Videogame Attributes as Alternative Investments

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Abstract

We study financial returns on videogame attributes as alternative investment assets, using CS: GO skins as an example. Using an extensive dataset of monthly returns on 4,565 skins for 2013-2024, we find that these niche investments outperform most traditional and alternative assets with the average return about 50% pa and provide diversification benefits. The time-series analysis indicates an independence of returns on in-game items from equity market, size, value and momentum factors. The cross-section analysis reveals that the main factor that positively affects the returns is rarity, whereas the presence of premium features tends to reduce the returns.

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