



THE MARKETER'S GUIDE TO WEB 3.0 AND THE METAVERSE

TABLE OF CONTENTS

Introduction

Consumer Behavior and Perceptions

- Consumers, Crypto & NFT's
- Perceptions of the Metaverse
- Metaverse Advice to Brands from Respondents
- VR, AR and Gaming Behavior

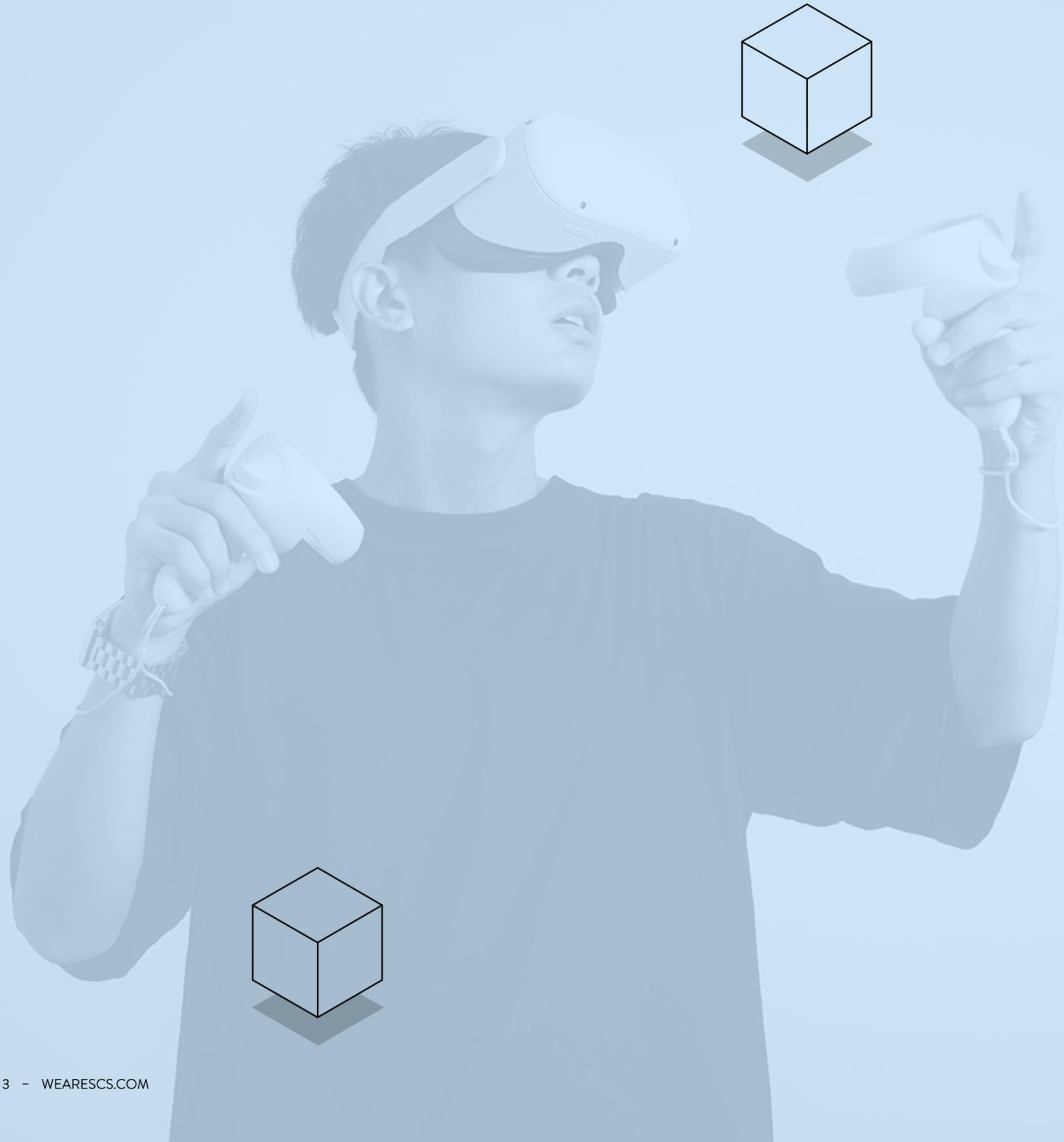
Welcome to (Early) Web 3.0

- Understanding Web 3.0
- NFTs & Cryptogaming
- Decentralized Autonomous Organizations (DAOs)
- Decentralized Finance (DeFi)
- Unpredictable Disruption
- Controversies
- Role of Your Brand

Building the Metaverse

- History of the Metaverse
- Driving Trends
- New Realms: VR and AR
- Who will own it?
- Time Horizon
- Role of Your Brand

Getting Your Feet Wet

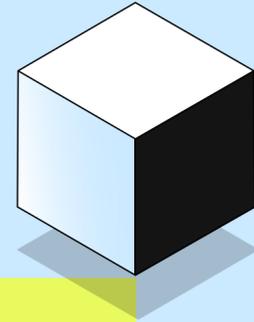


INTRODUCTION

“...[T]he world around us is about to light up with layer upon layer of rich, fun, meaningful, engaging, and dynamic data. Data you can see and interact with. This magical future ahead is called the Spatial Web and will transform every aspect of our lives, from retail and advertising, to work and education, to entertainment and social interaction.”

– Peter Diamandis, *Founder, XPRIZE
& Co-Founder, Singularity University*

INTRODUCTION



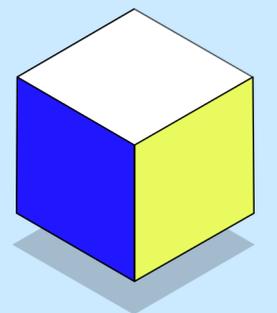
“We are now at the beginning of the web3 era, which combines the decentralized, community-governed ethos of web1 with the advanced, modern functionality of web2. Web3 is the internet owned by the builders and users, orchestrated with tokens.”

*– Chris Dixon, Partner,
Andreessen Horowitz*

The shift from Web 1.0 to Web 2.0 drove a tidal wave of change in consumers' lives and brand interactions, as Netflix replaced Blockbuster, Apple replaced Nokia, and Facebook won the battle for something wholly new - social media. While the definition is hazy, and the concept has its detractors, we've entered the turbulent leading edge of Web 3.0, which will bring another wave of expected - and unexpected - changes. From DAO's and NFT Games to 3D Metaverse's and AR Search, the trends of decentralization and spatial web are clearly emerging. This report explores what's happening now, what could happen next, and how your business should adapt in the near and long-term. Our insights are supported by original data collected from a panel of 600 Gen Z, Millennial, and Gen X consumers around their usage and

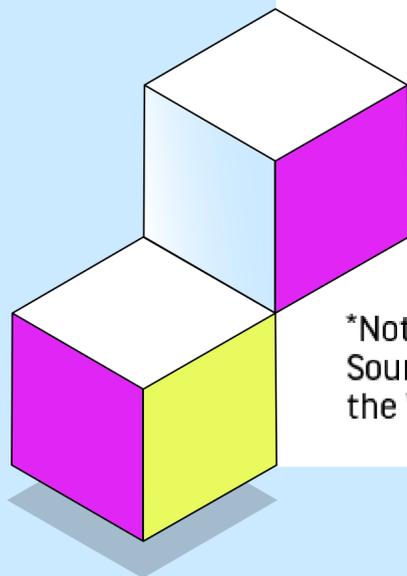
interest in these trends at the outset of 2022.

Blockbuster was overtaken by Netflix in Web 2.0, and as streaming services continue to expand, traditional TV is faltering. When Netflix started mailing DVD's through their Web 1.0 website, the idea of putting a computer in a television and connecting it to the Internet was madness. Nokia, the world's biggest cell phone manufacturer, was overtaken by Apple and Google through interface changes and how we prefer to consume information and entertainment on-the-go.



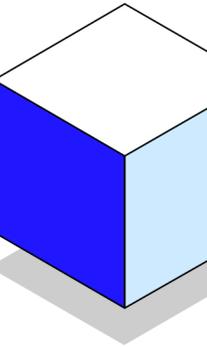
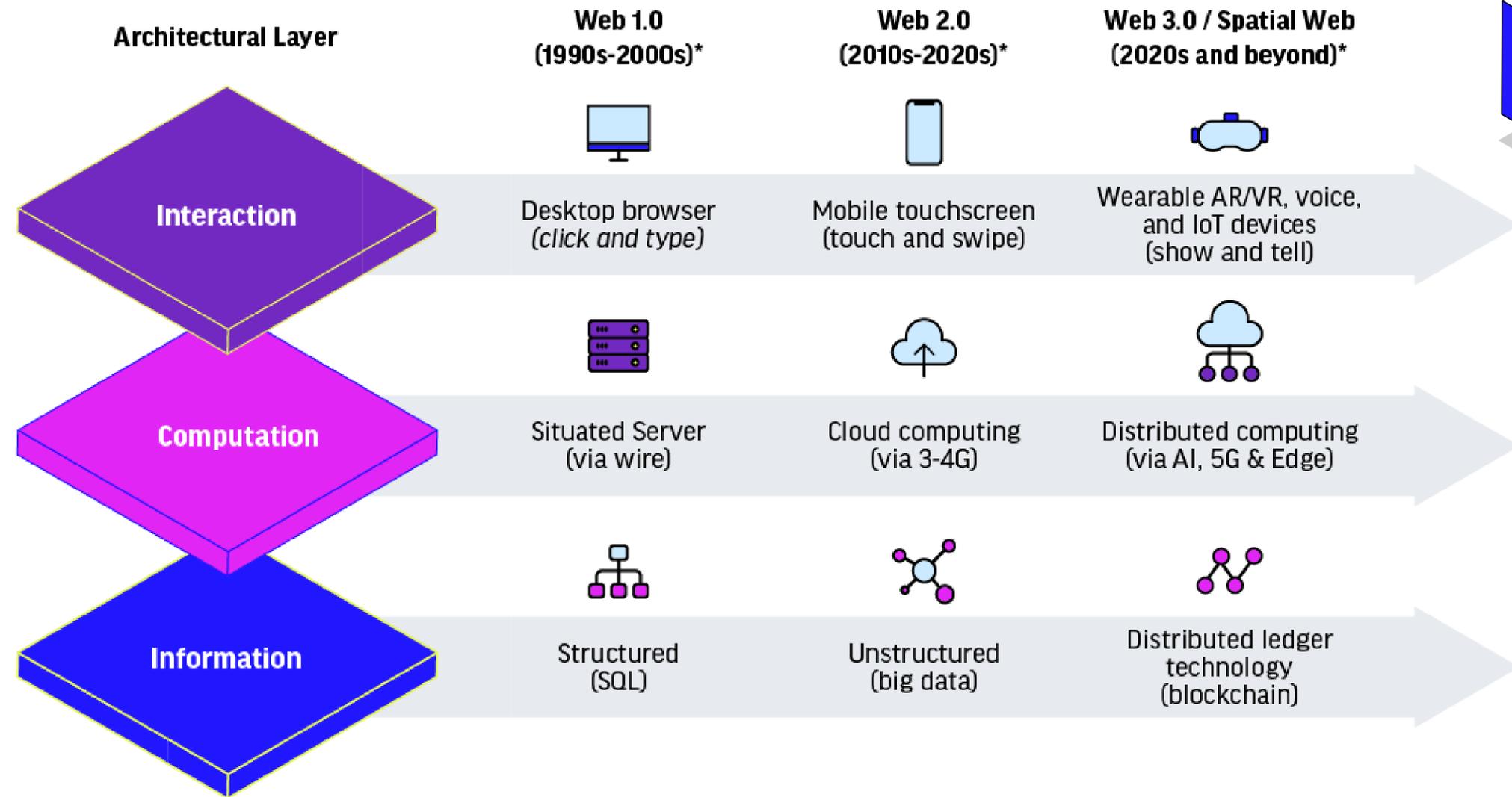
INTRODUCTION

Just as we saw disruption moving from Web 1.0 to Web 2.0, it is inevitable that we will see disruption moving to Web 3.0. Cryptocurrencies are demonstrating this in the realm of finance, and one the biggest disruptions could (cue dramatic music) The Metaverse, which when examined through the concept of a spatial internet, is more than just avatars awkwardly dancing in 3D spaces, but includes a range of new experiences like augmented reality search and social movie viewing through virtual reality.



Three Tiers of IT infrastructure and building the Spatial Web

As the technologies and capabilities that compose and connect IT architecture converge, the Spatial Web will mature. The figure below shows how key enabling technologies drive their respective computing eras.

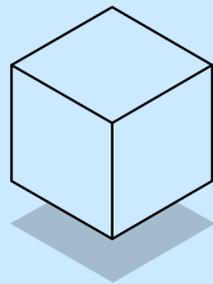


*Note: Date ranges are approximate and meant for directional purposes only.

Source: Deloitte analysis adapted from Gabriel René and Dan Mapes, The Spatial Web: How 3.0 Will Connect Humans, Machines, and AI to Transform the World (Amazon, 2019)

INTRODUCTION

First, it's useful to give broad definitions as we see them for two key concepts. It's important to note that there is significant debate about both, with the definitions of the original concepts evolving over time, and both existing on a spectrum of full realization with many steps along the way.



Web 3.0

Web 3.0 is the next evolution of the World Wide Web and rests on four foundational concepts: Decentralization, Trustless & Permissionless, Artificial Intelligence, and Ubiquity.¹ Users will be able to navigate it traditionally as well as through the Spatial Web.

The Metaverse

The Metaverse is an interoperable set of persistent 3D environments, avatars, objects, and data sources that enable users to explore a new "spatial" web through traditional interfaces like desktop and mobile, as well as emerging interfaces such as virtual and augmented reality.

¹ Investopedia: <https://www.investopedia.com/web-20-web-30-5208698>



Hot Wheels NFT Promotional Graphic

In both cases, 2021 saw these trends gain considerable traction from a consumer interest standpoint as well as an economic one. From Hot Wheels NFTs selling for thousands of dollars to Miller Lite billing the launch of their "Big Game" commercial in a virtual bar in Decentraland as a Metaverse premiere, marketers are jumping into these ideas with both

feet, hoping to stay on-trend, test new business models like digital goods, and engage with the most digitally-savvy generation we have ever seen. In the case of Nike's acquisition of digital-physical hybrid goods design company RKFKT, adoption of these trends is occurring at the product development level.

INTRODUCTION

Consumer interest has accelerated rapidly. With NFT's, the early buzz spiked when digital artist Beeple famously sold one piece of digital art for \$69 million. Simultaneously, trading platforms like OpenSea, now valued at \$13B, made creating, buying and selling NFT's relatively simple.²

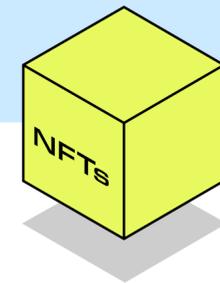
Despite prior existence of blockchain-driven "Metaverse" platforms like Decentraland and The Sandbox, Metaverse buzz started peaking around October 2021, according to Google Trends, around the time Facebook's rebrand to Meta was announced alongside plans to hire 10,000 new staff to begin work on their vision for "The Metaverse." This rebrand is supported by their ownership of the Oculus Quest 2, a lightweight VR headset unique in that it operates alone without a computer,

is the most economical at \$299 US, and has a very healthy App and Game ecosystem.

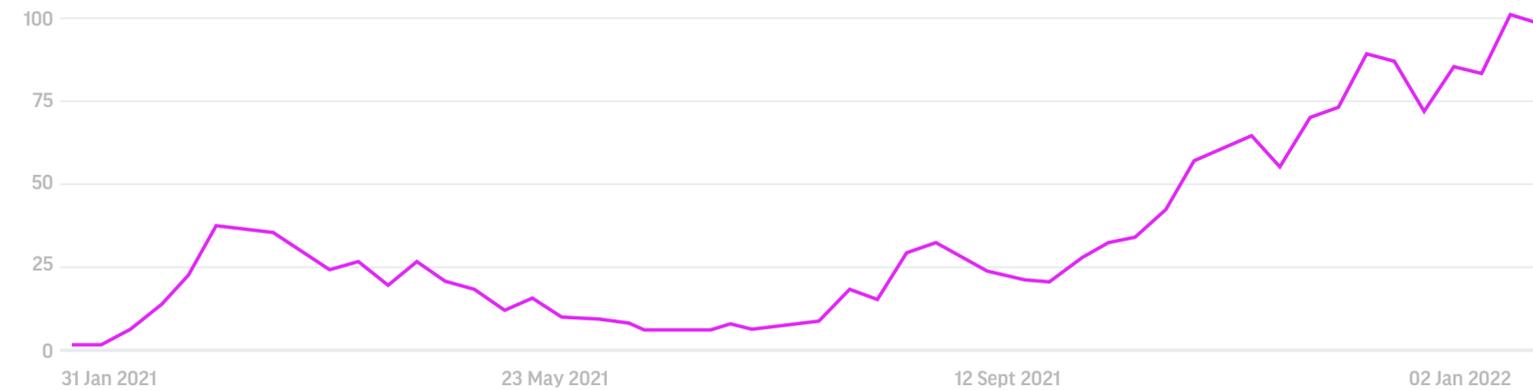
And while we see the term Metaverse daily in news articles from major publications, consumer search, represented by the charts above and below, still pales in comparison to related topics, such as enabling technologies like VR, AR, NFT's and Bitcoin, standing in as a catch-all for cryptocurrencies.



²TechCrunch: <https://techcrunch.com/2022/01/05/making-sense-of-opensea-at-a-13b-valuation/>



Interest in NFTs (12 Months)

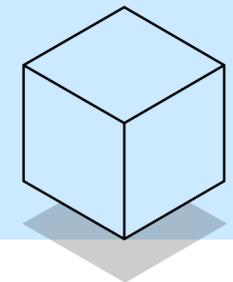


Interest in Metaverse (12 Months)

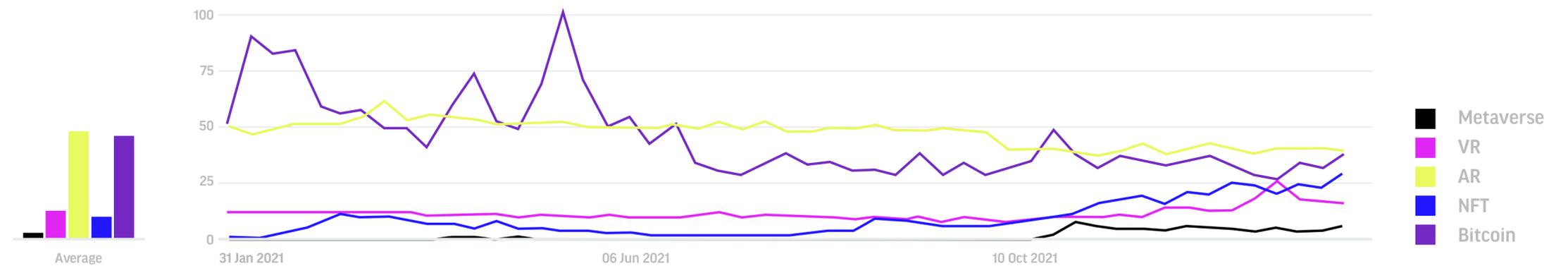


INTRODUCTION

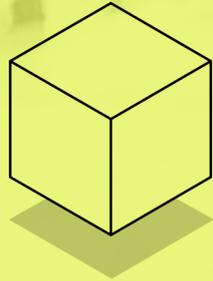
There is a healthy amount of consumer interest in these areas, billions of dollars in investments being made in the space, and hundreds of energized entrepreneurial groups, often coordinating in Discord chat rooms, building everything from crypto-enabled virtual worlds and NFT games to Decentralized Autonomous Organizations (DAOs).



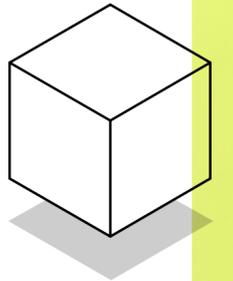
Interest over Time



SO WHAT'S ACTUALLY GOING ON WITH CONSUMERS IN THIS SPACE?

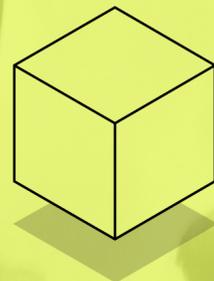


CONSUMER BEHAVIORS AND PERCEPTIONS



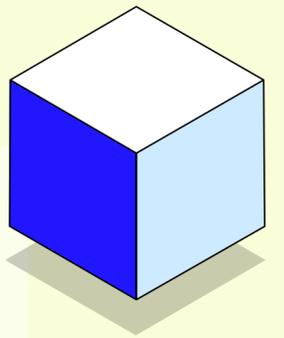
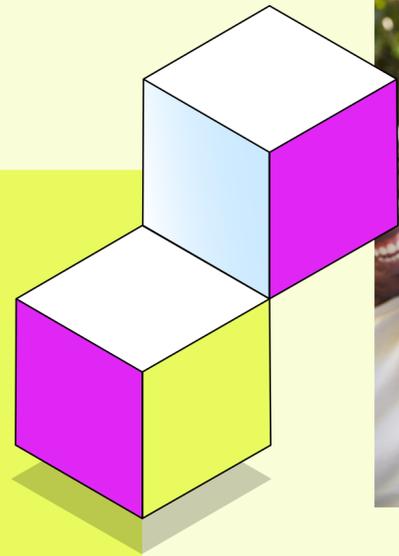
“[A]ccept metaverse and blockchain technology in every aspect of [your] business so that [you] can integrate with modern technology.”

– Survey Respondent



CONSUMER BEHAVIORS AND PERCEPTIONS

To explore consumer adoption of Web 3.0 and Metaverse technologies and trends, we focussed our attention towards older Gen Z, Millennials, and younger Gen X, polling 600 US consumers aged 16-44 in early 2022 on a range of topics ranging from NFT's and DAOs to gaming behaviors and interest in the Metaverse. **Here's what we discovered.**



CONSUMERS, CRYPTO + NFT'S

In overall support of the basic principles of Web 3.0, 55% of respondents feel that too few technology companies hold too much power, 57% would prefer to use a decentralized Internet where they own their own data, and 60% desire an easier way to own digital goods.

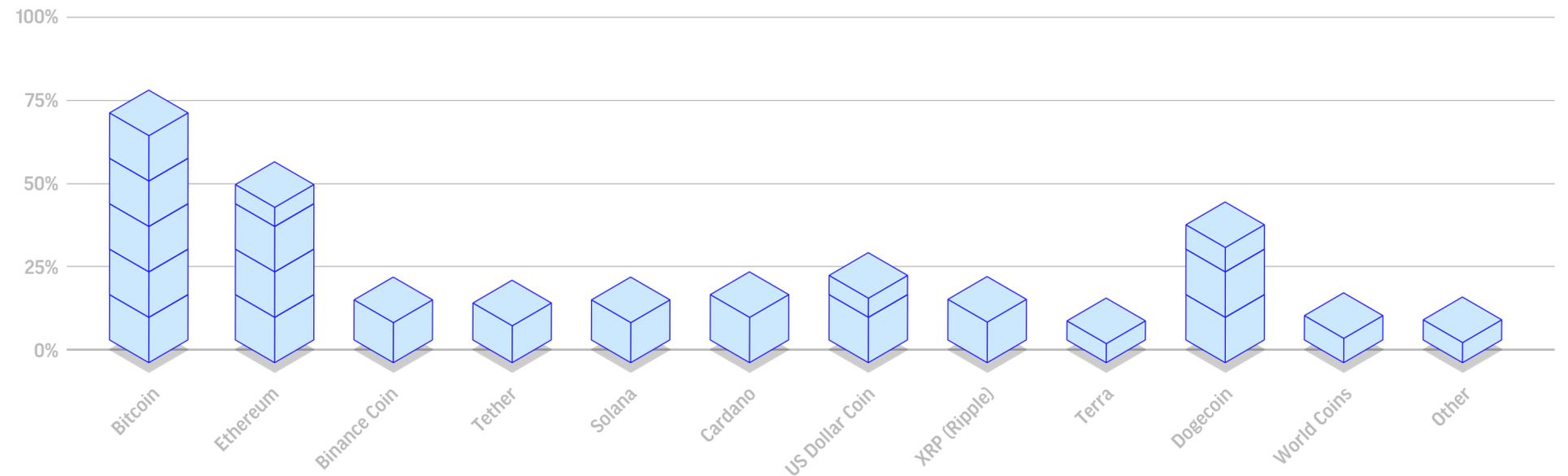
Crypto ownership is surprisingly prevalent amongst those polled, with 44% having purchased or otherwise invested in one of the many available chains, and even more respondents (49%) viewing cryptocurrency as a valuable utility or investment vehicle. About 47% of respondents planned on purchasing cryptocurrency in the next 12 months.

Leading the pack of currencies purchased, for those who had,

were Bitcoin (85%), Ethereum (54%), Dogecoin (43%) and US Dollar Coin (23%). About 9% of crypto-holders had purchased "world coins" related to virtual worlds such as Decentraland's MANA and The Sandbox's SAND.



Popular Cryptocurrencies
(% of Crypto Holders)



CONSUMERS, CRYPTO + NFT'S

Top Currencies Held by Respondents

On the subject of NFTs, the level of awareness for most was having heard about them on social media or in the news (48%), with 9% having purchased and/or created an NFT, while an additional 9% had browsed NFT galleries such as OpenSea. About 31% had never heard of NFTs.

When it comes to what consumers are looking for out of items that can be exchanged as NFTs and digital property in general, 18% expressed no desire to own digital goods, with the rest looking for:

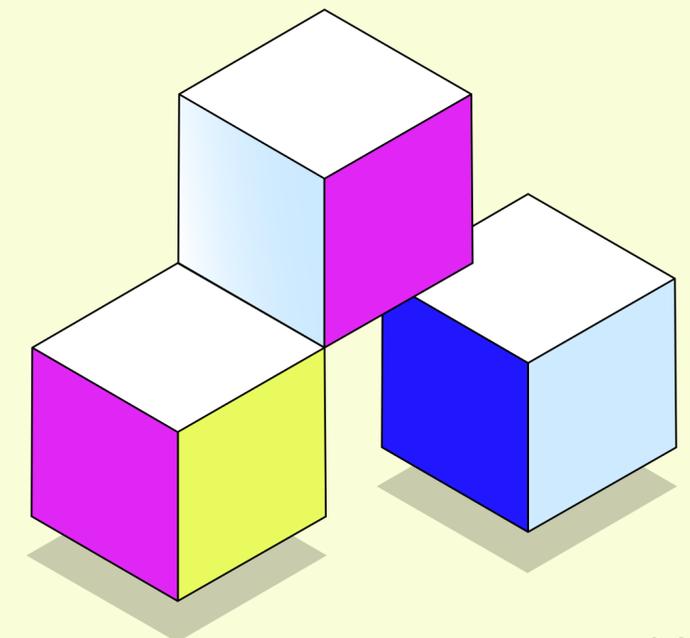


With core early adopter communities for NFTs forming largely on Discord, their growth is an interesting bellwether for the market in general. NFT Discord participants expect modest growth of their communities, with projections relatively evenly distributed from 26%-100% growth over the next 12 months. Those who participate in these communities anticipate joining a large number of new ones, with 38% expecting to join an additional 4-5.

Decentralized Autonomous Organizations (DAOs), saw lower levels of awareness, with just 24% of respondents having heard of the concept, though 50% of those had participated at some level with a DAO, whether by participating in a Discord group or actually buying in. Most who

were aware of the concept (63%) felt likely to buy into a DAO at some point in the future.

Crypto games, a newer emerging space with games like Axie Infinity and Crypto Kitties blending NFTs and game currencies with gameplay, saw surprising levels of awareness, with 29% having explored at least one.

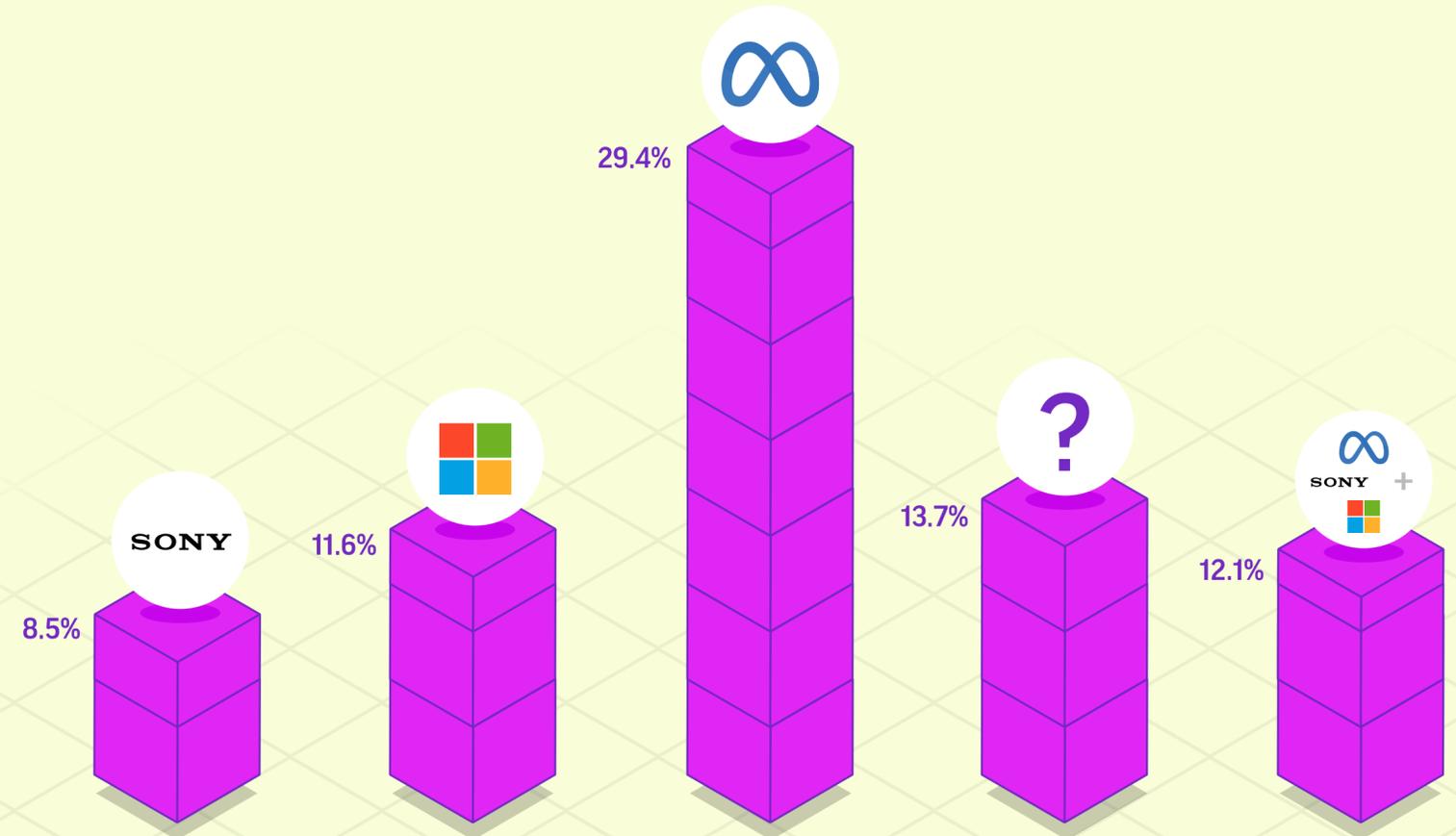


PERCEPTIONS OF THE METAVERSE

Of the 64% of respondents aware of the concept of the Metaverse, 65% are somewhat or very interested in exploring it further. Despite Meta's recent PR challenges, 57% would be interested in engaging with a Metaverse created by the company, with only 16% outright against it.

For those making bets on who will win the race to create the leader, Meta takes the opinion lead at 29.4%, followed by Microsoft (11.6%), and Sony (8.5%). Neither of the latter two companies have expressed formal strategies or intent to "develop the Metaverse", but more on their roles later. Notably, many respondents feel it is too soon to tell (13.7%) or that it will be open-sourced or built by many companies (12.1%).

When asked what they'd like to do in the Metaverse, answers ranged wildly from making money and having access to "new shopping options" to meeting new people and exploring "ruins and creepy buildings." Others want to use it for help with homework, partying with friends, visiting with friends they can't see in real life, have interesting experiences like climbing Mount Everest, seeing live music, playing traditional combat games, and experiencing what they viewed in the movie Ready Player One.



WHO WILL CREATE THE METAVERSE?



METAVERSE ADVICE TO BRANDS FROM RESPONDENTS

What do they want from brands? With 56% of respondents having already engaged with a brand around a game, their opinions for future integrations into bigger worlds vary wildly. Many particularly remember game partnerships from Mountain Dew, Rockstar, Red Bull and Monster energy drinks, whose integrations have ranged from eSports team sponsorships to in-game activations with game codes for faster health refueling.

Looking to the future, players hope for marketers to gain a better understanding of gaming culture and to learn through first-hand experience via gaming themselves what makes for a good game sponsorship or integration.

- Integration should be subtle and not distract from gameplay, for example, a character [literally] drinking Monster energy drink to regain health
- Engage with fun “cameos”, but don’t make it forced, for example “Pepsi wouldn’t work in a Zelda game”
- “Create products that allow gamers to live healthy lifestyles, while gaming for several hours a week”
- Provide free incentives and sponsor content
- Try it out for themselves first by playing “some VR or AR games to get started” and to “be open, learn more”



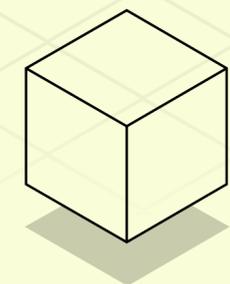
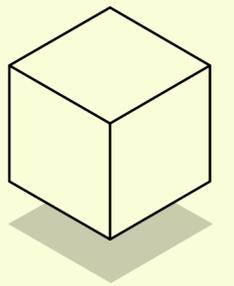
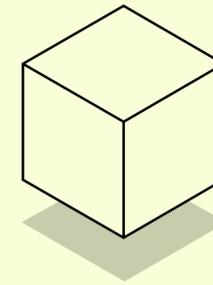
VR, AR AND GAMING BEHAVIOR

Gaming is a precursor for interest in the Metaverse, and the vast majority reported playing games to some degree, with 93.5% reporting they play games on their smartphone. A further 39.5% play PC games, with 27.2% of respondents using PC's with expensive, upgraded graphics cards to best experience AAA titles. Sony shows a slight lead in console gaming, with 40% of respondents using PlayStation, 35.4% playing on Xbox, and 29.9% playing on Nintendo Switch. About 17.6% of respondents spend more than 12 hours a week gaming, a number that is surprisingly not impacted much by age, though skews somewhat male.

While the platform is still in the early adopter phase, VR is (finally) growing dramatically with Meta's acquisition

and push of the Oculus Quest 2, which deviates from most platforms by providing an experience that's free from wires, requires no expensive PC, and comes with a price tag that's lower than your average TV or smartphone. Prior to the holidays, The Verge estimated that over 10 million Oculus Quest 2 VR devices had been sold, and Santa's deliveries drove that number even higher, with the Oculus App, used to purchase games, reaching #1 on the iPhone App Store for much of Christmas Day. This is reflected in the 21.2% of respondents who had used a VR headset to play games in the past 12 months. Notably, 16.4% had a household with a device, and for those without, 41.3% demonstrated some pretty heavy purchase intent saying they're very

³The Verge <https://www.theverge.com/2021/11/16/22785469/meta-oculus-quest-2-10-million-units-sold-qualcomm-xr2>





VR, AR AND GAMING BEHAVIOR

or somewhat likely to purchase a VR headset in the coming year.

On the horizon, AR glasses like Microsoft's HoloLens and Magic Leap 2 will see more advanced, attractive and affordable consumer versions. Companies like Snap, Meta and Apple are reportedly working on these devices, with very early smartglasses variants having already hit the market via Snap and a Meta-Rayban partnership, as well as a recent limited launch of Nreal in partnership with Verizon. We won't mention Google's 2014 attempt with Glass, which saw the term "glassholes" enter the lexicon. Despite that hiccup, interest is high in the next generation of smart wearables, with 65% of respondents very or somewhat interested in buying a fashionable, lightweight set of AR

glasses from one of these brands with the expectation that it would eventually replace their smartphone, provided they were fashionably designed.

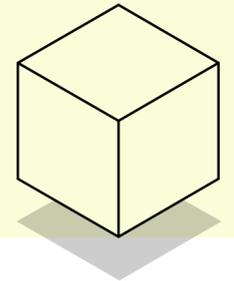
We polled respondents on their participation with a slate of current games on the market which exhibit many "Metaversal" aspects, such as socializing, creation, trading and more, with some operating crypto-based economies on their own cryptocurrencies. Several of these games, such as Roblox (which uses a non-crypto currency called Robux), Decentraland and The Sandbox, are often referred to as "The Metaverse" by brands in announcing various partnerships and integrations with the platforms. Meta has notably launched Horizon Worlds (in beta) over the

VR, AR AND GAMING BEHAVIOR

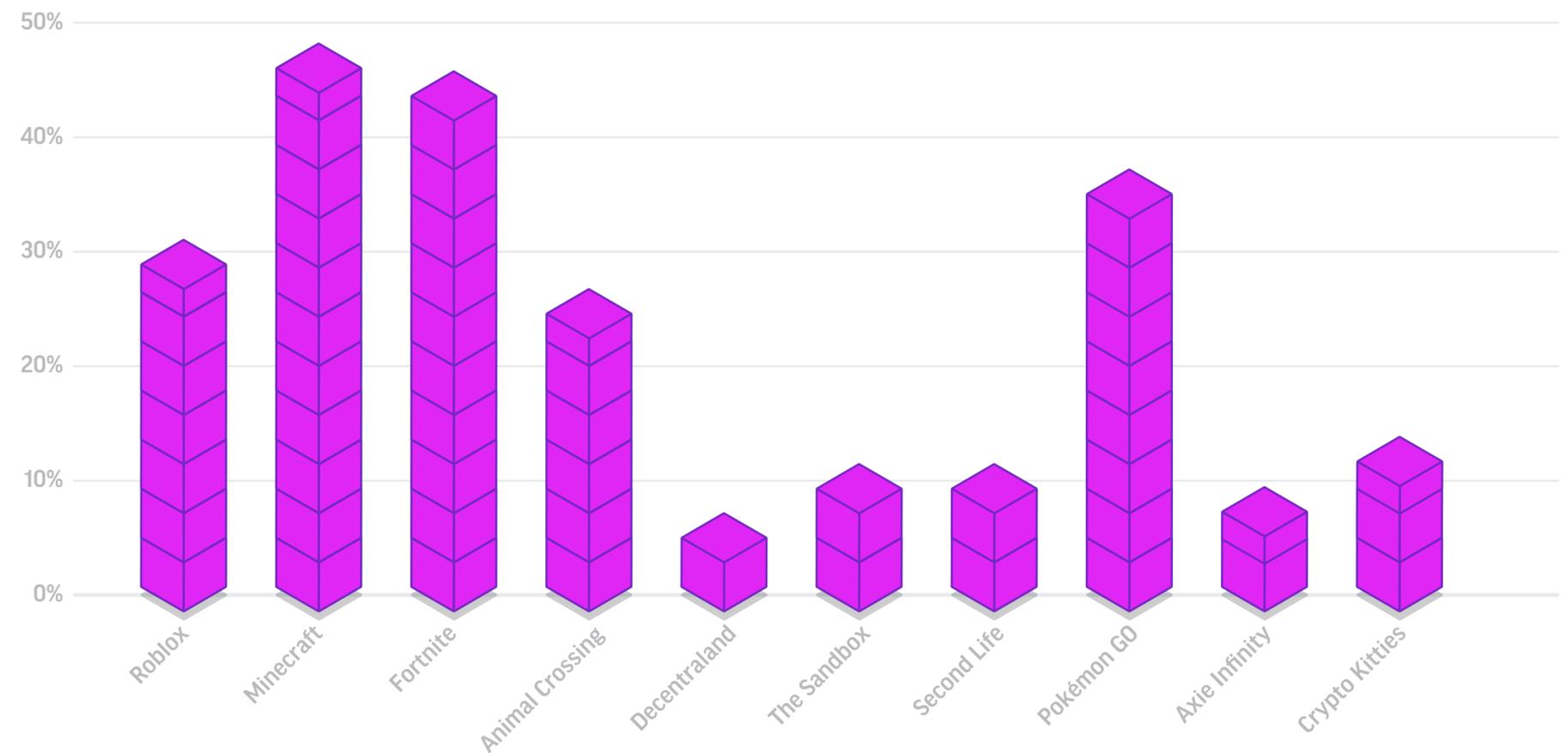
past few months. Currently exclusive to their VR device, it lacks (perhaps thankfully for the casual player) any sort of crypto integration, and early estimates put its player base at about 300,000 with limited promotion in early release.⁴

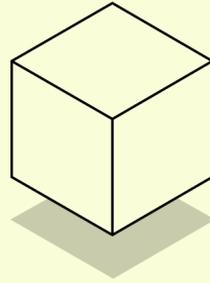
Research by NewZoo shows how age impacts play of proto-Metaverse games, indicating that it is heavily the trend amongst younger players. Looking at the gaming population as a whole, which has a surprisingly high average age at 35 and even gender balance (54%/46%: Male/Female) according to the Electronic Software Association (2017), older players tend to prefer more classic game styles, while younger ones prefer creative social play platforms like Minecraft, Roblox and Fortnite.

⁴Road to VR: <https://www.roadtovr.com/meta-horizon-worlds-300000-users-3-months/>



Metaverse-Adjacent Games Played in Past 12 Months





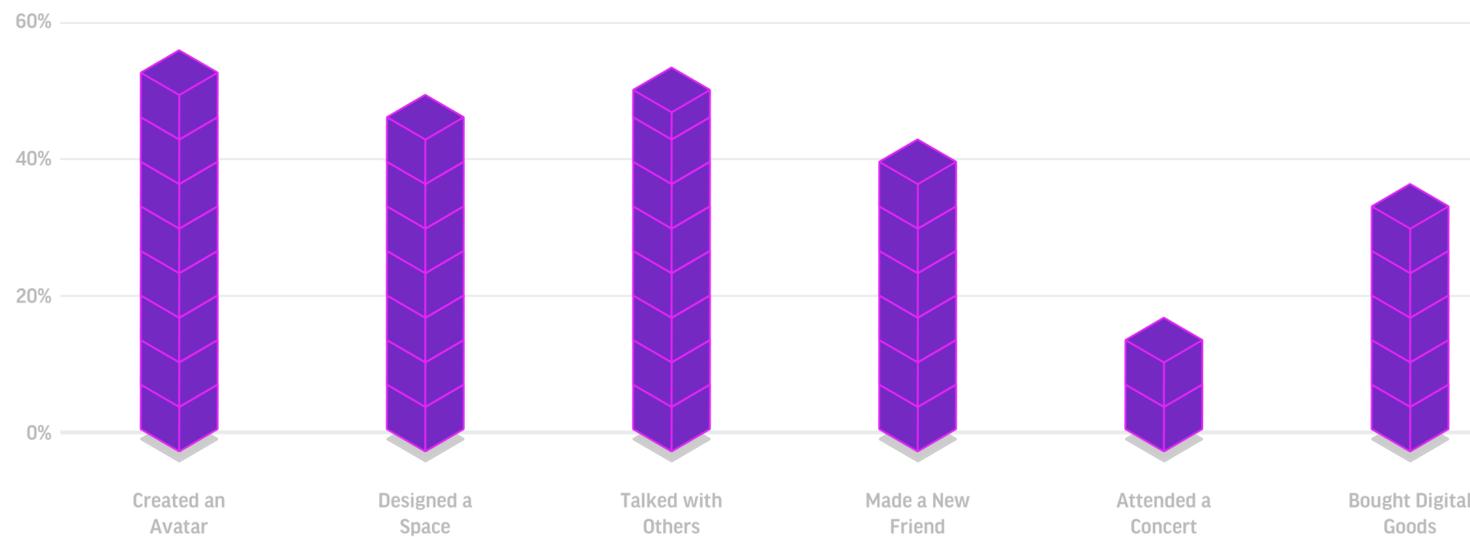
VR, AR AND GAMING BEHAVIOR

Specific behaviors related to involvement in the Metaverse were also frequently exhibited in our research, such as creating an avatar, socializing, designing spaces and structures for others to experience, buying virtual items with real money, and participating in other non-traditional gaming activities such

as attending virtual concerts, for example Travis Scott or Justin Bieber's respective Fortnite and WaveXR experiences.

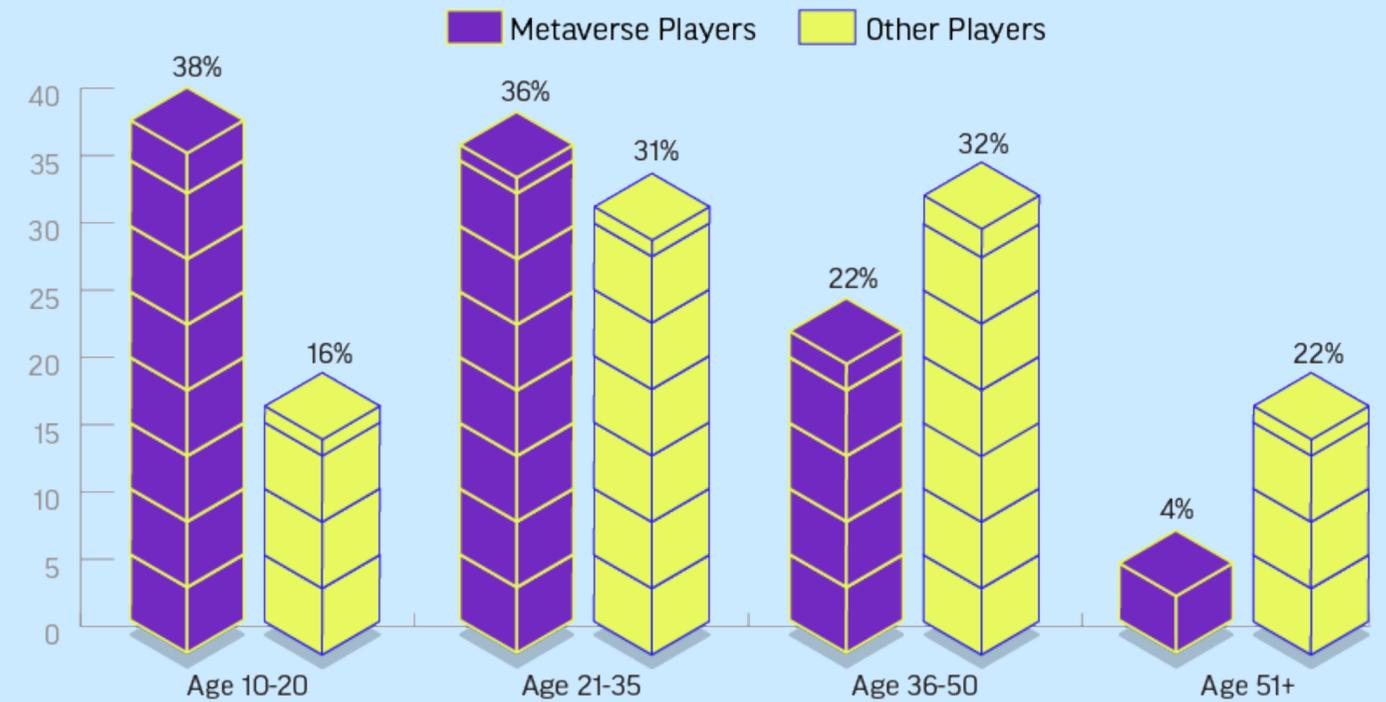
With insights in hand, let's dive a bit deeper and explore where these trends are ultimately headed, and how marketers can adapt.

Participation in Metaverse-Style Activities



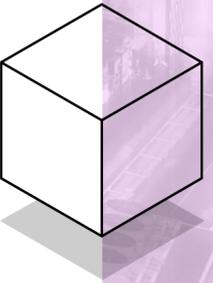
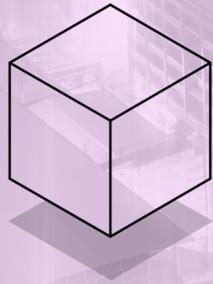
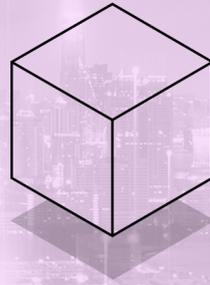
The Metaverse is a Young People's Game

Share of respondents who played a proto-metaverse game/a video game in general in the past six months*



*Proto-metaverse games = Fortnite, Minecraft, Roblox
Based on surveys of 2,358 metaverse and 3,163 players excl. metaverse players (aged 10-65) in the U.S., U.K., Germany and France; 2021
Source: Newzoo





ENTERING EARLY WEB 3.0

To understand where we're headed,
it's good to first take a look back.

UNDERSTANDING WEB 3.0

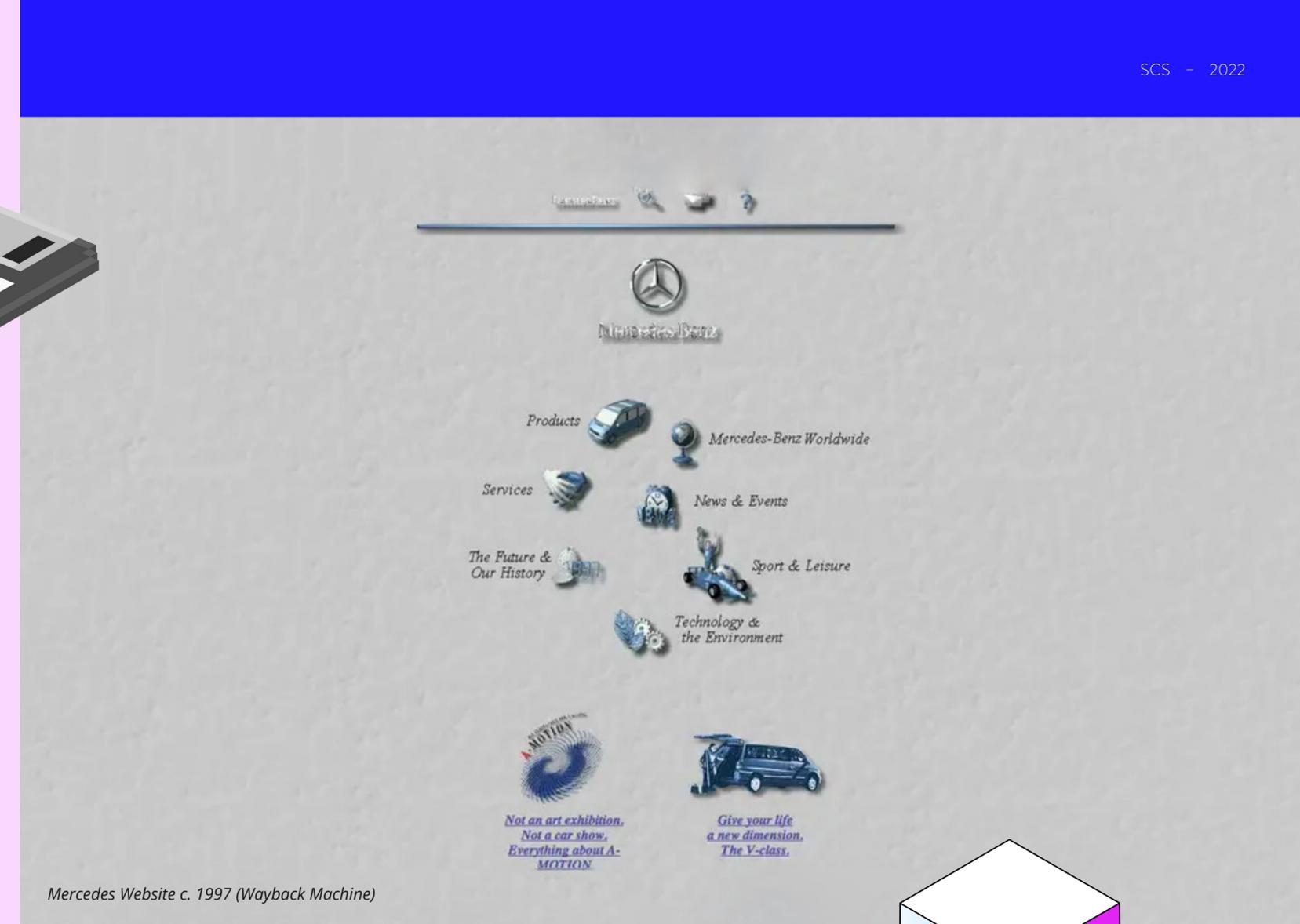
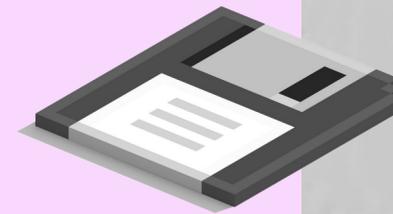
Web 1.0

For those of us old enough to remember 1990, that year Tim Berners-Lee created the foundations for a much more practical Internet with the creation of the three technologies which form the underpinnings of the world wide web: HTML, URL, and HTTP. Web browsers like Netscape came to life and gave us an easy way to surf around and explore everything from the news to gifs of construction workers toiling away on personal websites, a far cry from dialing into a local bulletin board system. Over the next few years, early sites for big names of today like Bloomberg.com, IMDB, and Wired launched, as well as a fan-hosted site on MTV.com. A wave of creativity hit the scene, with about 2,700 websites turning into 10,000 over the course of a few months in 1994 (Grey's

statistics). In 1995, just a few years after the web was invented, Amazon became the world's biggest bookstore. It was gray and blue and looked awful.

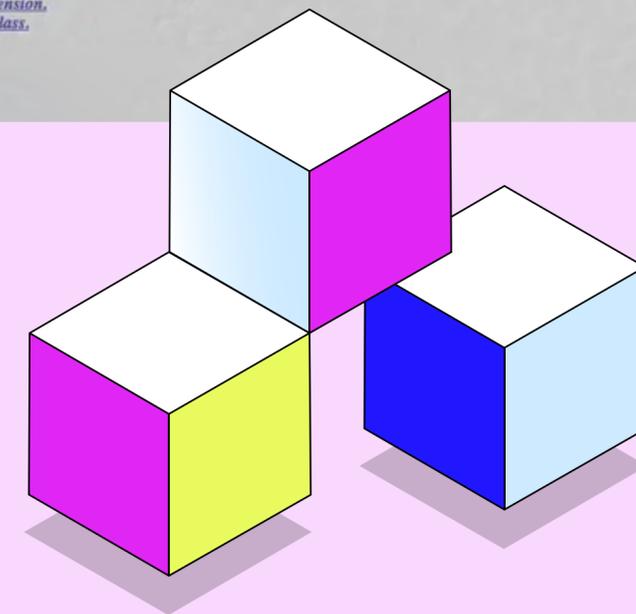
So did the Mercedes website. Early versions of brand websites give us a bit of perspective on what we see in the market today in the realm of Web 3.0. The current iterations of NFTs and DAOs will likely look similarly awkward a decade down the road, but we'd be remiss to wait until then to get started.

In 2000, overexuberance hit. While investor optimism in the web wasn't necessarily misplaced, as we look out at our entirely digital world today, investors overspent on rickety business plans with dot-com brand names (*cough* calling animated gifs the Metaverse *cough*) and startups overspent on Super Bowl ads and



Mercedes Website c. 1997 (Wayback Machine)

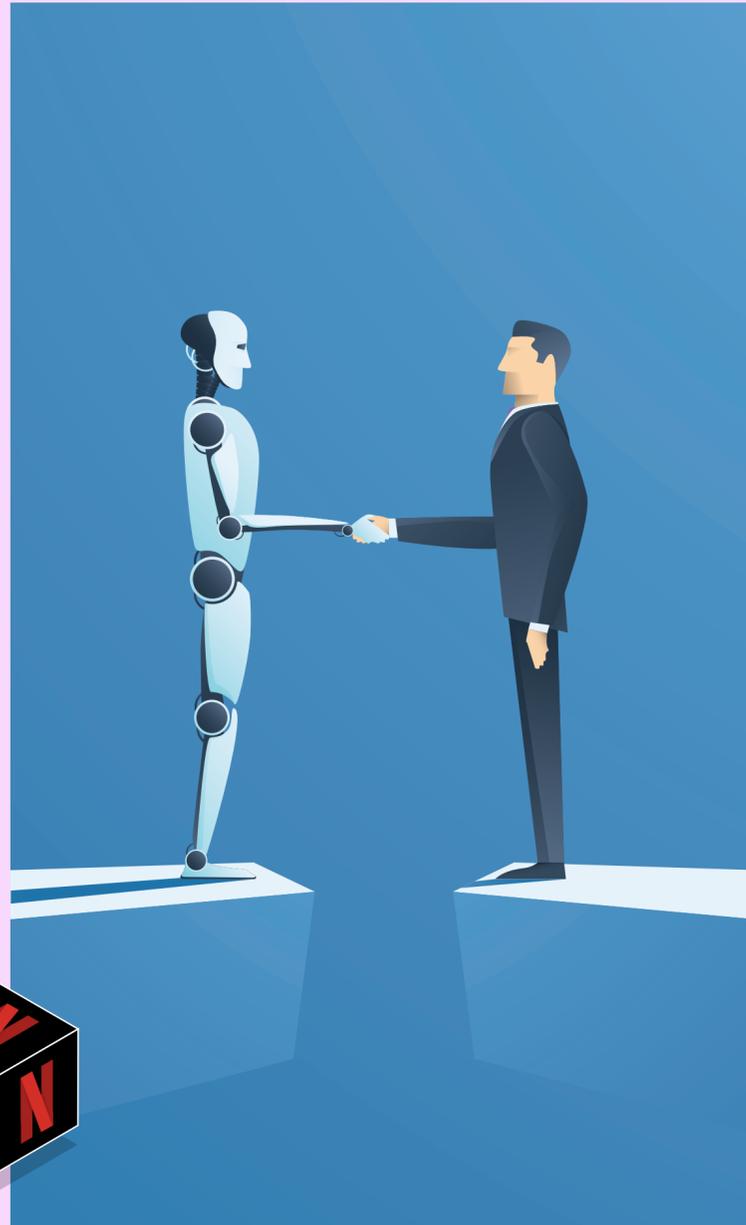
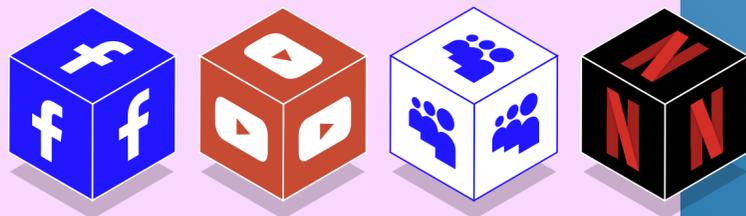
lavish perks. Even valid, visionary ideas like Webvan, which sounds a lot like Uber Eats grocery delivery, bit the dust as burn rates quickly exceeded revenue and investment capital and consumer demand didn't materialize as quickly as expected.



UNDERSTANDING WEB 3.0

Web 2.0

A New Hope. Trends like social media, with its hits and misses of Facebook/Twitter and MySpace/FourSquare, made the web a lot more personally relevant. User Generated Content became a thing, turning YouTube into a giant, and bringing us to a state where, according to Cisco, about 82% of all Internet traffic will be video this year. eCommerce took off. The iPhone put browsing into our pockets and launched an entirely new type of web-connected software format through the App Store. And, with some sort of dark magic, Netflix somehow managed to get the web into televisions. We're all familiar with web conferencing.



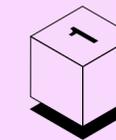
Web 3.0

So, what's next? Berners-Lee's vision for 3.0 is centralized around an idea called the Semantic Web, in which richer information is available around all web pages and data, allowing "intelligent agents" (ie. AI) to operate with knowledge and context around information.

"I have a dream for the Web [in which computers] become capable of analyzing all the data on the Web – the content, links, and transactions between people and computers. A "Semantic Web", which makes this possible, has yet to emerge, but when it does, the day-to-day mechanisms of trade, bureaucracy and our daily lives will be handled by machines talking to machines. The "intelligent agents" people have touted for ages will finally materialize."

Tim Berners-Lee, 1999

To expand on the core, often-debated concepts of Web 3.0 mentioned earlier, these pillars are primarily inspired by Investopedia's definition, with the addition of the spatial web:



Decentralization

Currently, web information is typically stored in one spot, on a server. Next, information may be stored in multiple locations at once. We see this with the decentralization of blockchains, and we'll go into an example of how this might change a consumer website in a bit.

UNDERSTANDING WEB 3.0



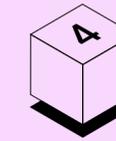
Trustless & Permissionless

Instead of communicating through a trusted 3rd party (ie. Facebook), users can communicate peer-to-peer (ie. some kind of social media version of BitTorrent). Instead of requiring a governing body (ie. a domain name registrar or bank), anyone can just go and participate (ie. publish content or make financial transactions).



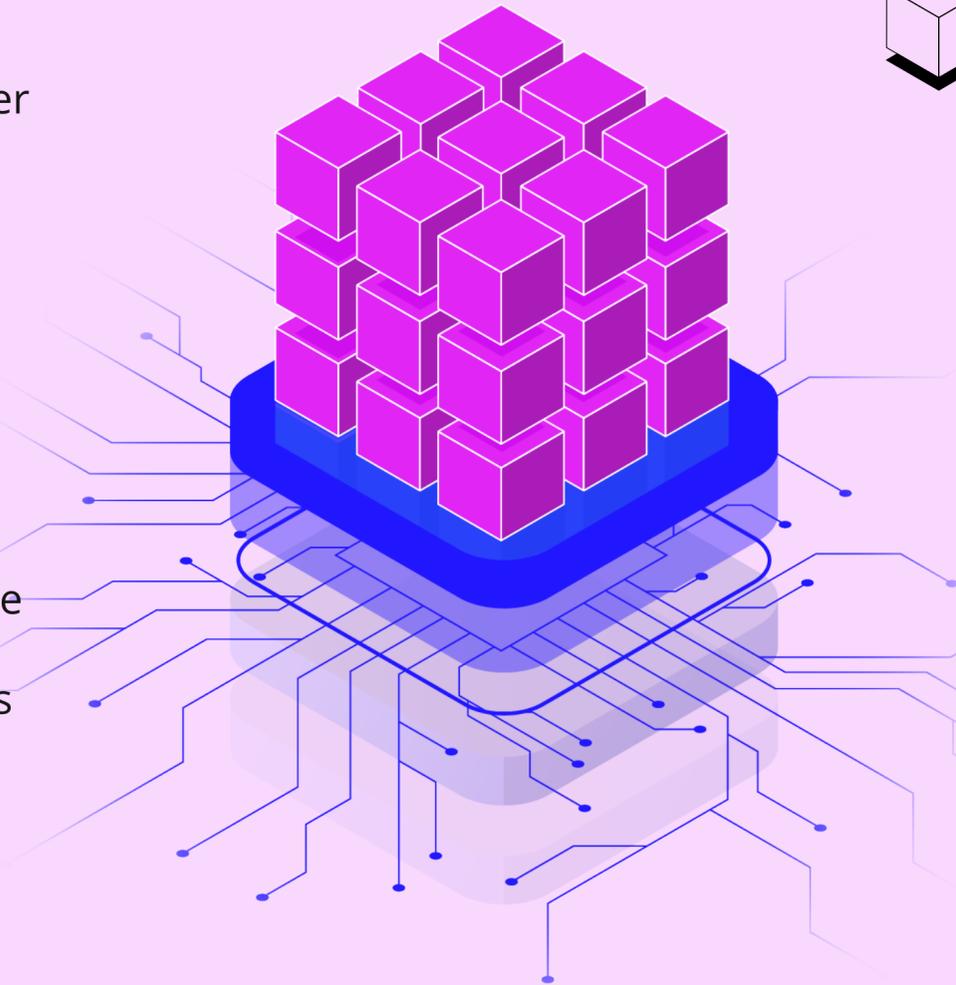
Artificial Intelligence

As Berners-Lee suggested, computers become a lot smarter with machine learning, and are able to perform many tasks handled by humans today, given more context around information available to them. Instead of 10 research steps to book a vacation, asking your personal assistant to “Book me a vacation” includes your agent (tomorrow’s Alexa, Google Assistant, or Siri) having access to your entire family’s calendars and destination preferences, your budget limitations, potentially aligned travel plans of friends, and the capacity to search all available options on the market for what you might want.



Ubiquity

Web connected computers, and their inputs and outputs, continue to get into everything. Fancy fridges have been able to Tweet and serve advertising for a while. Tomorrow, they’ll be able to replenish your groceries on their own through crypto transactions via delivery services, and might make you some money back by selling your family’s anonymized but detailed consumption habits, individualized by person through facial recognition, to marketers. Today’s supply chain challenges, with car companies shipping vehicles with missing feature-supplying processors and Xbox and Sony missing console delivery targets, illustrate the challenges of this trend.



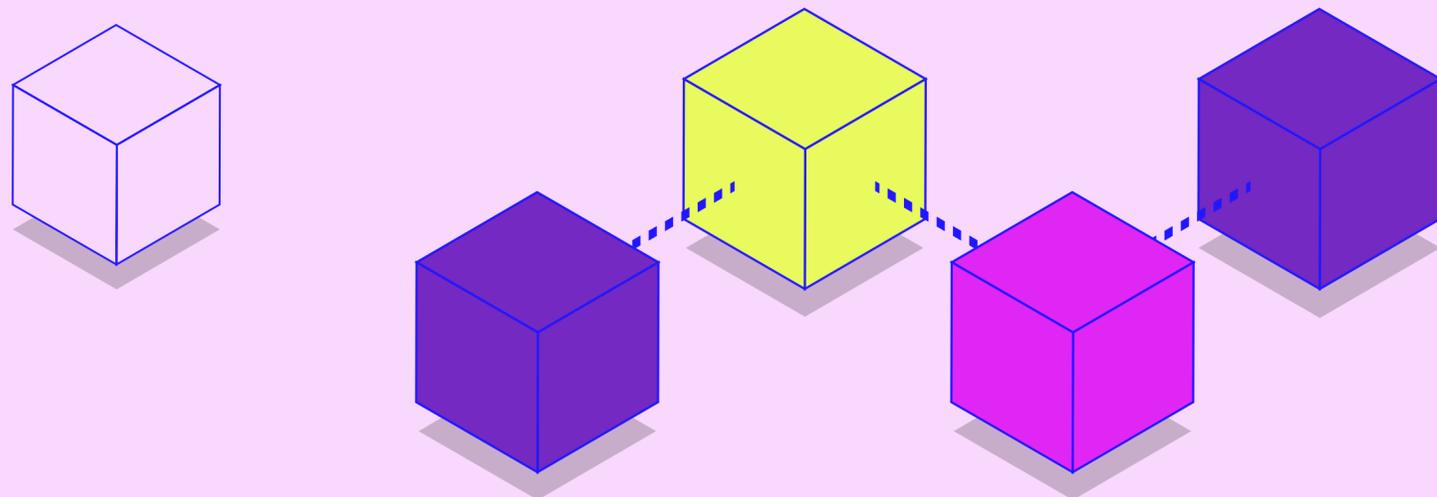
UNDERSTANDING WEB 3.0



Spatial Web

With tools like WebGL providing 3D experiences on Web 2.0 sites, the growing use of augmented reality on mobile devices, and the continuing adoption of cheaper and better virtual reality headsets, the spatial web blurs somewhat with the notion of the Metaverse. But the core concept revolves around a movement towards navigation of content and information in a

3D dimension. What does home shopping look like with augmented reality glasses and hand tracking instead of a website and mouse? Do you still go to the theater when the screen is the same size in virtual reality, but you're also sitting in a virtual wilderness with 10 friends scattered around the country? A social VR app called Bigscreen is already doing the latter, with over 1 million users.



NFTS & CRYPTOGAMING

After cryptocurrencies themselves, nothing has ignited interest in Web 3.0 more than Non-fungible Tokens. Rapidly evolving in the types of value they provide and platforms they integrate with, they range from ownership of digital artworks and land in virtual worlds to offering party passes on yachts and never-expiring VIP tickets to the Coachella Festival. Jefferies investment bank analysts forecast the NFT market-cap to reach over \$35 billion in 2022, rising to \$80 billion by 2025.

But what are they? Fungible items are not unique and can be interchanged. One Bitcoin has the same value as any other. Just like a quarter, it's fungible. Which of these items you have in particular doesn't really matter. Non-fungible items are unique, and unique

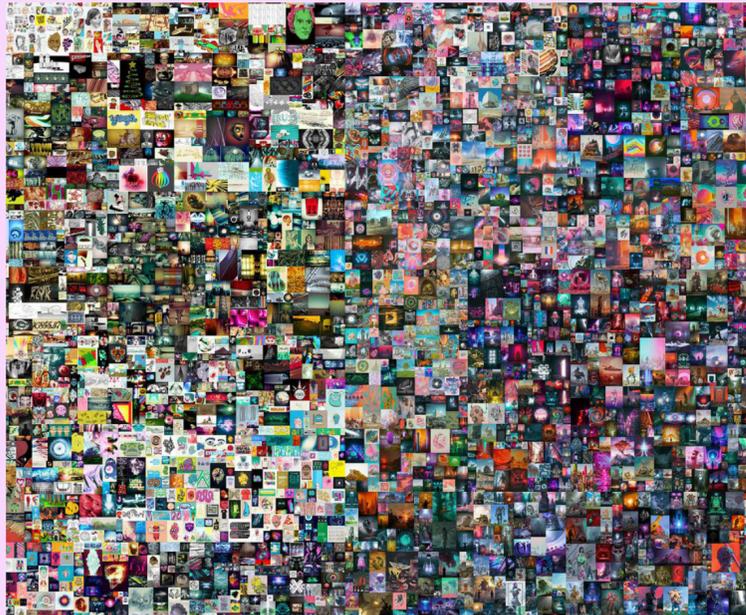
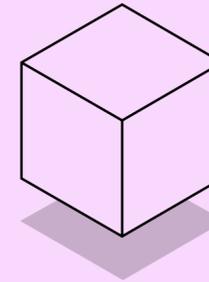
items have a value that's harder to quantify. Rarity of an item in and of itself is often a driver for value, as anyone who's ever collected baseball cards can attest to.

The token aspect reflects its presence on an open blockchain. Typically connected to Ethereum, which supports the additional information required to store data associated with an NFT, the blockchain provides an open record of sales, purchases, current ownership of the item, and enables the sale itself.

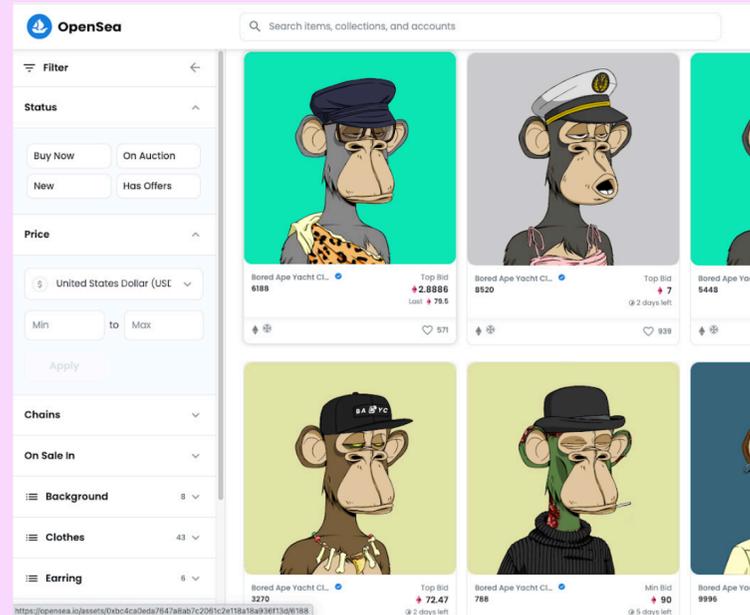
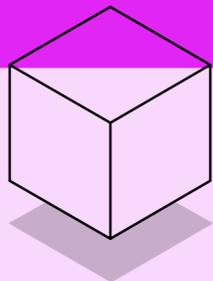


⁵ CoinDesk: <https://www.coindesk.com/business/2022/01/20/jefferies-sees-the-nft-market-reaching-more-than-80-billion-in-value-by-2025/>

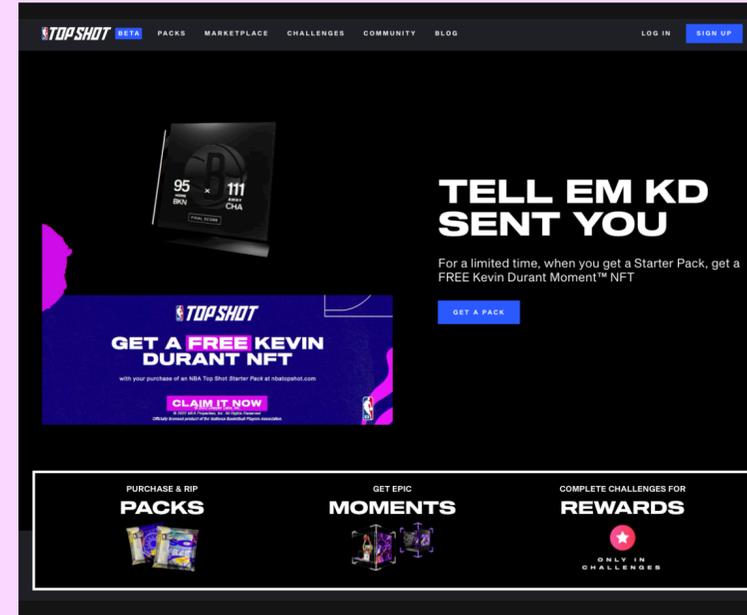
NFTS & CRYPTO GAMING



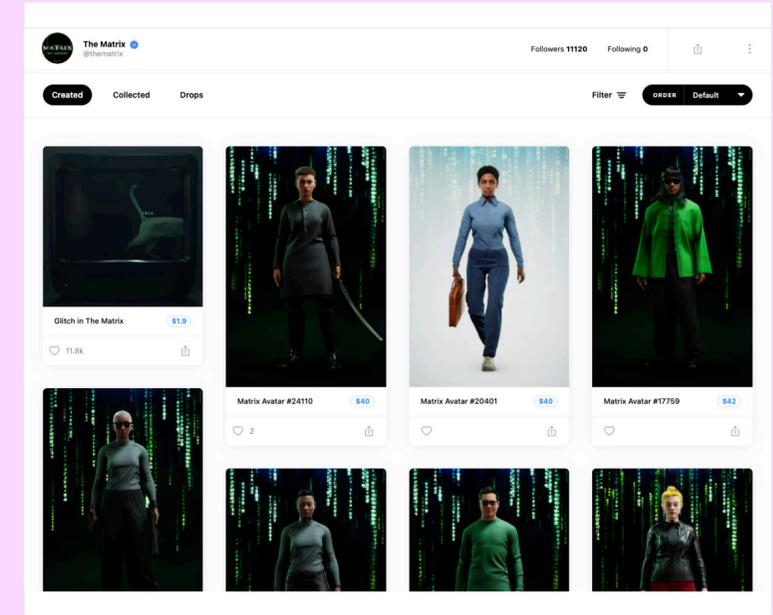
Beeple NFT sells for \$69 Million on Christie's on March 11, 2021, triggering a wave of media and consumer interest



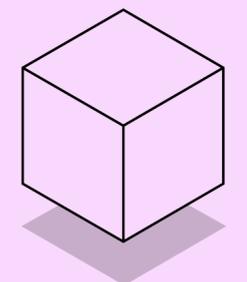
Bored Ape Yacht Club NFT's go for a minimum of \$240,000, and creator Yuga Labs is rumored to be raising funds at a \$5 Billion Valuation



Top Shot's collectible NBA NFTs, reminiscent of old fashioned collectible sports cards, have sold for as much as \$230,000



WB Marketed the new Matrix film with unique character NFTs that changed dependent on their choice of Red Pill or the Blue Pill





NFTS & CRYPTOGAMING

NFTs are bought, sold and displayed on marketplaces. Some, like OpenSea, are open for anyone to mint and share NFT's, making them available for sale, and some are curated like art galleries. OpenSea is the largest of them all, reaching a cumulative sales volume of over \$20 billion in early 2022, spent by more than 1.2 million buyers.⁶

Others take a more proprietary angle, creating their own sets of NFTs. Dapper Labs Top Shot operates with an NBA license, offering varying levels of rarity for NFTs that capture basketball's great moments and personalities. The Sweet marketplace offers a brand-centric approach, working with brands like Macy's and Kia to issue unique NFT concepts like the ability to acquire multiple NFTs

that collectively create a McLaren Racing car. Some accept direct cash payment, while many, like OpenSea, require transactions using Ethereum using a crypto wallet.

A wallet is essentially a secure, lightweight application that stores private keys, which allow you to access your holdings on a blockchain, and enables you to send and receive cryptocurrencies. They also allow you to access to blockchain apps, otherwise known as DApps or Decentralized Applications. One of the most popular, MetaMask, integrates with everyday digital experiences as a Chrome extension and iPhone app.

While creating an NFT has become relatively simple, interaction on Ethereum requires effort known

⁶ Bitcoin.com: <https://news.bitcoin.com/openseas-all-time-nft-sales-volume-crosses-20-billion/>

NFTS & CRYPTO GAMING

as gas fees to “mint” (create) or transact. Multiple factors impact gas fees, causing them to vary widely. As a result, novel approaches are emerging, such as cryptogame Axie Infinity’s development of an Ethereum “layer 2 side chain” (a secondary blockchain) that trades greater centralization of the system for faster and cheaper transactions for game elements.

Creators are constantly finding new ways to leverage NFTs. Particularly interesting for experiential marketers are POAPs, or Proof of Attendance Protocols. They bill themselves as “the bookmarks of your life,” and are a unique type of NFT that allows users to collect memories of events they’ve attended through a badge-style system, accessible through

mobile apps and on POAP.xyz. Miller Lite recently distributed POAPs for attending an event in their virtual Decentraland bar, along with limited edition avatar wearables.

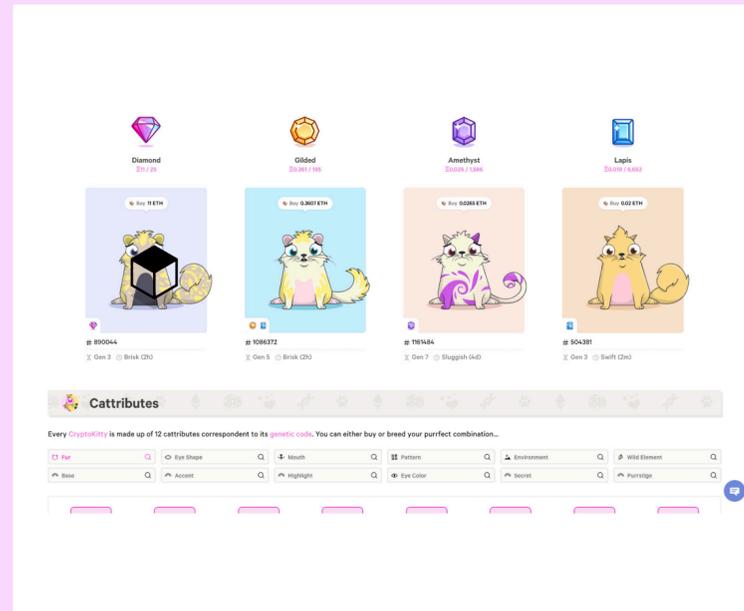
One of the most innovative, and amongst some groups controversial, uses of NFTs is in the integration with games, creating a play-to-earn (P2E) gaming model in which players can exchange in-game assets and tokens with mainline cryptocurrencies, and thus for cash. Grimes, multimedia artist and Elon Musk’s beau, recently noted the potential good of the game Axie Infinity in particular, calling out the benefits of people being able to make money doing “enjoyable, creative things while engaging with beautiful art.”⁷ The game has the most-Google’d NFT collection,



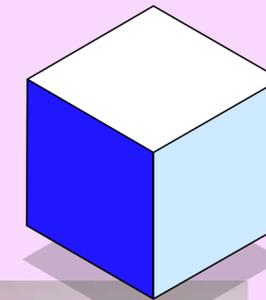
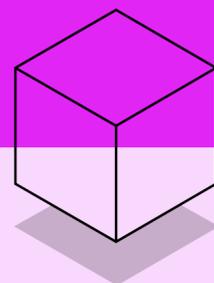
NFTS & CRYPTO GAMING

recently reaching 3.86 million monthly searches, driven by its 5 million active players.⁸ It's also one of the most valuable crypto properties on the whole, having seen billions in transaction value since its launch in 2018.

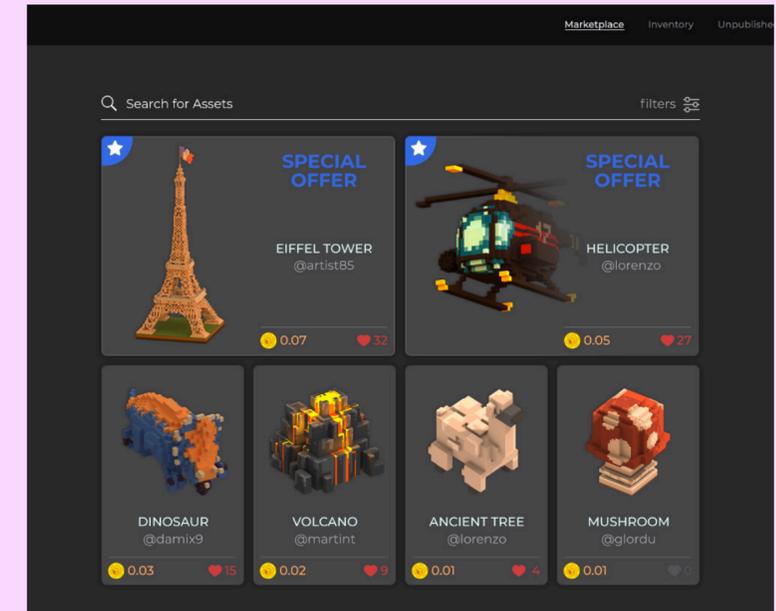
The game, loosely inspired by Pokemon, allows players to collect Axie creatures as pets, as well as use them to battle one another, breed and raise them, and ultimately build their kingdom. The Axie NFTs can be bought and sold amongst players and collectors on Ethereum, and players earn in-game currency while playing.



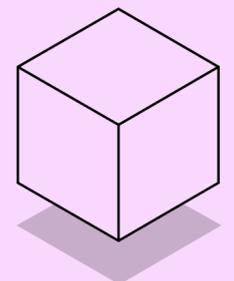
Crypto Kitties evolves NFT's into a game where players can breed new characters



MechaFightClub is a new P2E crypto game where players train and battle wacky mechanical chickens in the style of Mortal Kombat, from Voodoo PC founder Rahul Sood

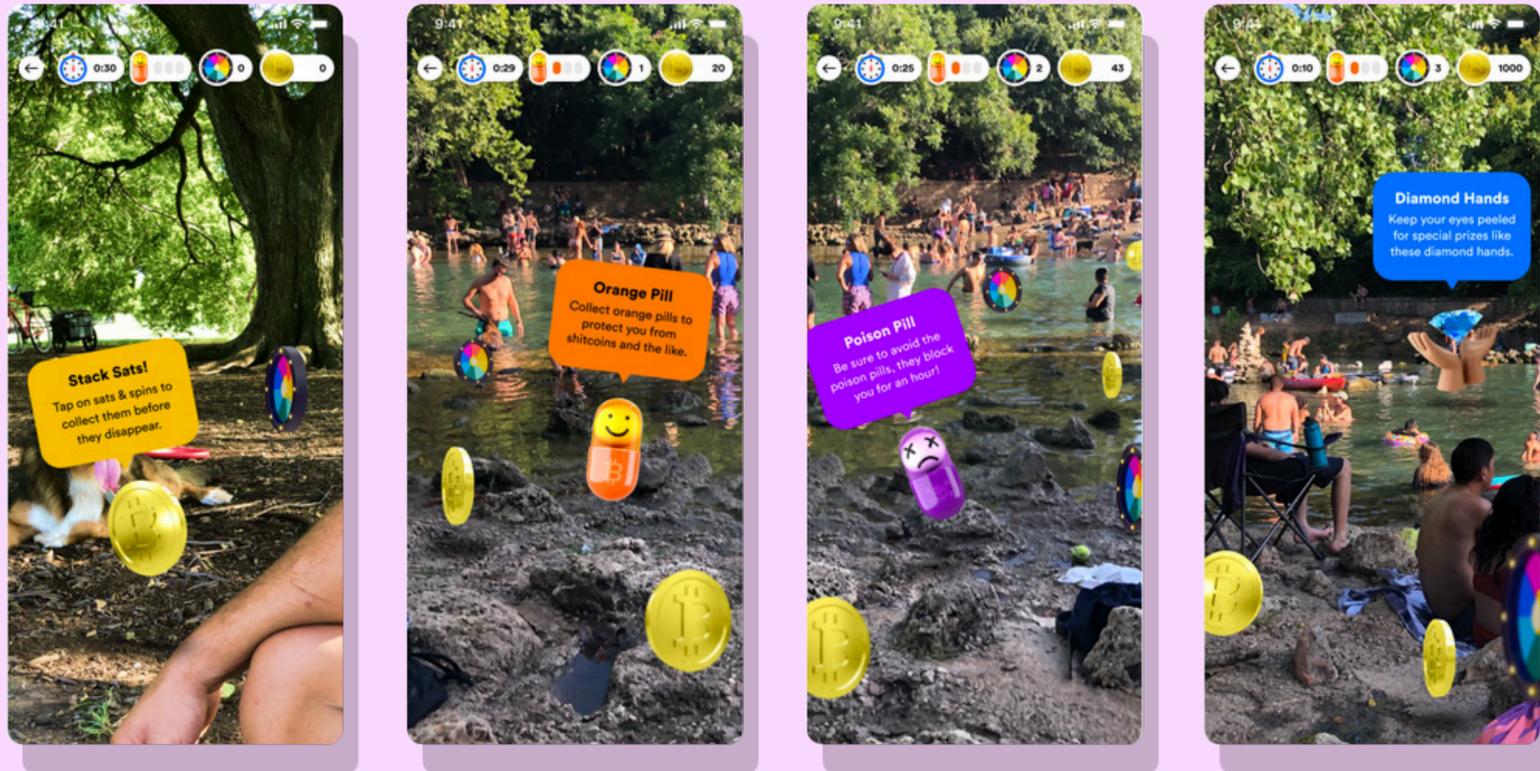


Virtual World The Sandbox offers NFT's in the form of 3D voxel items that can be used in-game, demonstrating how NFT's can offer utility to gamers



⁷ Rolling Stone: <https://www.rollingstone.com/culture/culture-features/nft-play-to-earn-gaming-grimes-de-fi-1265679/>
⁸ BraveNewCoin: <https://bravenewcoin.com/insights/axie-infinity-news>

NFTS & CRYPTO GAMING



Fold, the Crypto Rewards platform that offers percentage of purchase back with retailers like Old Navy and Dominos, has an augmented reality promotional game in Beta similar to Pokemon GO where players hunt for Bitcoin in the world around them

The converse opinion often comes from gamers and creators in the traditional gaming industry, which see crypto integration into the traditional gaming model as a corruption of the experience. As the P2E industry evolves, we will likely see it become just another revenue-interaction model in parallel to Free-to-Play games like Fortnite or the thousands of iPhone games which rely on microtransactions to make money.

Interestingly, we are already seeing brands take steps into this realm, with the notable example of Stella Artois integrating into the digital horse racing game Zed Run, selling 50 NFTs each tied to an in-game horse in the summer of 2021.

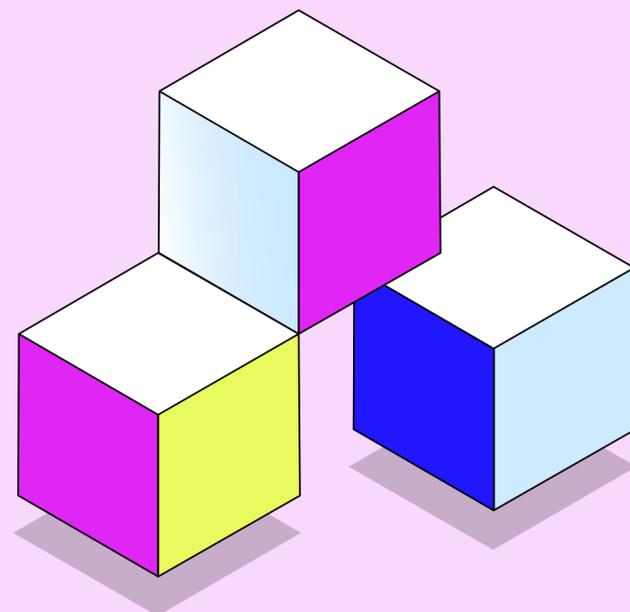


DECENTRALIZED AUTONOMOUS ORGANIZATIONS (DAOS)

DAOs are still in their early stages of evolution, but promise an interesting new way to approach collective investing and reaching organizational objectives. DAOs are decentralized organizations, formed by users buying-in via cryptocurrency, which each have a very particular goal in mind. Some are focussed on investment, for example through the purchase of rare NFTs using their collective funds. Others are focussed on more novel goals, like ConstitutionDAO, which nearly succeeded in purchasing a rare copy of the constitution.

Where this trend will go, only time will tell. DAOs by design have no central leader and operate using flat hierarchies, with votes being cast proportionally based on proprietary

token ownership, and its founding rules baked into a smart contract in their blockchain. But as DAOs are closely linked with the trend of Decentralized Finance (DeFi), which provides financial instruments that don't rely on 3rd parties like banks or brokerages, they likely have a strong footing to continue evolving, and might tackle anything worth investing in, whether it's real estate or the development of a new product.



In one novel quasi-DAO use case, a group seeks to have investors purchase homes and rent them out. Management and maintenance is outsourced to a 3rd party, with monthly costs coming from the rental fees, and the balance being distributed to those who've bought-in. Collectively, the group can vote on when to sell the property and recoup their investment.



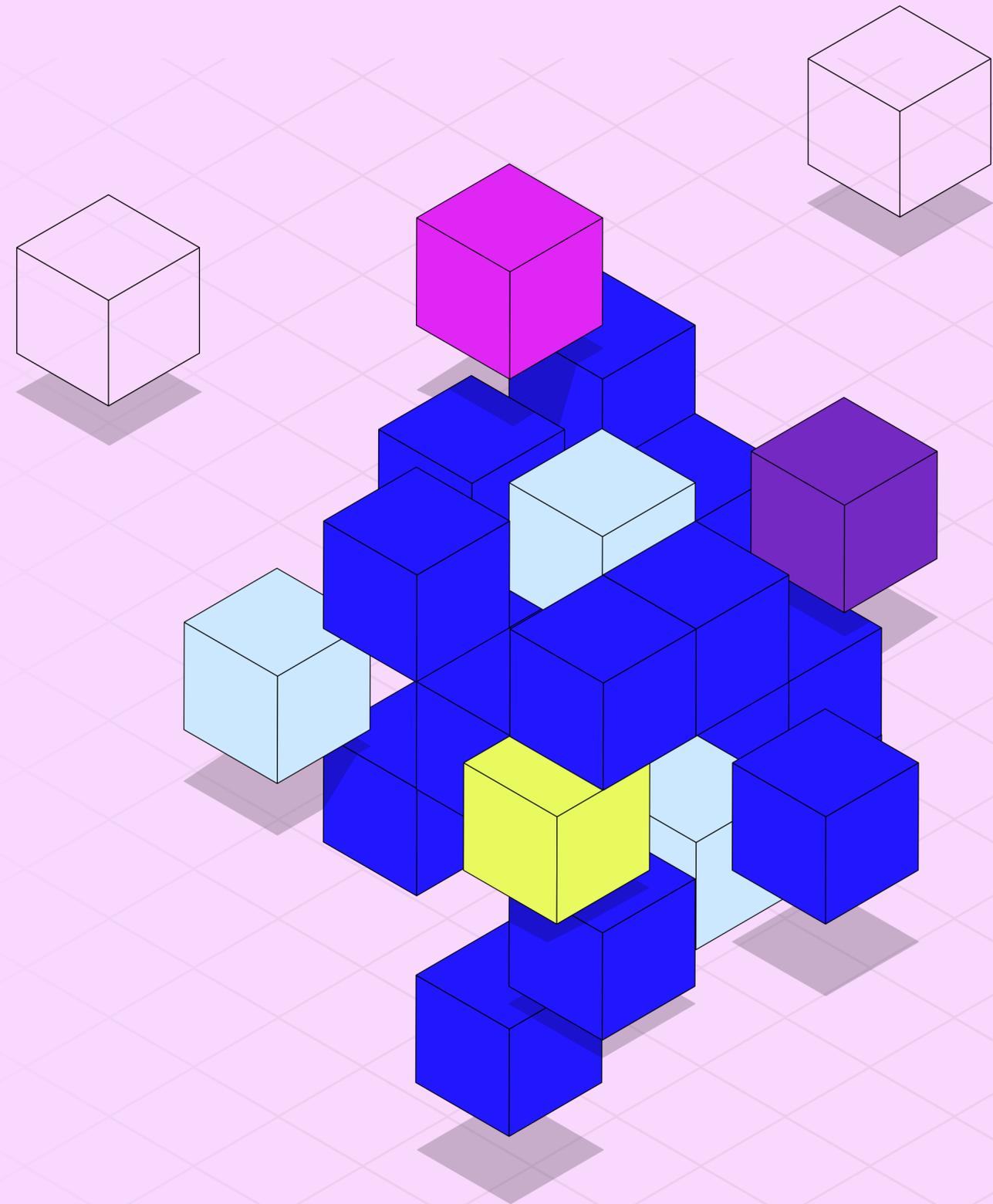
UNPREDICTABLE DISRUPTION

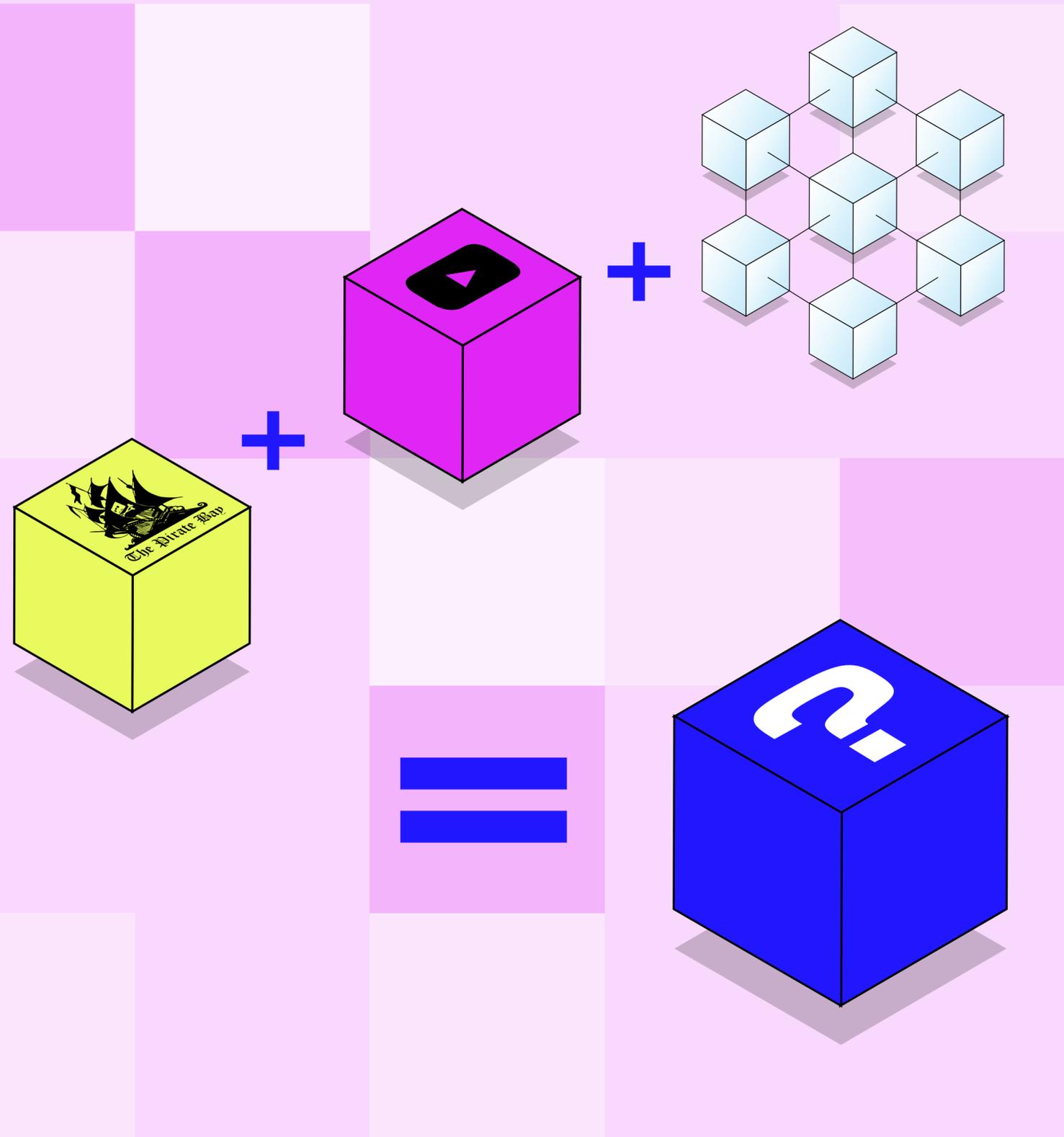
While the common themes to date in media around Web 3.0 focus on topics like cryptocurrency, NFTs, DAOs, DeFi and the Metaverse(s), the underlying technologies of decentralization enabled by blockchain will have far reaching unforeseen impact on businesses as new innovations are developed.

As an interesting example, developer Esteban Abaroa is in the process of creating a decentralized, serverless alternative to the popular social community Reddit. Rather than using blockchain, Abaroa is using public key based addressing and a peer-to-peer network (think: BitTorrent), meaning that all data is stored collectively on users' computers. Such a platform removes the requirement for advertising, as no one has to worry

about paying for hosting fees and the system is entirely self-regulating, with users upvoting and downvoting content as they do on Reddit.

In a blockchain-based system, one might imagine a decentralized news platform where reporters are paid through tokens equivalent to the value of an advertising impression when their content is viewed, with the reporter receiving more revenue than current models, and all content similarly stored in a decentralized manner with participants being paid for the value of hosting content.

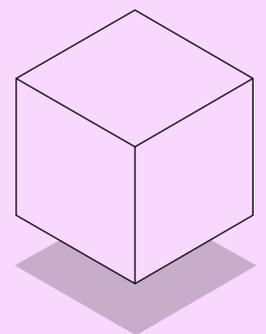




UNPREDICTABLE DISRUPTION

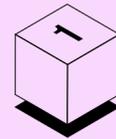
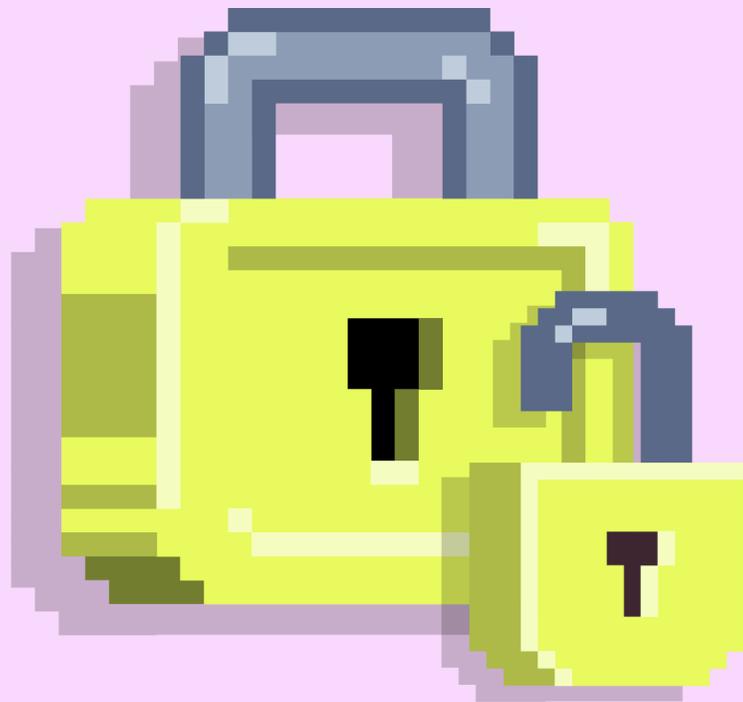
As another thought experiment, imagine a web-based video platform similar to YouTube but built on a peer-to-peer hosting model on a blockchain. With a traditional web interface, content could be stored on users computers in a manner similar to torrenting but with completely legitimately owned content, benefiting from continuously increasing bandwidth and personal computer storage. Such a model might have advertisers paying tokens into the system, with content creators and hosts receiving the lion's share of revenue and removing the "man in the middle" (Google) in favor of a community-based feature management system coordinated by a DAO. The challenge with such a system, of course, is moderation,

which is something a DAO might address through a percentage fee levied within the system and a combination of AI and human-based moderation operated by a 3rd party company on contract. While such a system is more complex than what we see on current blockchains, thought experiments like these will lead to tremendous innovation.



CONTROVERSIES

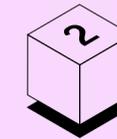
The NFT space in particular has been subject to controversy. Leaving accusations of its use as a potential money laundering vehicle aside, four main topics frequently come up in media.



Fraud

With much community activity occurring on Discord, potential buyers have fallen victim to Discord hacks, where scammers will either use a compromised admin account or impersonate one, and share phony links to pay to mint an additional release of a high-demand NFT series. The same can happen on Twitter.

“Rug Pulls” are also an issue, with large promises for an NFT series or other crypto project to be made, only to be abandoned once creators have taken money from early buyers. A group of noble developers have created a tool called revoke.cash in order to help users protect their Ethereum by revoking allowances and permissions that they have previously granted, not allowing them to take money back, but at least protecting from future fraud if they sense something is amiss.



Creator Verification

Since anyone can mint an NFT, there's no way really to verify who the true creator is. Many artists have reported having their artwork “stolen” and turned into NFTs to be sold on large markets like OpenSea. DeviantArt, one of the largest online repositories of art and a major community for artists to share their work, began tracking potential fraud by looking for matches between shared art and minted art, and has issued over 90,000 alerts to artists about potential fraud to their user base.⁹ The Twitter handle @NFTtheft is an excellent resource to follow recent trends.

⁹ <https://www.theguardian.com/global/2022/jan/29/huge-mess-of-theft-artists-sound-alarm-theft-nfts-proliferates>

CONTROVERSIES

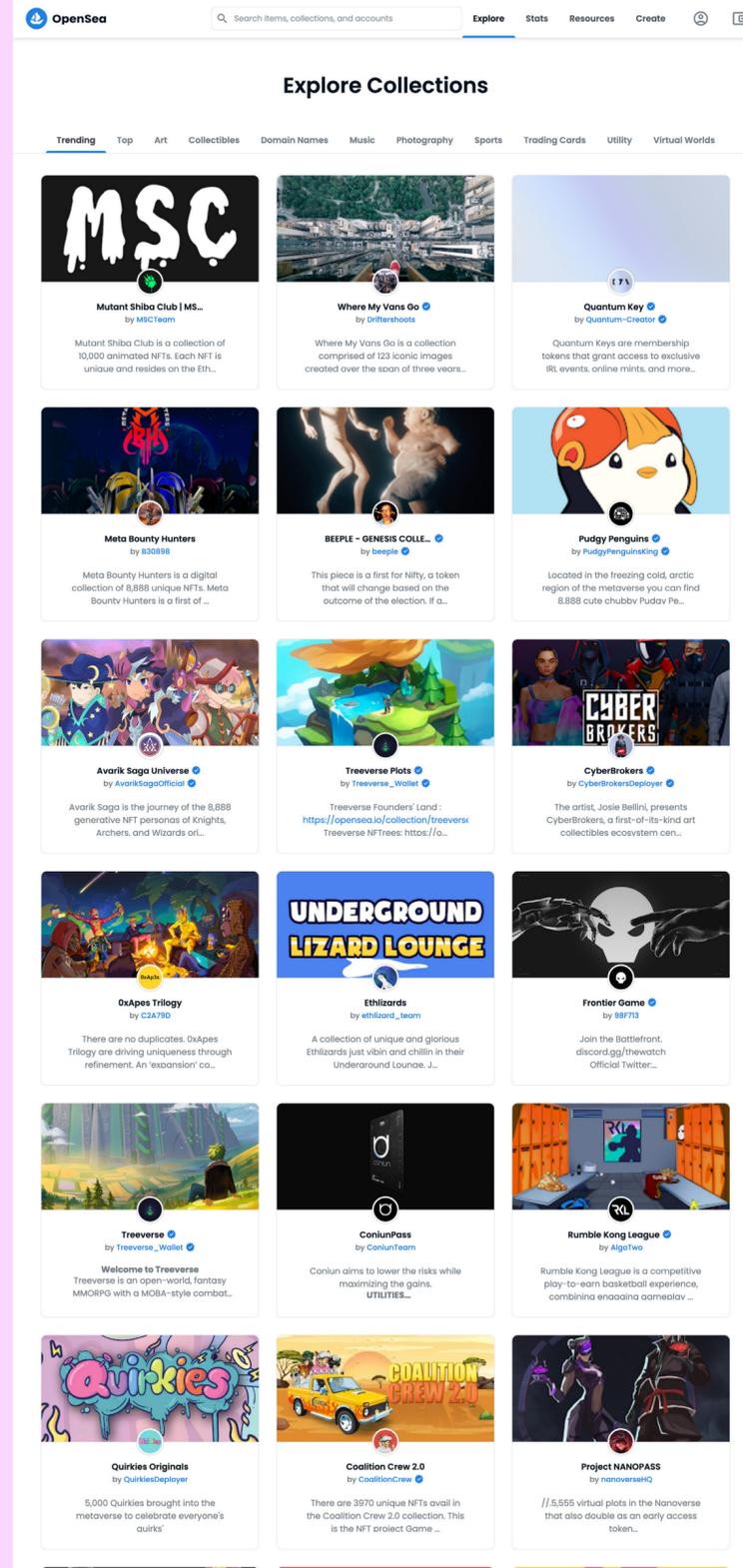


Theft

A recent phishing theft issue occurred on OpenSea, with hackers sending an email that looked like one from OpenSea, tricking users into entering into a transaction when they thought they were participating in a planned migration. Approximately 250 NFTs were stolen with a total value of about \$2 million USD.¹⁰



¹⁰ <https://www.bleepingcomputer.com/news/security/opensea-users-lose-2-million-worth-of-nfts-in-phishing-attack/>



Sustainability

One of the most commonly mentioned challenges of NFTs and crypto is sustainability. In 2020, Bitcoin's carbon footprint alone was equivalent to the power consumed by Argentina.¹¹ While there is no simple fix for this, and governments are in the early stages of trying to understand how to even tax crypto, let alone regulate crypto processing, there are many projects and organizations focussed on making crypto more sustainable. An interesting project is SolarCoin, which creates 1 SolarCoin for every Megawatt-hour generated from solar energy, though it relies on manual proof

¹¹ <https://www.weforum.org/agenda/2021/11/how-to-make-bitcoin-and-cryptocurrency-sustainable-renewable-energy-blockchain-crypto-mining/>

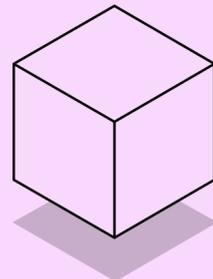
of energy creation.¹² Tezos is more widely adopted blockchain with a focus on sustainability, promising a total annual carbon footprint with the equivalent of only 17 global citizens.¹³ While both started in 2014, Tezos is flying high, while SolarCoin seems to have fizzled. The market cap of Tezos is nearly \$3 billion USD as of late February 2022, while SolarCoin sits below \$1 million USD.

¹² <https://www.leafscore.com/blog/the-9-most-sustainable-cryptocurrencies-for-2021/>
¹³ <https://tezos.com/carbon/>



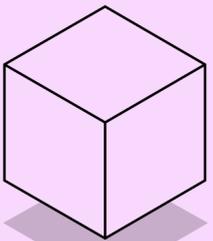
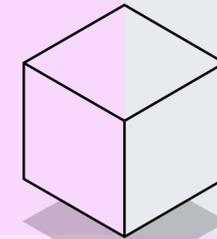
ROLE OF YOUR BRAND

As the key trends of Web 3.0 become more prevalent in the market, each will have varying degrees of impact on your business. Electronics, appliance and auto brands will be significantly impacted by embedded computing in particular, while just about every brand will be impacted by how properties come to life across new, decentralized and spatial channels. Samsung has done exceedingly well with the former, through the development of their own Bixby AI and smart fridges, while brands across the spectrum are now coming to virtual-life with tools like augmented reality shopping, now extending beyond their own sales platforms and into social selling tools provided by networks like Instagram and Pinterest.



In the long-term, serious thought must be given to how these overarching trends could impact every aspect of your business at the strategic planning level, and be incorporated into everything from product development to IT systems. In the near term, applications for marketing are more tangible, and NFTs stand out as the fast mover to use as a first step.

The flexibility around value that can be offered by NFTs is continuously evolving. In late 2021, Nike purchased RTFKT, a company with the sole purpose of creating sneakers for the metaverse, bringing them to life via NFTs, augmented reality and paired “digital twins” of products that exist both in the real world and the digital. Earlier in the year, the startup had sold 600 pairs of physical/NFT



From the RTFKT Archives



From Bored Ape Yacht Club on OpenSea

ROLE OF YOUR BRAND

sneakers with artist FEWOCiOUS for over \$3 million USD... in just six minutes.

NFT's can be approached from a number of different marketing perspectives, and next we'll collect the most popular into three pillars. Nota bene, we're sure there are many more to imagine.

Generative Collections

Many of the most popular NFT collections are built around micro-cultures, fan bases that are made aware through word of mouth and social networks like Twitter, and become more deeply engaged through Discord channels. By building a large fan base prior to launch, these collections create demand that exceeds supply prior to being available for purchase, and act as membership in exclusive communities

regardless of their intrinsic value as art creations. Creators generate many, up to thousands, of unique NFTs using software that distributes traits randomly based on an algorithm, where some are far more rare than others. The result is a set of procedurally generated creative pieces, like the famous Bored Ape Yacht Club, which effectively become their own brand community. Marketers can look to build their own, with very careful development that feels authentic, or look to partner with existing creators and tap into existing communities with unique perks, integrations or community participation.

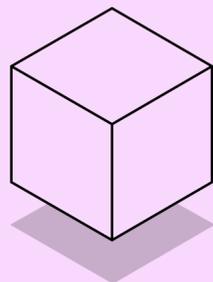


ROLE OF YOUR BRAND

Digital Goods

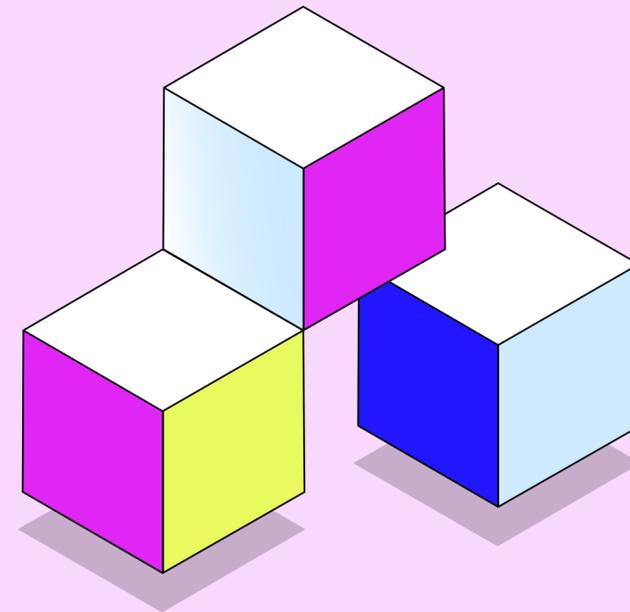
Whether they're expressed purely as 2D representations via artwork, or come to life in a 3D world, determining how to translate your products into digital formats is becoming table stakes.

If truly unique or interesting, fans will enjoy having another dimension to engage with your brand in the same way they'd wear a logo tee or line up for the latest sneaker drop. Fashion and design-oriented brands are leading in this space as they are intrinsic badges of status and belonging, regardless of whether they're physical or digital. We'll explore how digital goods can come to life further soon.



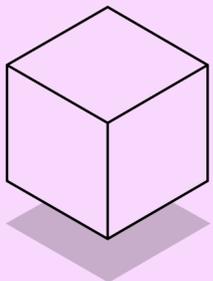
Utility

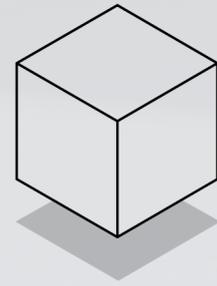
Likely the most practical value of an NFT is through the presence of some type of user utility. For example, Nike has filed patents to verify authenticity of shoes with NFTs, an approach that premium brands like Rolex would do well to mimic. Other examples are the ability of Bored Ape Yacht Club members to access special events and owners of Slotie NFTs to get real-world benefits at 150 casinos worldwide. Autograph NFTs promise to grant exclusive A-list celebrity content and access to exclusive (read: no non-owners allowed) communities, with icons like Tom Brady, Wayne Gretzky, The Weeknd and Tony Hawk participating. Think about what exclusive digital and physical benefits your brand can provide, and how that might be included in an NFT.



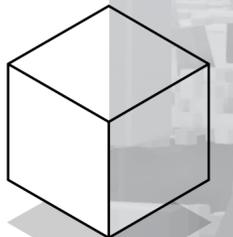
Wildcard

We said three, but creative thinking can always break the box. Adidas recently collaborated with Prada and digital artist Zach Liberman to create a mass-collaboration, large-scale digital artwork owned by all creators. As a result, those who participated will benefit from its sale.



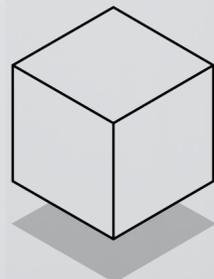


ENTERING EARLY WEB 3.0



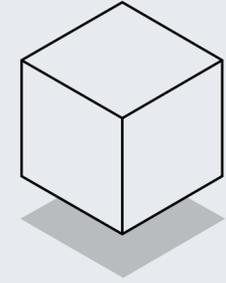
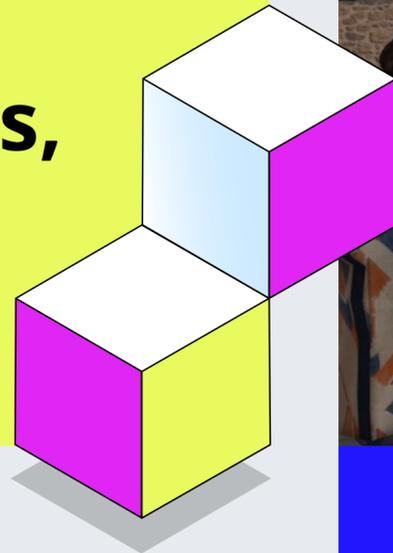
“A virtual-reality space in which users can interact with a computer-generated environment and other users.”

– Oxford Languages



“Broadly speaking, the technologies that make up the metaverse can include virtual reality—characterized by persistent virtual worlds that continue to exist even when you’re not playing—as well as augmented reality that combines aspects of the digital and physical worlds. However, it doesn’t require that those spaces be exclusively accessed via VR or AR. A virtual world, like aspects of Fortnite that can be accessed through PCs, game consoles, and even phones, could be metaversal.”

– Eric Ravenscraft, WIRED



HISTORY OF THE METAVERSE

In 1992, science fiction author Neal Stephanson coined the term Metaverse in his novel *Snow Crash*, a dystopian cyberpunk novel in which the main character, Hiro Protagonist, delivers pizza for the (now corporate) Mafia, with some hacking on the side. America’s government has effectively relinquished control of the nation to a variety of corporations, and mercenaries manage national defense contracts. In the *Snow Crash*

Metaverse, it is manifested as a perfectly spherical planet populated by avatars and virtual real estate, and accessed through VR goggles. Some characters dive in for good, wearing portable VR goggles to stay perpetually connected to the mirror world. Notably, a major event in the book takes place at a virtual concert, which might feel familiar to anyone who’s been following the COVID-inspired virtual concerts by major



HISTORY OF THE METAVERSE

artists like Travis Scott and Justin Bieber, experienced in 3D worlds like Fortnite and Roblox.

Variations of his Metaverse concept have cropped up across science fiction since in hits like Spielberg's adaptation of Ready Player One by Ernest Cline, and it soon inspired real life experimentations with persistent worlds.

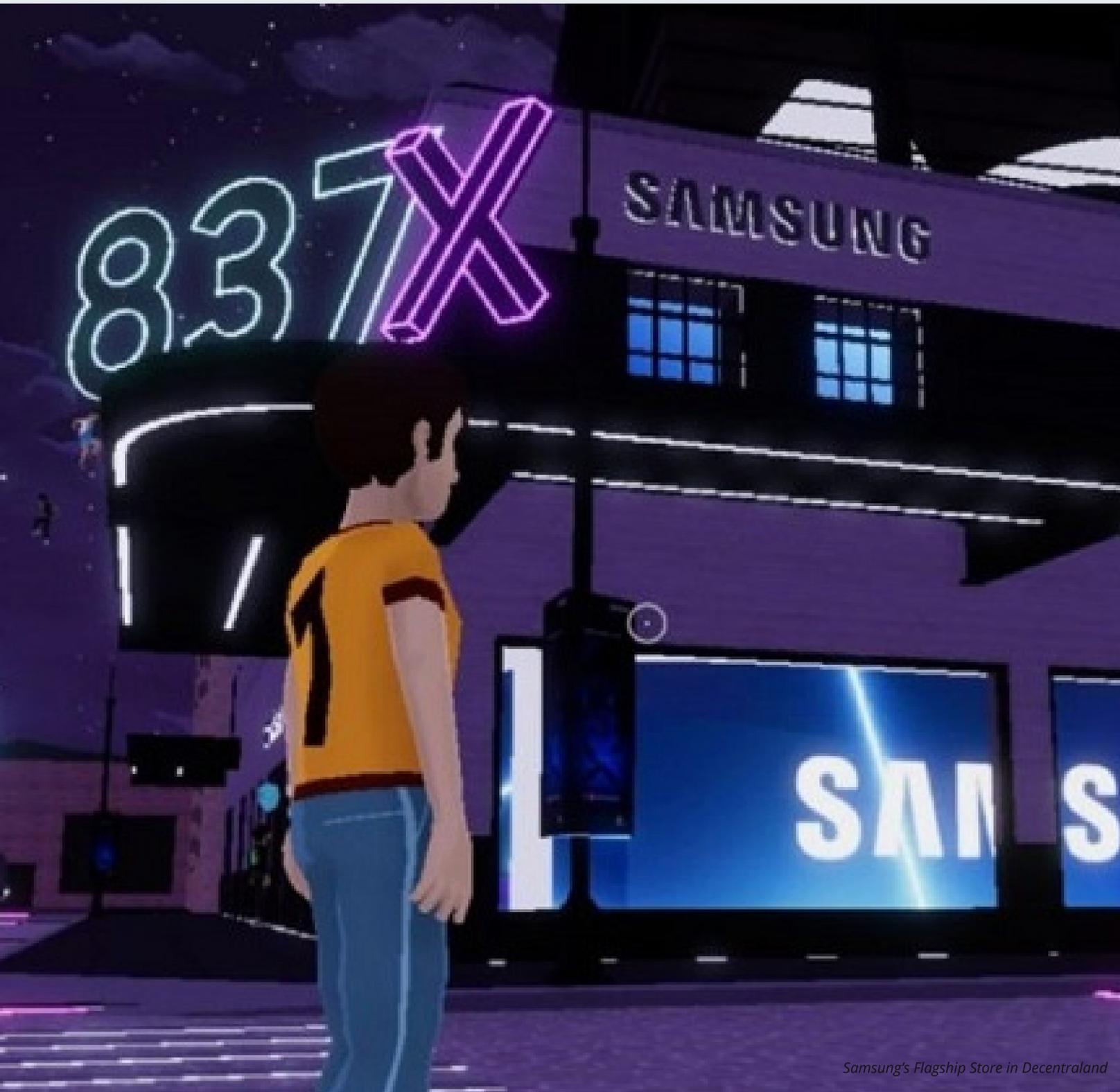
In 2003, just nine years after Stephanson coined the term and fairly quickly after Berners-Lee developed Web 1.0, Second Life made it a reality (without official support for VR goggles, though tinkerers have made this possible with mixed results). The platform, which saw its peak at about 1 million regular users and is still active today, allows users to socialize,

explore, build, create, shop and trade property. It has its own economy built on the Linden Dollar that can be exchanged with real currency, giving in-game elements real world value.

At the peak of its public interest between 2005-2010, brands were clamoring to participate in the space. Best Buy's Geek Squad offered customer service in the virtual world, and IBM had a consulting group established to help other businesses onboard into the world. Through an unofficial 3rd party experience, users could even browse a 3D book store to select books to buy from Amazon, though the transaction required an extra step in a traditional browser.

Everyone from religious organizations to embassies purchased land, created





Samsung's Flagship Store in Decentraland

HISTORY OF THE METAVERSE

buildings and offered interactions. From concerts to social unrest, Second Life has a rich history that feels very in-tune with what Neal Stephanson described.

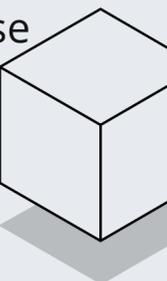
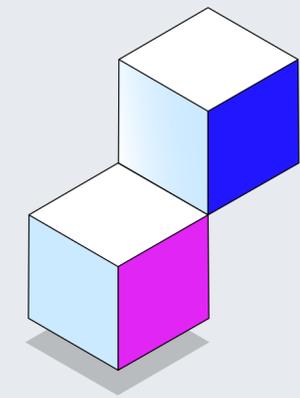
In terms of visual quality, Second Life is in many ways superior to new entrants like Decentraland, as it runs as an application rather than through the web browser, though the addition of a crypto-based currency and more attention paid to easier content creation has given new entrants like these a unique angle.

Likely, the commercial flop of Second Life was due to the lack of a core game mechanic or purpose in the world, as it never reached a critical mass of users to make it a hit.

Released just one year later in 2004, Activision Blizzard's World of Warcraft,

a massive multiplayer online role-playing game, allowed users to interact in a virtual 3D world, but in this case, there was a clear purpose: to level up, go on quests, and do battle. The game peaked at 12 million subscribers in 2010, has seen overall revenue of over \$9 billion USD, and continues to be enjoyed today.

Today we see a range of the most popular games on the market that reflect many of the core concepts of the Metaverse. Fortnite, Minecraft, Animal Crossing and, in some senses, Pokemon GO. But many games that have come before have presented users with the tools to design their avatars, customize environments, socialize with others, and purchase digital goods.



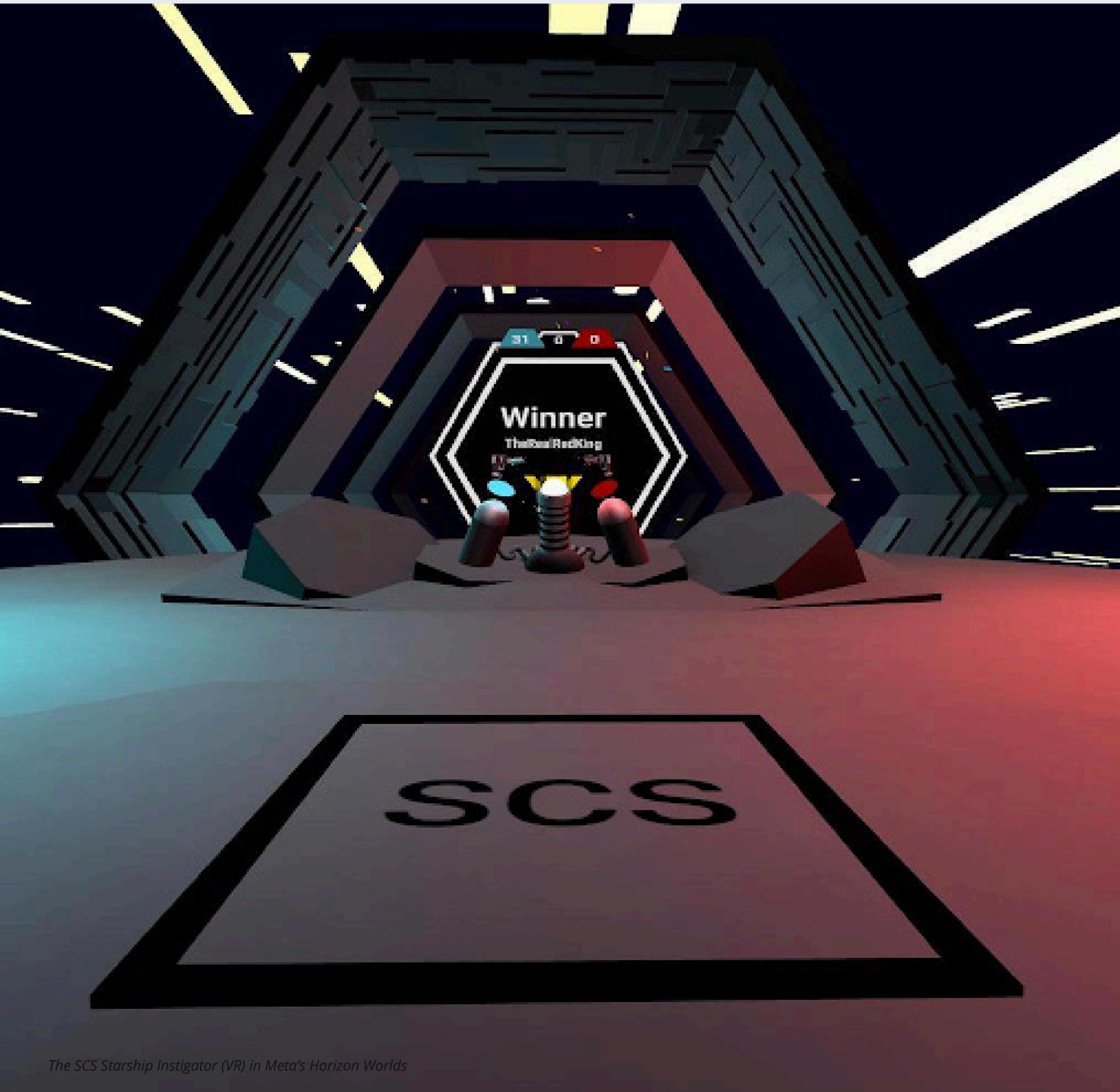
HISTORY OF THE METAVERSE

In particular, three worlds stand out as purpose-built Metaverse-contenders. Decentraland and The Sandbox are both web-based (no download required) environments built on the blockchain and allow sales of land and avatar items through NFTs, with Roblox using its own currency. These worlds are highly decentralized, with users creating their own content and deciding how to express their creativity, either through environmental design or modification of their avatars. Notably for marketers, integration is relatively straightforward, with dozens of brands having integrated into these worlds through land ownership, the creation of virtual stores, digital goods for avatars, and special live events.

Most recently in the history of the Metaverse-to-date is Meta Horizon Worlds, a VR world for Oculus Quest 2 that competes with a similar longstanding app Rec Room. Both offer the ability to explore environments, socialize with and play games together, as well as create using simple toolsets, however at writing, only Rec Room offers users the ability to sell their creations to others through a marketplace, though given their business model, this will likely change — along with its lack of advertising.



The Sandbox has an area owned by Snoop for hosting events



The SCS Starship Instigator (VR) in Meta's Horizon Worlds

DRIVING TRENDS

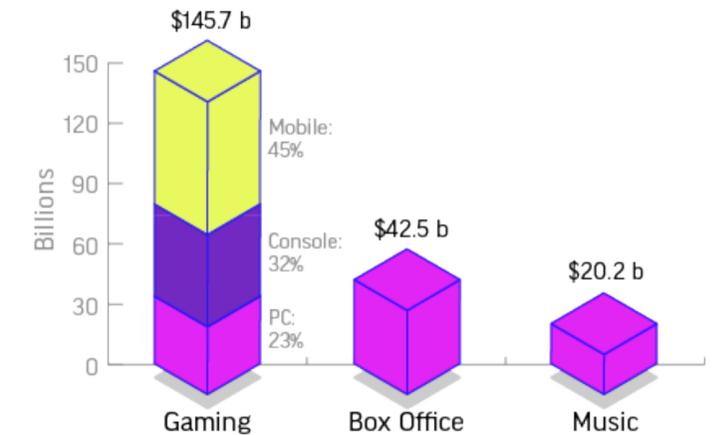
In the interim, we've become a culture of gamers. From dipping into Wordle during a bathroom break to getting together with the gang online via Call of Duty, Gen X grew up on Atari and Nintendo, and kept buying more advanced consoles and gaming PC's as their wallets grew along with a continuously evolving set of interactive entertainment options. Conflicting with many popular notions, gaming is extremely popular with women, with Sony noting that 41% of PS4 and PS5 are female, perhaps partly due to the increasing prevalence of strong female protagonists in games and more women game designers in an industry that continues to skew highly male.¹⁴ Interestingly, IAB research in the UK as far back in 2014 saw women

comprising 52% of their country's gaming audience.¹⁵

Millennials and Gen Z took playing games further, turning watching people play games through eSports into an industry that eclipses many traditional sports leagues.

Gaming: The Most Lucrative Entertainment Industry By Far

Global revenue of selected entertainment industry sectors in 2019



Source: Newzoo, Comscore, IFPI

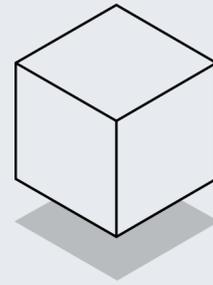


¹⁴ PushSquare: https://www.pushsquare.com/news/2021/05/almost_half_of_playstation_gamers_are_women
¹⁵ The Guardian: <https://www.theguardian.com/technology/2014/sep/17/women-video-games-iab>

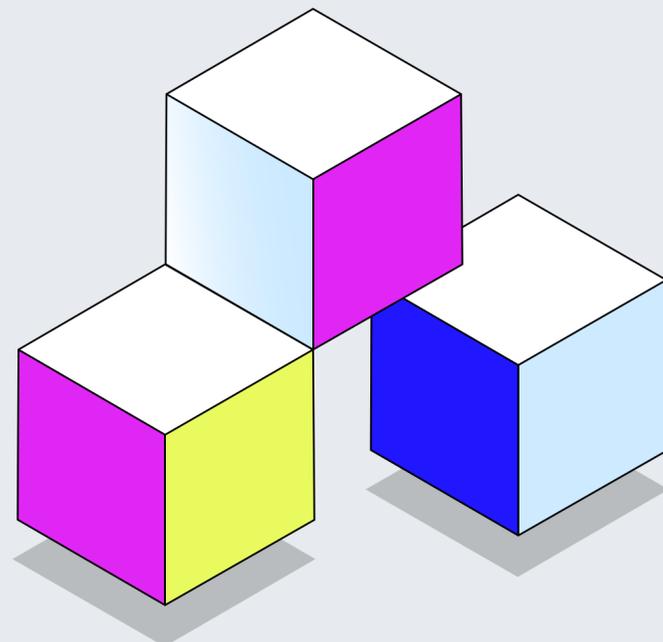
DRIVING TRENDS

As we saw earlier, younger demographics are moving towards Metaverse-esque gaming patterns with hits like Fortnite, which regularly sees guests from other entertainment franchises and celebrities drop by, and Minecraft, which recently released a version for virtual reality.

With time marching on as it does, the next 10 years will see these players age into adults. With fuller wallets for newer experiences and technologies, and the next wave of youngsters entering with even more digital savvy and ownership over emerging technologies like better VR headsets and the emergence of consumer AR glasses, there is a certain inevitability to the increasing digitalization of life. Many of us have spent the past two years interacting through Zoom, after all.



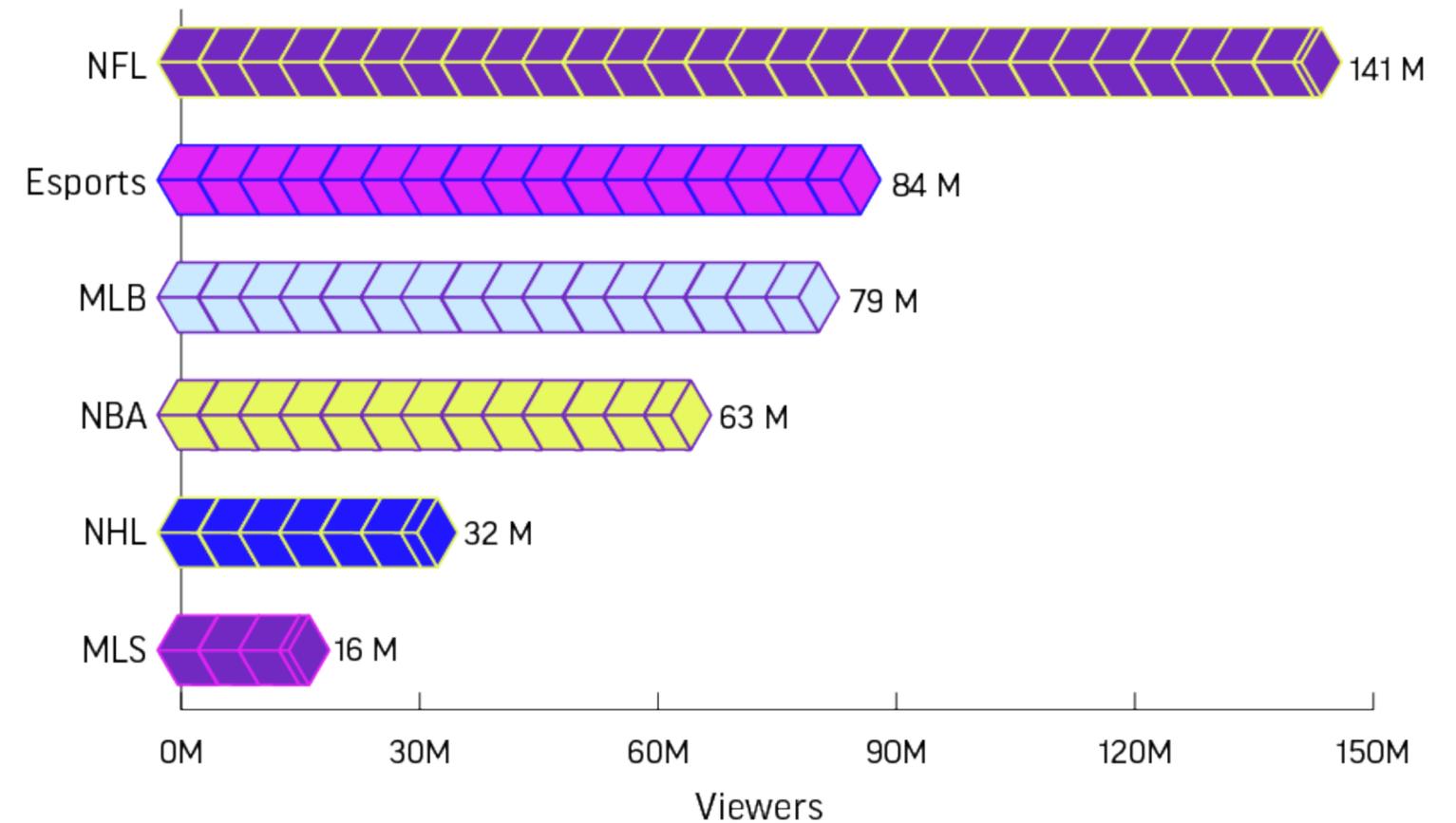
While aspects of the Metaverse concept have been somewhat polluted with an overemphasis on cryptocurrency, as some leverage the term primarily as a marketing buzzword, the prevalent trends in entertainment's largest industry tend to point in the direction of a future where we live increasingly parallel lives between our physical world and digital one.



ESPORTS

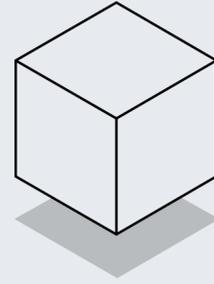
Viewers in the United States

In the U.S., esports will have more viewers than every professional sports league but the NFL by 2021



Source: <https://www.slideshare.net/ActivateInc/activate-tech-media-outlook-2018>
 Created by MBA@Syracuse, Syracuse University's online MBA program

NEW REALMS: AR & VR



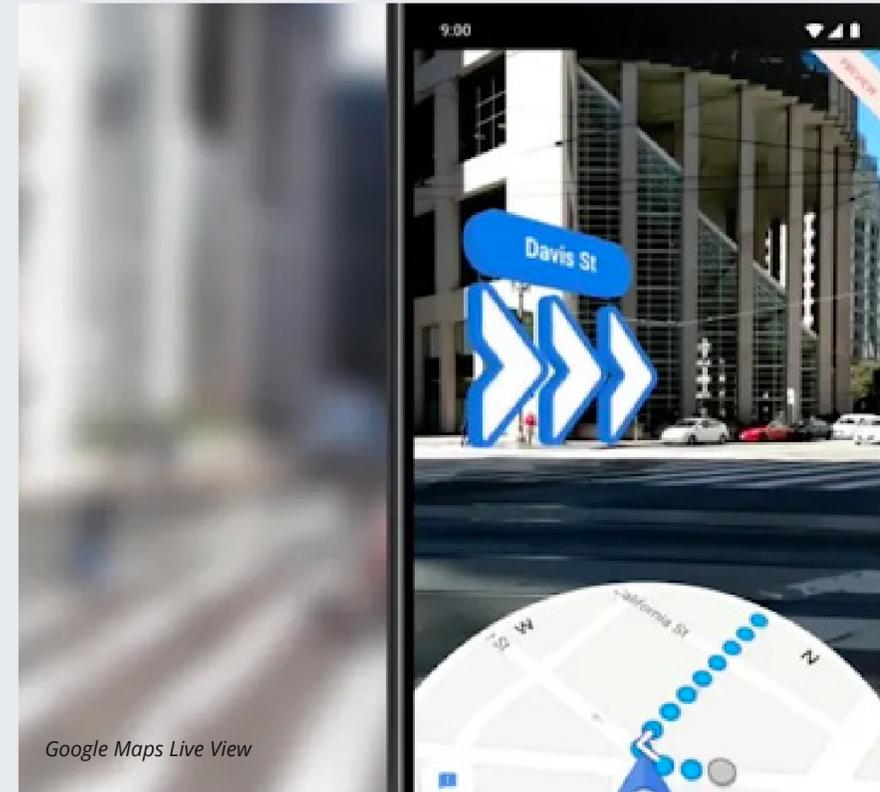
With most attention, and the original concept, focussed on virtual reality, there has been less media discussion around the role of augmented reality in shaping what we call the Metaverse or spatial web. With an AR game, Pokemon GO, standing as one of the most-played mobile games of all time, consumers have become familiar with the AR gaming interaction model, seeing a representation of the world around them mapped out in a mirror-reality alongside interactive, 3D projections of popular characters into the real world.

More utilitarian approaches to augmented reality haven't yet taken off. Over a decade ago, Yelp placed an AR feature into their mobile application that projected an AR view of recommendations over the world

around them. More recently, Google Maps introduced an AR tool for walking directions.

In the marketing space, novel app Wanna Kicks allows consumers to virtually try on shoes, seeing what they look like on their feet, and giving them the ability to directly purchase from the app. A large range of shoes, including Vans, are currently available to try on.

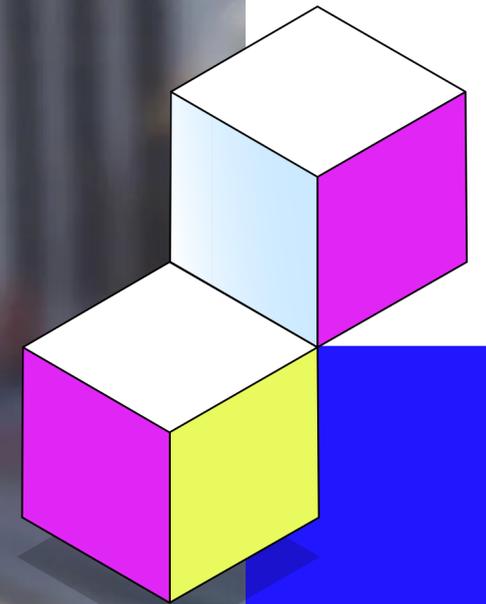
The likely culprit is the awkwardness of holding up your phone to look through it, a hurdle that will disappear when augmented reality smart glasses become mainstream. Likely, that's a few years away, but we already see gen 1 devices hitting the market, and as major players release their iterations, they'll come with new forms

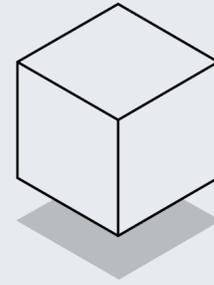


Google Maps Live View



Wanna Kicks AR Shoe Try-on





NEW REALMS: AR & VR

of games, apps and advertising that change how we interact with digital content, and through superimposition of contextual data on the world around us, the world and each other.

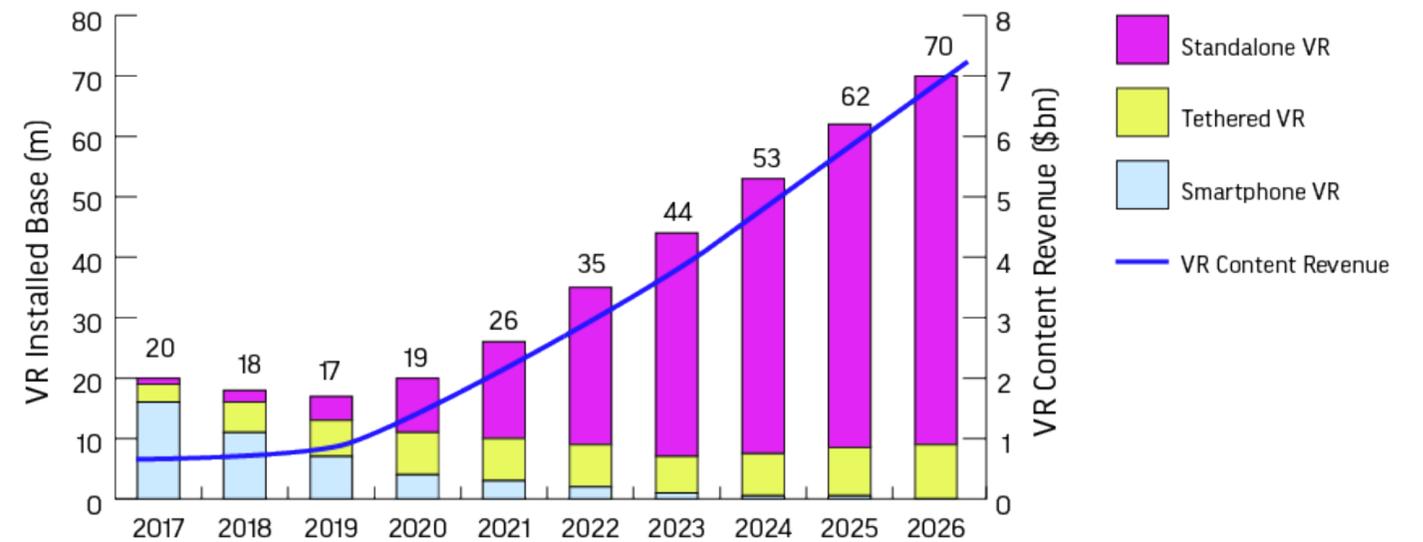
In practice, imagine pairing facial recognition with hovering LinkedIn profiles, virtual theater and computer screens that hover in mid air, and games that have us collaboratively chasing dinosaurs around the yard, in a shared reality mapped onto the world. Companies like Niantic, the creator of Pokemon GO, are heavily investing into shared AR space technologies, alongside efforts to make AR more seamless, through the recent acquisition of web-based AR platform 8th Wall, which allows users to experience 3D mapping without

downloading an application.

More familiar in connection with the idea of the Metaverse is virtual reality. With VR hardware manufacturers playing their cards close to their chest around sales data, it's hard to get exact figures for total sales of each device, but as previously mentioned, Qualcomm, who manufactures chips for the Oculus Quest 2, estimated before the holiday season that about 10 million units had been sold. The next most popular headset, the PlayStation VR, has most recent sales estimates from early 2020 pegged at around 5 million, with a PSVR 2 device in development for the new PlayStation 5.

With Meta already working on a new device and a new HTC Vive standalone

Consumer VR headset active installed base and content revenue, 2017-2026

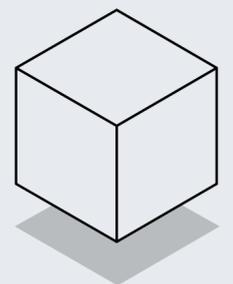


Source: Omdia

©2021 Omdia

device just hitting the market, the next wave of VR headsets might be led by Apple. The company has a headset that has been rumored to be in development for years. Recent analyst predictions expect that the standalone device, which will likely support both VR and AR, will be

announced sometime in late 2022 or early 2023. Considering Apple's loyal fanbase, the device could quickly introduce an entirely new set of consumers to VR and push it further into the mainstream.

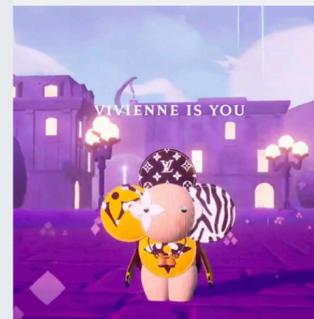
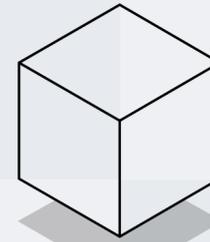


ROLE OF BRANDS

The opportunities for brands to come to life in the “spatial web”, including AR and VR as a whole are essentially limited only to the imagination, to keep it focussed, we'll look at how brands can play a role in some of the existing Metaverse platforms.

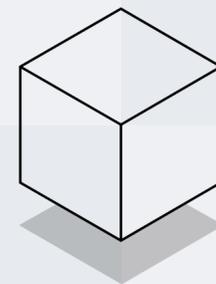
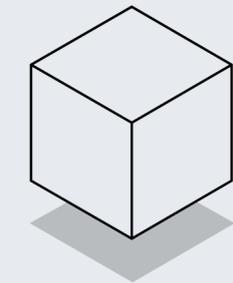
Dedicated Experiences

With John Deere, SCS helped engage kids with the farming profession by bringing the brand to life through FarmCraft, a Minecraft world that brought a farm, alongside many of their products, to life. Vans comes to life in Roblox through Vans World, where players can deck their avatars out in branded merch and skate with friends. Brands can create dedicated spaces on some platforms that are wholly purpose-built, with integrated products and games that bring them to life in context.



Introducing Louis The Game. Join Vivienne in collecting 200 birthday candles as she retraces #LouisVuitton's story over two centuries and try to find one of the 30 precious NFTs. Discover the new game in honor of #LOUIS200 at <https://t.co/5vpMF3AQDy> pic.twitter.com/tpAM5rZhjR

— Louis Vuitton (@LouisVuitton) August 10, 2021



ROLE OF BRANDS

Integrated Lands

In worlds like Decentraland and The Sandbox, brands can rent or purchase land to create their own buildings and spaces where consumers can hang out, reps can interact, and the brand can interact. Miller Lite built a dive bar in Decentraland called the Meta Lite Bar, where consumers could watch the premiere of their “big game” ad, play darts and pool with each other, take the stage with digital instruments, take selfies in a photo booth, and play music on a jukebox.

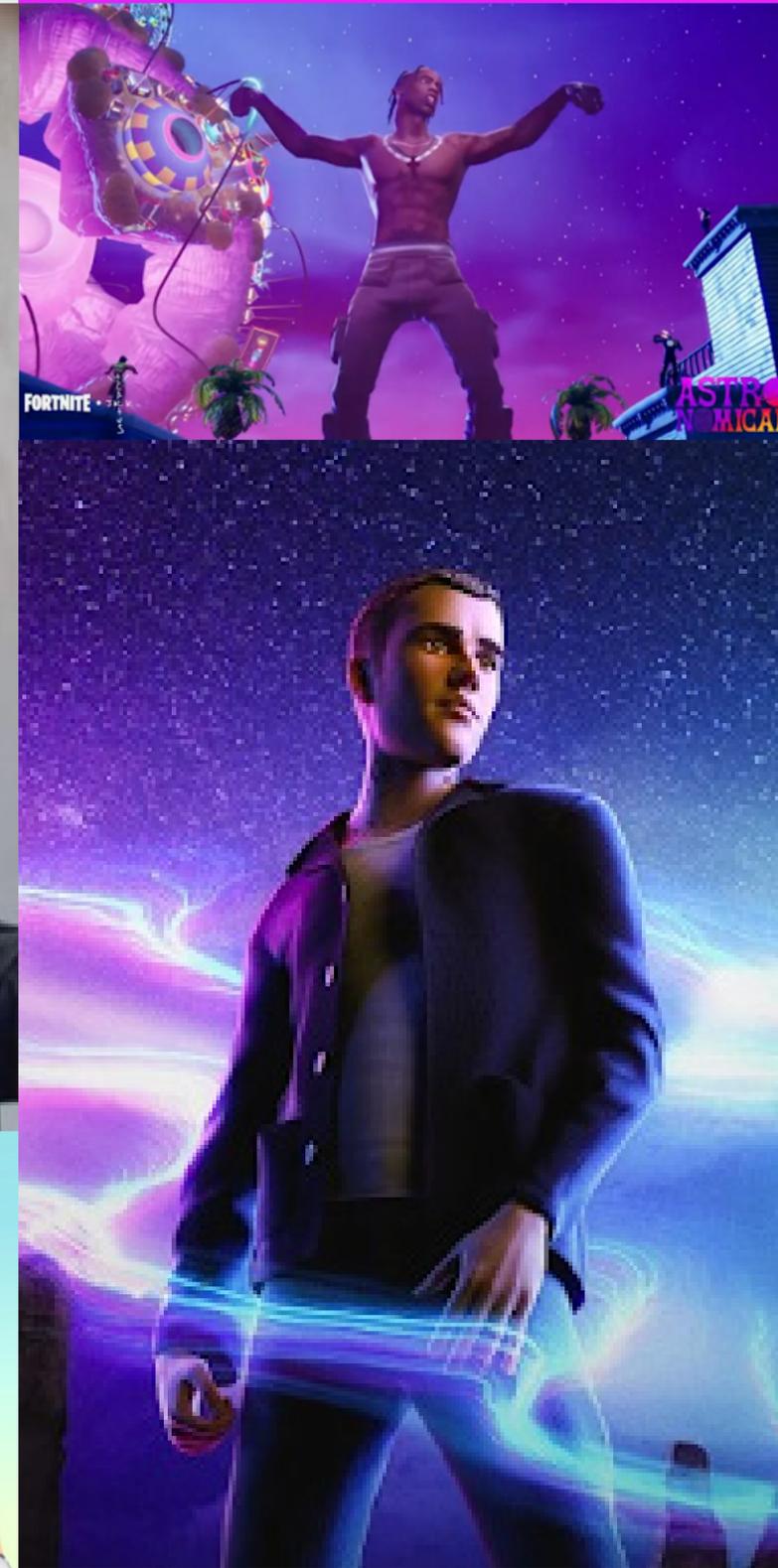
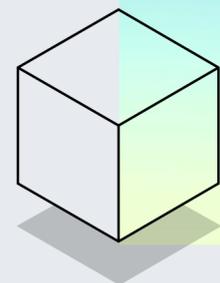
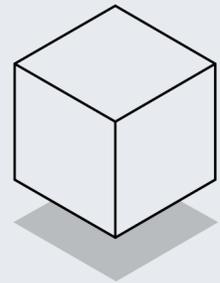
The Sandbox, which has a more voxel-style approach to design, meaning it feels more like Minecraft than Decentraland, users can engage with a range of brands from Adidas and Snoop to entertainment properties like The Walking Dead and the Care Bears.



ROLE OF BRANDS

Digital Goods

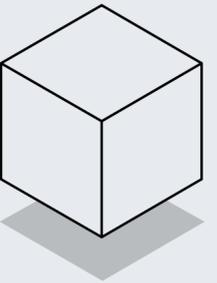
From cars to hats, brands can bring digital goods into different platforms with varying degrees of utility, often through the use of linked NFTs. Depending on the use case, these goods can be given to users for free, or purchased through cryptocurrencies.

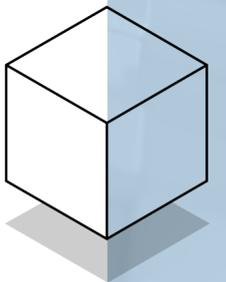
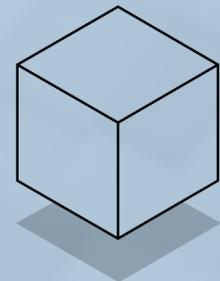
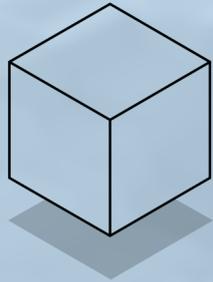


Sponsored Events

Staying at home popularized a new trend in the Metaverse: virtual concerts. Digital event sponsorship integration offers a path to engage with dedicated audiences and associate with popular artists. One of the largest virtual concerts saw Travis Scott perform in Fortnite, drawing an audience (over time) of almost 28 million players, according to CNET estimates. Companies like WaveXR use live streams to push concerts to “traditional” social video platforms like TikTok, Twitch, Facebook and YouTube, as well as in-world with Roblox, hosting artists like Justin Bieber and The Weeknd.

With a bit of creativity, there are a broad number of additional approaches for finding the right type of Metaverse integration for any brand.





GETTING YOUR FEET WET

What Next?

Whether you're looking to test a pilot program to explore how your brand comes to life through NFTs or as digital goods in the Metaverse, or looking to fundamentally embed these trends into your strategic business or campaign planning, SCS can help.

Let's chat!

newbusiness@wearescs.com



SCS
