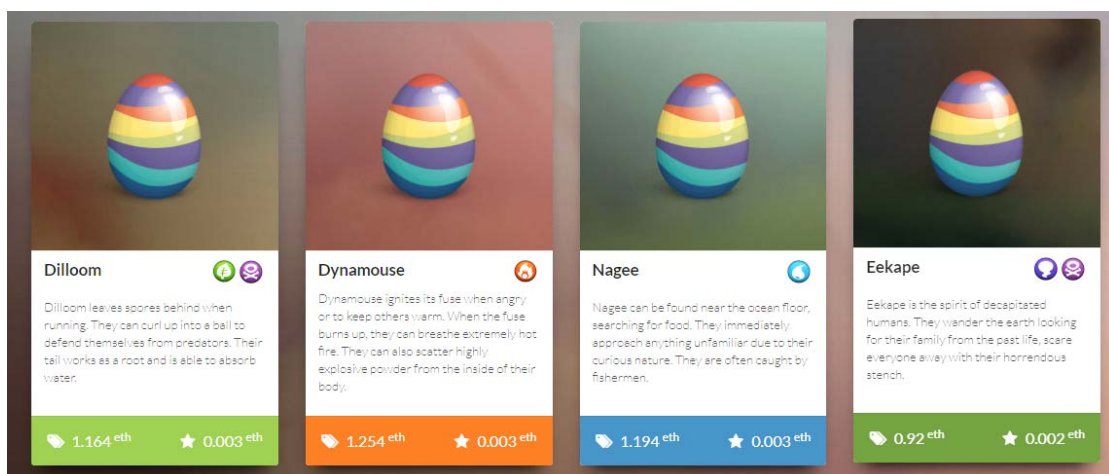
## 10. Competitors

Nowadays we know few teams who follow the way of cloning "The Cryptokitties"

### 1. Ethereum monsters (Ethermon)

The point of game is to imitate the world of "Ethereum monsters" (Ethermon), in which players have to take over and evaluate Ethermon in order to defeat the other creatures. In the beta version you can take over the world, but they still need to develop the possibility of evolution and fights.

So far, the functionality of the game is limited only by the purchase of virtual eggs and their storage. With each subsequent purchase by another player of the same monster, a small percentage of profit will be credited to the account of the owner. The cost of the monsters themselves ranges from 0.37 ETH (300 USD) to 1.25 ETH (1,000 USD).

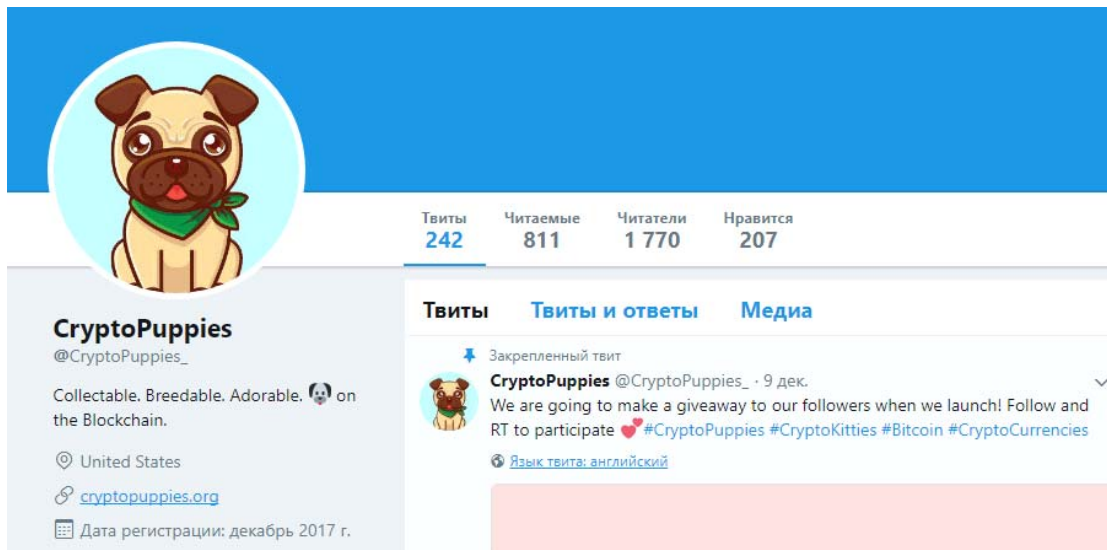


At this stage, users are already faced with the first problem: the investment is done, and there is absence of any functionality. It suspiciously reminds of the classic pyramid scheme in which early adopters get the profits through attracting new investors. When there are new revenues and investments, interest payments will stop.



## 2. Cryptopuppies

Clone with the cyber games.



## 3. Cryptopets

The developers are going to lay rather big functionality in the virtual essence and diversity of species. In addition, completely different species learn to cross each other, which will lead to their incredible visual diversity

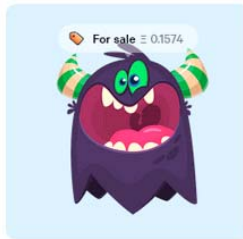


## 4. MonsterBit

The advantage is obvious!



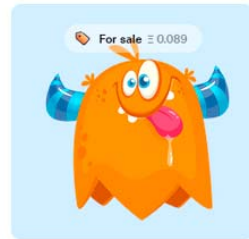
Kitty 491721 · Gen 0 · Fast  
♡ 1



Kitty 491717 · Gen 3 · Swift  
♡ 2



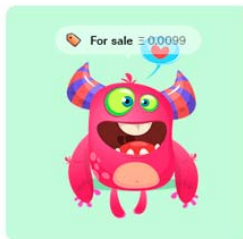
Kitty 491710 · Gen 5 · Swift  
♡ 2



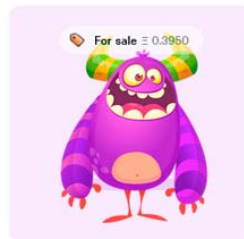
Kitty 491706 · Gen 3 · Swift  
♡ 2



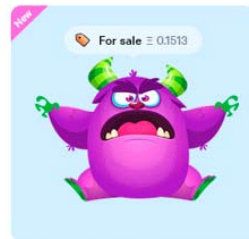
Kitty 491700 · Gen 0 · Fast  
♡ 2



Kitty 491687 · Gen 12 · Brisk  
♡ 2



Kitty 491686 · Gen 4 · Swift  
♡ 2



Kitty 491682 · Gen 0 · Fast  
♡ 1