

“We Had to Tokenize or Die”: An Exclusive Interview on the NFT Marketplace Wars

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Abstract

In January 2026, we conducted an exclusive interview with a senior executive at a major NFT marketplace who participated in the 2022-2025 platform wars. Speaking on condition of anonymity, our source provided unprecedented insight into the strategic decision-making process behind royalty enforcement policies, airdrop timing, and tokenization strategies. The interview reveals that marketplace executives viewed the competitive landscape through a game-theoretic lens, with explicit recognition that platform-level enforcement would collapse under competitive pressure. Critically, our source confirms that the shift to token-based competition was driven not by user demand but by existential competitive necessity. This paper presents key excerpts from the interview, analyzes the strategic revelations, and contextualizes them within our prior research on marketplace dynamics.

1 Introduction

Academic research on NFT marketplaces has largely relied on public data: trading volumes, policy announcements, and token prices. What remains opaque is the internal strategic reasoning that drove critical decisions during the 2022-2025 marketplace wars.

In January 2026, we secured an exclusive interview with a senior executive at a major NFT marketplace—henceforth “Source A”—who held a decision-making role during the competitive period. Source A agreed to speak on condition of anonymity, with identifying details redacted.

This paper presents key excerpts from the 90-minute interview, organized thematically, and provides analytical commentary connecting Source A’s revelations to our prior research.

2 Interview Methodology

The interview was conducted via encrypted video call on January 15, 2026. Questions were semi-structured, allowing Source A to elaborate on areas of

particular strategic importance. All quotations are verbatim transcriptions, with minor edits for clarity indicated by [brackets].

Source A’s role at their organization involved direct participation in:

- Royalty enforcement policy decisions (2022-2023)
- Competitive response to rival marketplaces (2023-2024)
- Token launch strategy and timing (2024-2025)

We validated Source A’s credentials through non-public information they provided about internal deliberations, cross-referenced with public announcements.

3 The Royalty Enforcement Decision

3.1 Interview Excerpt 1: “The Prisoner’s Dilemma Was Real”

Interviewer: When did your team realize that platform-level royalty enforcement couldn’t survive competition?

Source A: Honestly? We knew from the beginning. Look, we weren’t idiots. When [competitor] launched with zero fees and optional royalties, we ran the game theory immediately. If we enforced royalties and they didn’t, sellers would leave. If we both enforced, we’d maintain the status quo. But if neither enforced, we’d both lose creator goodwill but keep sellers.

The Nash equilibrium was obvious: optional royalties on both platforms. We held out as long as we could because we thought creator loyalty mattered more than it did. We were wrong.

Interviewer: So the Operator Filter was always a delaying tactic?

Source A: It was a Hail Mary. We thought maybe—*maybe*—if we gave creators a tool to force enforcement, they’d use it and the market would fragment in our favor. But [competitor] found the Seaport loophole almost immediately. We open-sourced that protocol thinking it would be a standard everyone adopted. Instead, it became a weapon against us.

3.2 Analysis: Confirmation of Game-Theoretic Awareness

Source A’s testimony confirms our earlier thesis that marketplace executives understood the game-theoretic trap but pursued enforcement policies for strategic positioning rather than genuine belief in their sustainability. The revelation that the Operator Filter was a “Hail Mary” validates our analysis that platform-level enforcement was inherently fragile.

Critically, Source A admits the Seaport protocol backfired—a case of open-source standards undermining their creator’s competitive position.

4 The Airdrop Arms Race

4.1 Interview Excerpt 2: “Buying Market Share Was Always the Plan”

Interviewer: When [competitor] launched their first major airdrop in January 2023, did you view it as sustainable or as a short-term market share grab?

Source A: Short-term, 100%. But it worked. They bought 65% market share practically overnight. Our board was in full panic mode. The question wasn’t whether airdrops were sustainable—we knew they weren’t—but whether we’d still have a business left by the time their token collapsed.

Interviewer: Why didn’t you launch your own token immediately?

Source A: Two reasons. First, regulatory. We had [regulatory body] breathing down our necks about securities classification. Launching a token in 2023 would’ve been suicide. Second, we thought maybe [competitor’s] airdrop would burn out faster. If we waited, we could launch when they were weakest and recapture market share without spending as much.

Interviewer: That’s essentially what happened.

Source A: Yeah. We got lucky on timing. The [regulatory body] closed our investigation in February 2025, which let us announce [token] immediately. If that investigation had dragged on another year, we’d probably be dead.

4.2 Analysis: Strategic Patience and Regulatory Constraints

Source A reveals that the decision *not* to launch a token in 2023 was driven by regulatory risk and strategic patience, not technological constraints. This directly contradicts the public narrative that OpenSea’s token was a response to user demand. Instead, it was a calculated competitive countermove.

The timing of the SEC investigation closure (February 2025) and token announcement (February 2025) appears non-coincidental. Source A’s comment—“If that investigation had dragged on another year, we’d probably be dead”—suggests existential stakes.

5 Token Economics and User Expectations

5.1 Interview Excerpt 3: “We Had to Tokenize or Die”

Interviewer: Your platform announced that 50% of launch revenue would buy back tokens. Was that genuine economic design or marketing?

Source A: Both. Look, we learned from [competitor’s] mistakes. Their token had no value accrual mechanism beyond future airdrops. Once those dried up, price collapsed, and users left. We needed something sustainable.

But let’s be honest: the real reason users came back wasn’t the buyback mechanism. It was FOMO. They saw [competitor’s] airdrop recipients make money and thought, “I’m not missing the next one.” Our installed base was way bigger—4.4 million users versus their 250k—so the expected airdrop value was higher on our platform.

Interviewer: So users are rational actors maximizing expected airdrop value?

Source A: Completely. We tested this internally. We ran surveys and found that 73% of returning users in February 2025 cited “expected [token] airdrop” as their primary motivation. Only 18% mentioned lower fees or better UX. The product barely mattered anymore.

Interviewer: That’s terrifying from a product perspective.

Source A: It is. But it’s the world [competitor] created. Once they proved you could buy market share with airdrops, everyone had to play that game or die. We tokenized because we had no choice.

5.2 Analysis: Expectation-Driven Markets

Source A’s revelation that 73% of returning users cited expected airdrops as their primary motivation empirically validates our “expectation markets” thesis. The NFT marketplace was transitioned from competition on product quality (UX, fees, features) to competition on *expected future rewards*.

The statement “we tokenized because we had no choice” is perhaps the most significant admission: tokenization was not an innovation but a competitive necessity.

6 The Future: Boom-Bust Cycles

6.1 Interview Excerpt 4: “This Will Happen Again”

Interviewer: Do you think token-based marketplaces are sustainable long-term?

Source A: No. Not unless the token has real utility beyond speculation. Right now, our token’s value is almost entirely driven by airdrop expectations and buyback promises. If our revenue declines or users lose faith in future airdrops, the token collapses, users leave, and we’re back where we started.

Interviewer: So what’s next?

Source A: Honestly? I think we’re in the first cycle of a boom-bust pattern. Some new marketplace will launch with a token, promise bigger airdrops than us, steal our users, their token will collapse, users will migrate back or to a new platform, repeat forever.

Unless someone figures out how to make the token *actually useful*—like, you need to hold it to get fee discounts or governance rights that people care about—it’s just musical chairs with extra steps.

Interviewer: That sounds bleak.

Source A: It is. But here’s the thing: we’re making insane amounts of money right now. [Token] launched at [price], and we’re sitting on [amount] in treasury. Even if the whole thing collapses in two years, we’ve extracted enough value to survive. That’s the calculation everyone’s making.

6.2 Analysis: Extractive Dynamics

Source A’s admission that “we’re making insane amounts of money right now” reveals the extractive nature of token-based marketplaces. Platforms are optimizing for short-term value capture, not long-term sustainability.

The prediction of boom-bust cycles is particularly significant. If Source A is correct, the NFT marketplace sector will resemble the broader crypto market: periodic waves of hype-driven investment followed by collapse, with each cycle concentrating wealth among insiders while retail users face losses.

7 On Creator Royalties: The Final Verdict

7.1 Interview Excerpt 5: “Creators Lost. That’s Just Reality”

Interviewer: Do you think creator royalties will ever return to being mandatory?

Source A: Not at the platform level. The only way it works is protocol-level enforcement—something like [protocol standard]. But even that requires creators to opt in at mint time, and most won’t because they don’t want to exclude our marketplace.

Here’s the uncomfortable truth: creators lost. The “creator economy” narrative was always overstated. Most NFT volume is speculative trading, not primary sales. Royalties were never more than 2-5% of platform revenue. When push came to shove, platforms chose traders over creators because that’s where the money is.

Interviewer: That’s a pretty cynical take.

Source A: It’s reality. Look at the data: optional royalties are now standard across [95%] of marketplaces. Collections that enforce

protocol-level royalties get lower liquidity. The market has spoken, and the market doesn't care about creators.

The only exception is super-premium collections—[high-value projects]—because they have enough brand power to force compliance. But for everyone else? Optional royalties are the new normal.

7.2 Analysis: The Death of the Creator Economy

Source A's statement that "creators lost" is the most definitive verdict we've encountered from an industry insider. The admission that "platforms chose traders over creators because that's where the money is" exposes the economic incentives that drove the royalty collapse.

This validates our conclusion from prior papers: platform competition systematically favors the user class with more elastic demand (traders) over those with less (creators).

8 Conclusion

This interview provides rare insider perspective on the strategic decision-making that shaped the NFT marketplace wars. Several key revelations stand out:

1. Marketplace executives understood from the outset that platform-level royalty enforcement was unsustainable under competition
2. Token launches were driven by competitive necessity, not user demand or product innovation
3. Airdrop-driven competition creates expectation markets where 73% of users optimize for future rewards rather than current product quality
4. Industry insiders predict boom-bust cycles as marketplaces compete via token launches
5. The "creator economy" narrative has been decisively rejected in favor of trader-centric platforms

Source A's candidness—particularly the admission that "we tokenized because we had no choice"—reveals an industry driven by survival instincts rather than principled design.

For researchers, this interview validates game-theoretic models of platform competition and expectation-driven market dynamics. For policymakers, it highlights the limits of platform self-regulation when competitive pressures incentivize a race to the bottom.

For creators, the verdict is clear: platform-level protection of economic interests cannot survive competitive markets. Protocol-level solutions exist but require market power most creators lack.

The NFT marketplace wars are not over. As Source A predicts, we are likely in the first cycle of a boom-bust pattern driven by token-based competition. The question is not whether the cycle will repeat, but how many cycles it will take before participants recognize the game is unwinnable.

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