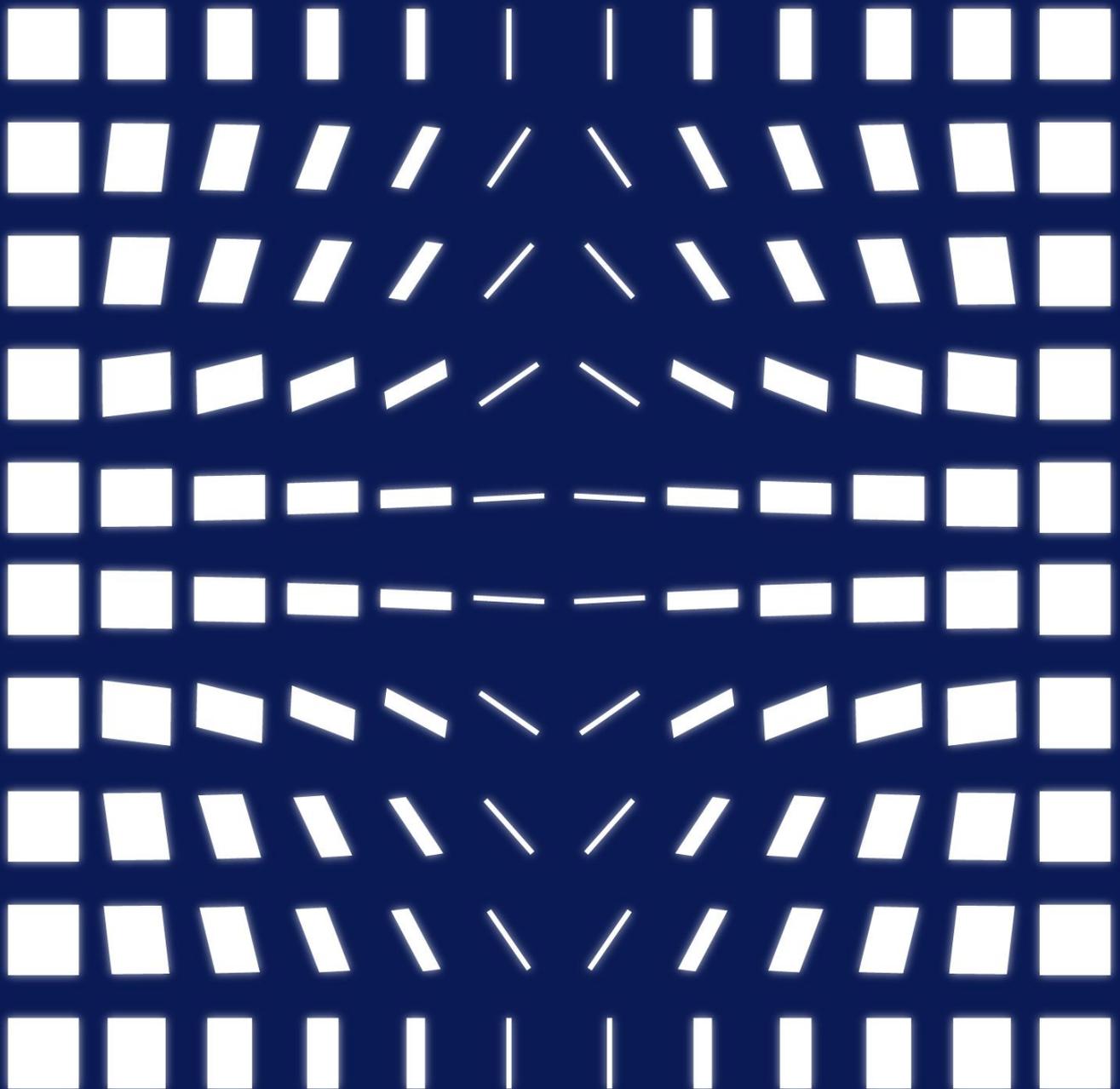


StepN: Move-to-Earn without the Ponzi





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StepN is a Move-to-Earn product, a game that takes physical activity in people's daily life - exercise - and turns it into a way to earn tokens. Recently, StepN's popularity has permeated the crypto world. The daily active users have shown an exponential growth, and the price of governance token GMT has been continuously raised, which has produced a huge wealth-making effect. M2E is different from P2E. It reduces the elements of the game and increases the social attributes. It is a successful attempt to get out of the crypto word. In terms of design, StepN encourages individual users to participate, and has made a lot of efforts to limit cheating and P2E guild, which is why it is difficult for folks to replicate StepN. At present, StepN has enough users and real sports scenes, and it is very likely to embark on a path different from Ponzi.

Part I: Introduction

StepN is a GameFi project built on Solana, where users receive Green Satoshi Tokens (GST) as revenue for moving, walking (1-6km/h), jogging (4-10km/h), or running (8-20km/h).

Users participating in the game first need to buy a Sneaker NFT. Sneaker NFTs have three categories: walker, jogger, runner, and trainer, each based on the expected speed of movement. Depending on its rarity, the sneaker is categorized as common, uncommon, rare, epic, or legendary. The difference in categorization lies in the following four attributes of the sneakers: efficiency, luck, comfort, and resilience. Each attribute carries a corresponding gem slot, and users can upgrade the sneaker attributes by adding points and installing gems to their gem slot.

There are currently three ways to play:

- Earn GSTs through movement; the higher the movement efficiency, the higher the returns
- Obtain Loot Boxes randomly while exercising, as well as their related luck attributes
- Mint sneakers with the consumption of GST

In addition, there are ranking tournaments and badge systems, which are still under development. Users receive GST for moving, and consume GST through upgrades, repairs, and minting, creating a continuing cycle of token generation in the game's ecosystem.

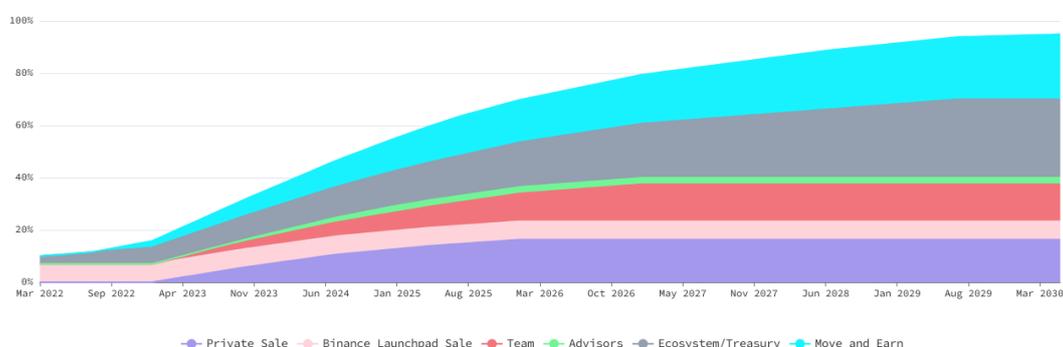
Token Output and Consumption

GST

- Output through movement, total amount uncapped.
- Consumption mechanism: upgrade and acceleration, repair, minting, and opening gem slots. It is the basic token in the StepN ecosystem.

GMT

- Governance tokens, total amount capped at 6 billion.
- GMT usage data has not yet been announced. GMT output, consumption, and staking details will be announced officially after the number of Twitter followers break 150k. As of this writing, the number of followers has reached 145k, and more details are expected to be announced in early April.



(GMT distribution, source: StepN Litepaper)

2. The Shift to Move-to-Earn

Axie Infinity drove widespread adoption of the Play-to-Earn concept, popularizing the use of tokenomics in games. StepN is popularizing Move-to-Earn, rewarding users with tokens for offline behavior.

Compared to projects like Axie, StepN is characterized by its rewards for in real-life offline costs - moving. Movement is an IRL behavior. The time spent running, the measured distance covered, and the physical sensation after exercise, all give users a sense of accomplishment for exercising. Exercising has an energy cost, which serves as the basis for the value of GST and acts as an invisible anchor in the pricing of GST.

It would not be accurate to describe StepN as a game or GameFi. It is more like a Web3 application for both exercise and social needs. StepN has abandoned typical GameFi characteristics: no Play-to-Earn dazzling gameplay, just simple interaction logic, with exercising being the only link. The ultimate purpose of opening loot boxes, upgrading, and minting sneakers is to improve the attributes of one's sneakers and increase GST rewards gained from exercising.

While abandoning the complexity of typical games, StepN retains the fun aspects. As with games, exercise itself is an enjoyable act. But while games take up too much of the user's time and could lead to game addiction, exercise brings the user self-discipline and the satisfaction of achieving daily exercise goals.

The change from Play-to-Earn to Move-to-Earn is, in itself, reflected by a shift in the design concept. Play-to-Earn gaming is become more and more like a job, with organized guild and significant time consumption. Move-to-Earn encourages people to go out and enjoy life.

The simplicity of moving, the ability to go out and walk every day, and earn some money while exercising is the main design concept and the most attractive aspect of StepN.

3. Strengthen social attributes

StepN has strengthened the attributes of SocialFi while weakening GameFi. The social attributes are reflected in two aspects: the dissemination mode and the gameplay.

Since January, the popularity of StepN has been growing, and the spread of StepN doesn't rely on media promotion but rather on community promotion,

where users actively recommend the game to their friends and relatives after experiencing it. Exercising is actually very suitable for offline community promotions, aggregating a group of runners through offline sports behavior. We found that there are users who spontaneously set up city organizations, and StepN becomes a link for offline relationships. This kind of propagation will be slower in the early stages but will show exponential growth after a certain user base is established.

StepN's growth is not just based on Move-to-Earn - social relationships provide broader room for imagination. For people outside the cryptocurrency circle, it is a "running" software, and they don't need to necessarily understand the crypto aspects; for people who don't play GameFi games, StepN lowers the barriers to entry for new users and eliminates the widespread impression that GameFi games are Ponzi schemes.

StepN also adds social elements to the gameplay, including leaderboards and a badge system, but related features are still under development and not yet live. By combining offline social and online reputation systems, SocialFi may help StepN achieve another round of user growth.

4. Balance and fairness in game design

StepN's tokenomics design, especially the numerical design, fully reflects the balance and fairness of the game.

Balance

In terms of GST output-consumption, the team has designed many GST usage scenarios to control inflation.

- Upgrade: the higher the level, the more GST is needed for upgrade
- Repair: every movement generates wear and tear, and the cost of repair is linked to the level
- Mint: the more times a pair of sneakers mints, the more GST is consumed each time. During periods of market expansion, the demand for sneakers will stimulate arbitrageurs to keep minting to consume more GST.

Fairness

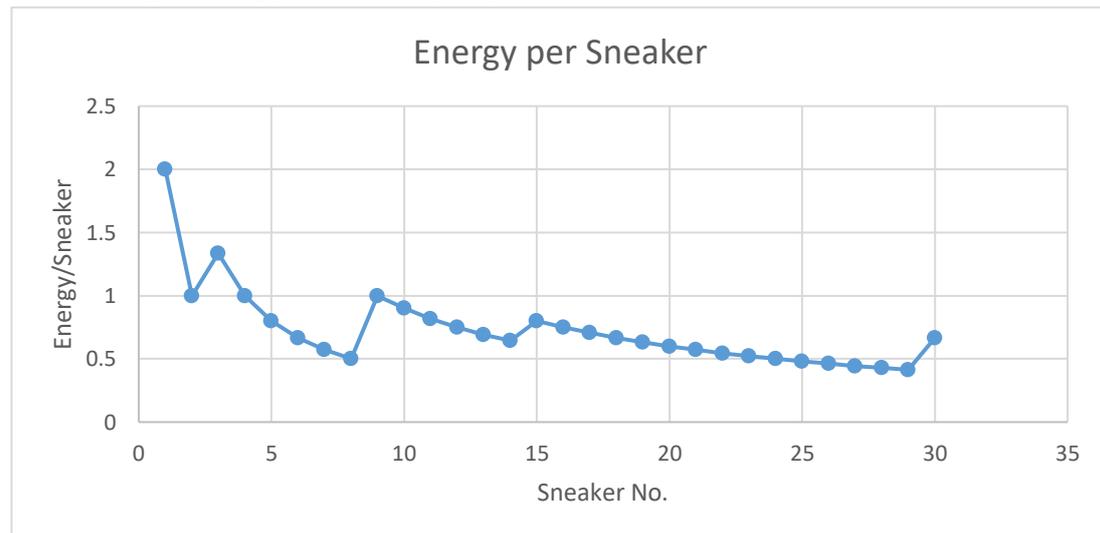
Fairness of the game is reflected in its retail user-friendliness and anti-cheating mechanism.

The relationship between the number of sneakers and the daily energy available is not linear.

Sneaker No.	Energy	Move&earn time (min)	Note
1	2	10	Newbie
3	4	20	Daily User
9	9	45	Savvied User
15	12	60	Pro User
30	20	100	Athlete

(Source: StepN Whitepaper)

With the same rarity, the relationship between the number of sneakers and the average energy available per pair of sneakers is as follows.



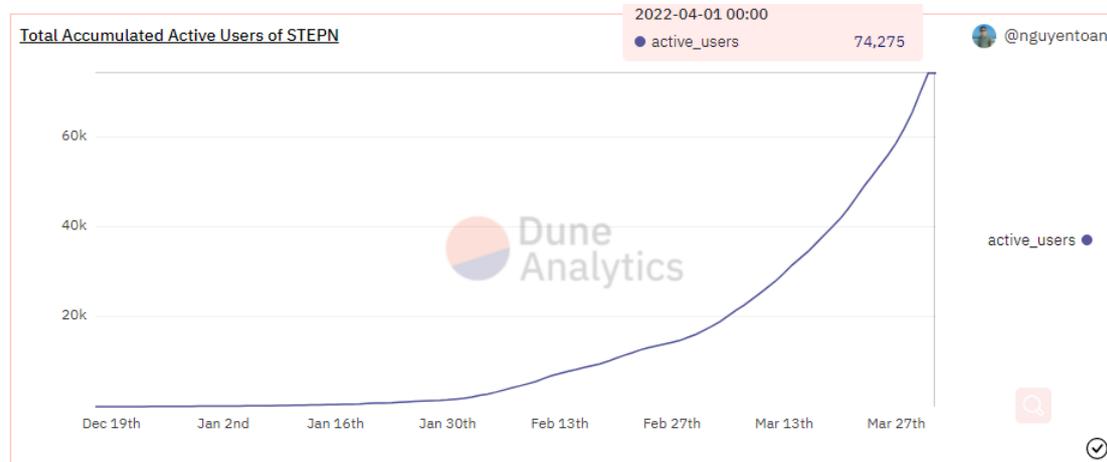
As you can see, the most efficient use of funds is when there is only one pair of sneakers, followed by three pairs of sneakers, and the more sneakers the lower the utilization of funds.

StepN has taken a lot of steps in the anti-cheating area. The project has developed a machine learning model to determine user cheating behavior and is constantly using moving data to train the model. As the data grows, the model's judgment will become increasingly accurate. The above two points on

fairness are designed to protect the rights of individual users and limit the participation of the guild.

5. Market data analysis

The number of new users on StepN has shown exponential growth, and now there are more than 74,000 daily active users.



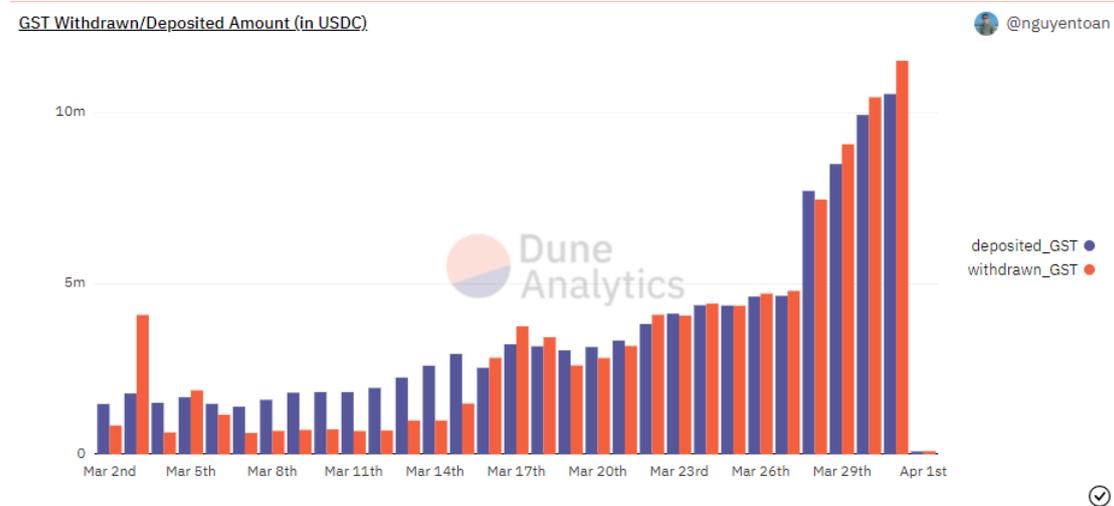
(Number of active users, source: Dune Analytics)

Selling of GSTs has been counteracted by new funds entering the market. As can be seen from the chart above, market conditions since March can be divided into three phases.

- In the first half of March, the GST deposit amount was much larger than withdrawals. The main method of GST consumption was upgrading and minting, especially minting, which needed at least 200 GST. This indicates that the market was at a very early stage in the first half of March, with a shortage of shoe supply, the main user activities being minting and upgrading, and little earning and selling.
- In the middle and second half of March, the deposit amounts and withdraw pressure were flat, and users who entered the market in the first half of the month started selling GST while there were also new users entering the market, and the market was in balance.
- At the end of March, GST price hit an all-time high and the market saw a wave of selling pressure; at the same time, GMT was bursting at the centralized exchange and new users were diverted to StepN, driving up the selling pressure of GST, and the market trading volume skyrocketed.

Through the above analysis, it can be found that the first half of March is an early expansion phase for GST. Because the current payback period of StepN

is about 30 days, early users have not yet reached payback on their capital investments. The GST price surge at the end of March consumed the GST inventory of users, and the GST selloff pressure may be eased in the later period.



(GST withdraw and deposit amount, source: Dune Analytics)

6. Conclusion

StepN has differentiated itself from typical Play-to-Earn games and approached users with a lighter and healthier way - Move-to-Earn. Exercising has real application scenarios, unlike pure money games under Play-to-Earn.

StepN popularized the model of X to earn, and the market emerged successively, such as study to earn, sleep to earn and other folks. But these folks only imitate the form of StepN and lack understanding of tokenomics and anti-cheating. The founder of StepN once revealed that half of their work is solving cheating. It is difficult for folks to have long-term vitality.

StepN also has some problems, such as sneaker inflation and GST inflation. In the short term, all problems including inflation can be solved by rapid growth. When the growth of users slows down, all problems will be exposed. Hope to see effective solutions from StepN in the later stage.

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