

BRANDS IN THE

# VERSE

PLATFORMS, USERS & OPPORTUNITIES



# F O R E W O R D

**Metaverse.** No matter where you turn, this word has become synonymous with the future – a future that holds endless potential but doesn't fully exist yet.

It has been an exciting few months for anyone in communications, marketing, or technology. We've seen growing excitement about the metaverse and how technologies like NFTs, AR/VR, and the blockchain will create new opportunities for people to connect, interact, and experience both physical and virtual worlds.

By 2026, 25% of people will spend at least one hour a day in the metaverse for work, shopping, education, social, and entertainment. What does it all mean and what opportunities does this unlock for brands?

We're breaking through the noise to distill the essence of what the metaverse is and give you a sense of where brands can build a value exchange with consumers and stakeholders.



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01

Understanding the

# METaverse



# The Metaverse Is Near

The metaverse is a place to explore, play, create, connect, shop, to be yourself (or not), engage communities of interest, and build.

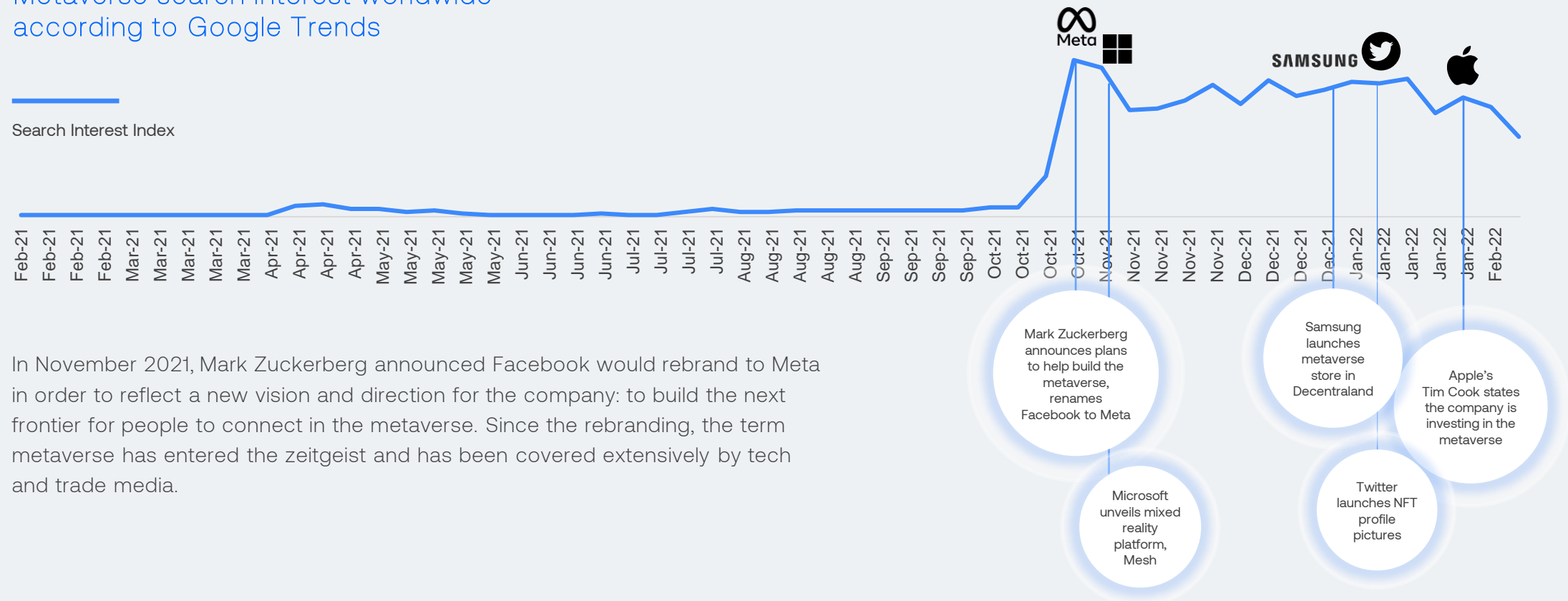
The metaverse is a whole new way of engaging with and within the digital world, moving from text and video to a new level of immersion through boundless opportunities for self-expression, ownership of online objects/properties, and more.

While it doesn't exist in its fullest form yet, the metaverse is being built and shaped right now.



# Metaverse Hype Peaked In November

Metaverse search interest worldwide  
according to Google Trends

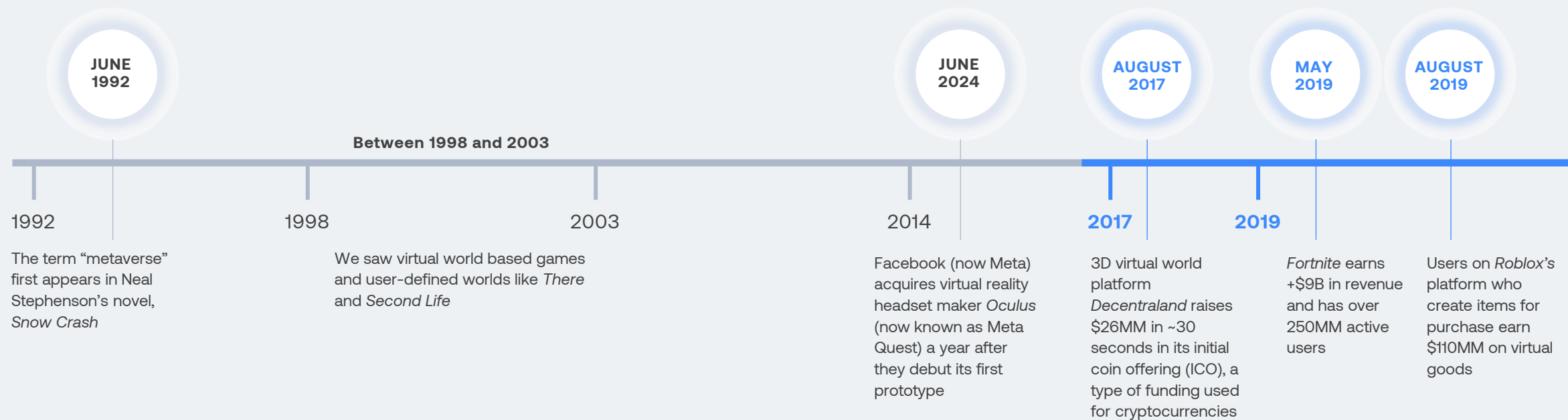


In November 2021, Mark Zuckerberg announced Facebook would rebrand to Meta in order to reflect a new vision and direction for the company: to build the next frontier for people to connect in the metaverse. Since the rebranding, the term metaverse has entered the zeitgeist and has been covered extensively by tech and trade media.



# The Metaverse Isn't Entirely New...

... but we started to see more traction with platforms from 2017.



# The Metaverse Isn't Entirely New...

Once the pandemic hit, people were craving connection, influencing a mini 'metaverse boom'.





# How Is It Defined?

Metaverse is a portmanteau of “meta” (meaning transcendent) and “verse” (from universe).

The metaverse is not one thing or one company. It can loosely be categorized as a digital experience that includes the following core components:



## Avatars

A virtual representation of the user that is used to navigate and explore a virtual world. Avatars come in many different types as determined by the boundaries of the platform being used.



## Virtual Worlds

An always-on virtual space that is persistent and without an end. These virtual spaces include a variety of experiences that can span digital and physical.



## Mixed Reality

Includes the ability to experience virtual worlds through more immersive technologies such as AR, VR or MR, which facilitate the feeling of being present or existing in that space.



## Interoperability & Portability

Allows for seamless “travel” between different virtual worlds or virtual spaces with the same avatar or digital items.



## Composition

Enables users to manipulate the environment, build new experiences, create digital goods, or develop experiences.



# To Understand The Metaverse, It Is Also Important To Understand *What It Is Not*

The vision for the metaverse is expansive and will likely only be fully realized in the next decade. Today, the experience is limited to popular form factors such as mobile devices, laptops, and AR/VR.

In addition, while each of the below elements can be part of the metaverse, they don't on their own qualify as being it.

...

## A Game

The metaverse is not a game, though it may include many elements of gaming, such as goals, games, and gamification. Unlike games, the metaverse is not object-oriented and does not have boundaries and set gameplay rules.

...

## A Virtual Theme Park

Experiences in the metaverse will not be centrally designed or programmed as they are in places like Disneyland. A central principle for the metaverse is co-creation by platform operators and users.

...

## A Virtual Economy

Virtual economies exist across multiple platforms and games today. For example, World of Warcraft has long had a functioning economy where real people trade virtual goods. Second Life also has a vibrant economy where land and other digital goods are bought and sold.

...

## A UGC Platform

The demand for content in the metaverse (created by brands or people) will be unprecedented, but the metaverse does not function solely as a platform for UGC.



# Is The Metaverse Second Life Redux?

In 2003, Linden Lab announced the launch of Second Life, a virtual world that gained popularity in the '00s. In 2010, 21.3MM accounts were registered on the platform with an active monthly userbase of 600,000 people. By 2015, the GDP of Second Life was estimated to be USD \$50MM.



Second Life can be thought of as a multi-user virtual world that can be explored, interacted with, and used purely as a creative tool. Users of Second Life navigate the platform using an avatar and can buy land and other virtual goods, build objects and experiences in those spaces, and engage and interact with other users.

Second Life is considered by many to be the internet's first attempt at creating the metaverse. While it still exists today, user growth and development on the platform has slowed.

Wikipedia Second Life; Engadget



engadget



Edelman is your new Second Life neighbor

By Z. Stern, 11.14.2006



## Why this time could be different: Infrastructure & Hardware

Since Second Life launched in 2003, technology has advanced considerably, allowing for the metaverse to come to life in new ways.

Key limitations for Second Life included issues around user concurrency, physical hardware and processing power limitations, and data transmission. At its peak, Second Life could only support 90,000 concurrent users even though they had a user base that was much larger.

The keys to unlocking the vision of the metaverse include the following, much of which is still in development:

### 5G

The superfast internet enabled by 5G will facilitate the delivery of a more immersive experience. The higher speeds, lower latency, and greater capacity of 5G networks allow better real-time communication between users and platforms. 3G nor 4G support the data hungry needs of the metaverse and as such, its growth will be limited by 5G infrastructure.

### AR/VR/MR Hardware

The experience the metaverse can deliver will not be realized until we can be fully immersed in it. Up until now, VR and AR headsets and technology has been clunky, expensive, and difficult to use. However, advances in hardware and the development of technology such as eye tracking and spatial audio are enabling better form factors and a more user-friendly experiences. Apple, Meta, and Microsoft are all currently working on new VR headsets that promise the next leap in the technology.

### Blockchain

Seamlessly enables interoperability and composability between metaverses. Blockchains support not only NFTs and in-game currency, but also can be used to record and log activity that happens in a specific metaverse. This decentralized ledger technology did not exist before 2008.

Web3 wallets also allow for persistent verification of identity and data ownership/portability.

### Cloud

Cloud-based storage, processing, and rendering are allowing metaverse platforms to take the burden away from client-side hardware (your mobile device or VR headset) and complete those tasks in a cloud rendering farm or via a cloud-based service. This, together with 5G, allows for better graphics, especially 3D environments, and a more consistent experience across different hardware and operating systems.

### AI & Machine Learning

AI and Machine Learning play a critical role in facilitating facial recognition, natural language processing, and faster computation.

AI/Machine Learning can parse huge volumes of data at lighting speed to generate and drive action.

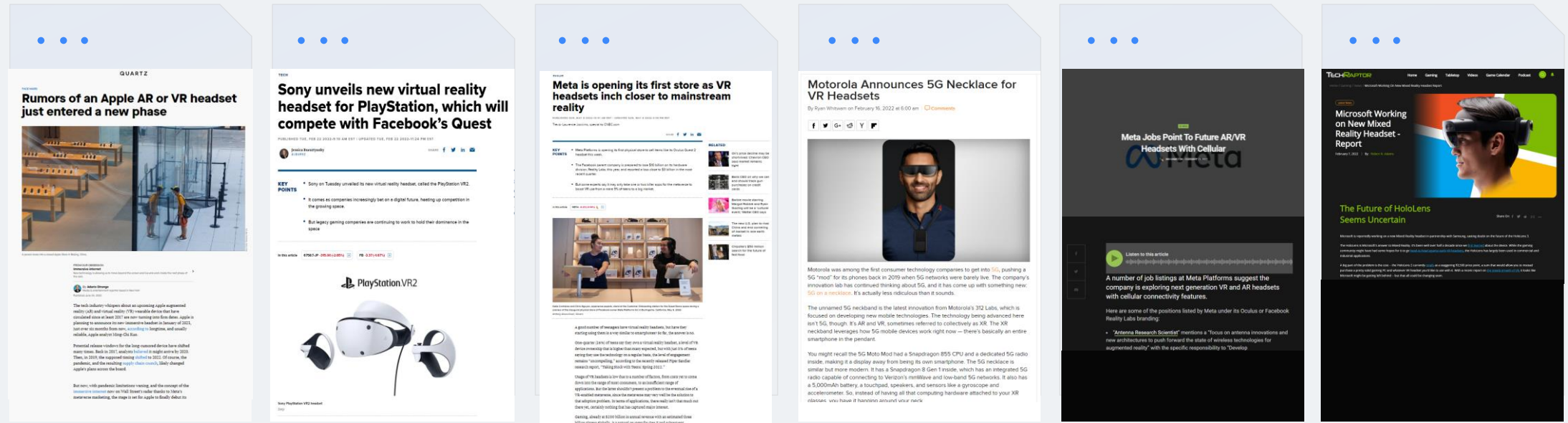
Additional use cases include creation of photorealistic digital humans/avatars and NPCs, and multi-lingual accessibility.



# Why this time could be different: Infrastructure & Hardware

Hardware is a key area of development that major players in the metaverse space are focused on.

Without VR, users cannot be fully immersed into the metaverse or feel “present” in it.







## Why this time could be different: Consumers

User behaviors have also changed over the last 20 years. During that time, the smartphone, social media, and content consumption patterns have changed how people engage with each other, brands, and information. These shifts have predisposed people to a metaverse experience that is less foreign to them than the idea was when Second Life launched.



### Self-Identity

Thanks to social media, people have become comfortable connecting, engaging, and expressing themselves in ways that they feel better represent their personality versus their offline physical selves.

Identity can be further “customized” in the metaverse, personifying one’s presentation in a myriad of ways.



### Content & Experiences

Consumers have an inexhaustible thirst for content and digital experiences. Those needs have pushed brands and content creators to develop more immersive forms of storytelling. The growth in video and audio content consumption lead directly into the metaverse which enables deeper layers of engagement than ever before.



### Flex Culture & NFTs

Over the course of the pandemic, we’ve seen the convergence of Flex Culture and NFTs. Like physical goods, digital goods, especially those that are known to be expensive, now help establish one’s social standing. Today, people including Eminem, Travis Barker, Timbaland, Jimmy Fallon, and Gwyneth Paltrow own some of the world’s most valuable NFT PFPs.



### Community & Interest

The internet has allowed people to find others with similar interests and form communities at scale. Today, the need to connect and socialize online has been accelerated by the pandemic. It is evident on platforms including Meta’s Facebook and Instagram, Reddit, and Twitch. Communities of interest are already popular across metaverse platforms and will drive further adoption.



### Gaming

The popularity of MMORPG, online role-playing video games where large numbers of people participate simultaneously, has helped normalize how people engage with the metaverse.

Games like Warcraft have popularized concepts such as digital goods, avatars, and “guilds” (aka communities) while Fortnite has enabled massive online experiences at scale for people across the globe.



# Consumers Are Open, Optimistic & Excited About The Metaverse



## Consumers moved their lives online and it's here to stay

- **76%** of consumers' daily lives now depend on technology.
- **63%** of consumers prefer attending work-related meetings virtually rather than in-person.
- **63%** of consumers say the metaverse will have a positive impact on their ability to educate themselves and learn new skills.



## Consumers look to the metaverse for more intimate digital experiences

- **56%** of consumers say the metaverse will be better than existing social media platforms because it will more closely resemble physical interactions.
- **2 in 3** consumers want a new social media where we can engage in a virtual world as if we were there in person.
- **88%** believe it's possible to form meaningful relationships in virtual space



## Consumers are excited for the metaverse

- **65%** of parents considered purchasing a VR device or other metaverse-related gifts (e.g. virtual tokens or digital assets) for their children this past holiday season (2021).
- **46%** of consumers intend to spend more time in the metaverse in the future.
- **33%** declare they would spend from \$10 up to \$50 per month on virtual goods for avatars.

"Just 38% of consumers familiar with 'metaverse' despite growing tech dependence, report finds". Marketing Dive, 2021; "Secondhand Stores, the Metaverse and More Trends Shaping The Way We'll Spend in 2022". Wall Street Journal, 2022; "Initial data released on consumer views of the metaverse". National Research Group, 2021; "Metaverse: Would You Remain Yourself in a Virtual World?". Tidio, 2022



02

A Deeper Dive on the

# METAVERSE,

Platforms & Users





# The following section covers

┌ **02** >01

The Ecosystem &  
Platforms

┌ **02** >02

The Users &  
Adoption Drivers

┌ **02** >03

Edelman's Metaverse  
POV



# The following section covers

02 > 01

The Ecosystem &  
Platforms

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02 > 03

Edelman's Metaverse  
POV



# The Metaverse Is a Vast Ecosystem with Many Players

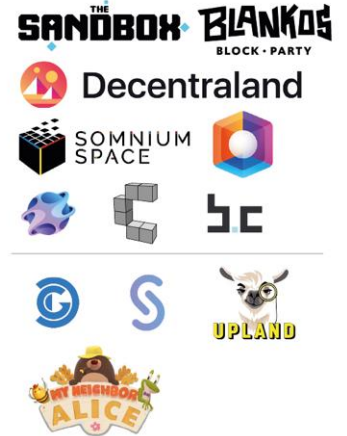
This ecosystem is rapidly evolving and has many different players working to build and enable the metaverse. Because the metaverse is complex, it requires a collection of technologies and infrastructure partners to bring it to life. Some players are traditional tech giants while others are new and emerging. All elements of the ecosystem must come together seamlessly to realize its vision.

## Metaverse Gateways

### Centralized



### Decentralized



## Infrastructure

### Cloud, Scalability, & Hosting



### Visualization & Digital Twin



### Artificial Intelligence



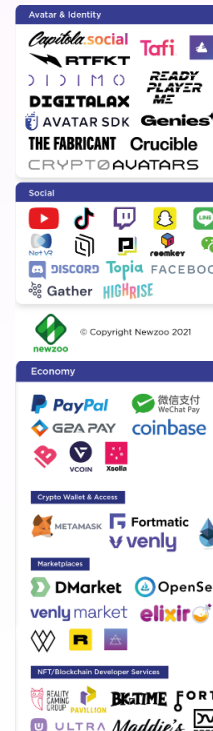
### Decentralized Infra



### Adtech



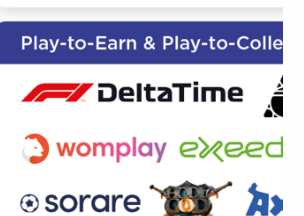
### Connectivity



### User Interface & Immersion



### Play-to-Earn & Play-to-Coll





# The Layers Of The Metaverse

Within this ecosystem, there are seven layers of opportunity, four of which companies can engage people through.

## WHERE BRANDS CAN HAVE IMPACT

### 1. Experience

An extension of our physical lives into the digital realm through 3D gaming, VR, immersive shopping and internet of things in teleconferencing.

### 3. Creator Economy

Created, shaped and owned by people in the metaverse. Content emerges from interactions and feeds into the communities' conversations.

### 5. Spatial Computing

Hybrid real/virtual computation that erodes the barriers between the physical and virtual world by manipulating 3D spaces and augmenting the real world with new information and experiences.

### 7. Infrastructure

Technology that enables our devices, connects to the network, and delivers content more seamlessly.

### 2. Discovery

A place to socialize, create and strengthen relationships, and create new communities by reacting to users' actions in real-time.

### 4. Decentralization

Ownership will be distributed and not tied to one platform — experiences, possessions, and identities will travel unchanged across platforms.

### 6. Human Interface

Computer devices, smartphones, and other technologies bringing us closer to the virtual world such as smart glasses, wearables, biosensors, and even neural interfaces.



# Key Platforms Are The Gateways To Enabling The Layers Of Opportunity

For brands, the current marketing opportunities mainly sit within the platforms (aka gateways) such as Fortnite, Zepeto, Roblox, The Sandbox, etc.

These platforms have varying ways for brands to engage with users, and, when done well, they offer a legitimate value exchange between the brand and user.

First-mover brands have been experimenting with the metaverse and seeing how it can be included as part of their marketing mix. Platforms are equally finding ways to monetize brand partnerships and support commercial activities.

## BRAND OPPORTUNITY LAYERS

1. Experience
2. Discovery
3. Creator Economy
4. Decentralization



# Metaverse Gateways & Key Players

While the same core concepts underpins all metaverse gateways, they are usually rooted in a core use case or proposition. Broadly speaking, these gateways fall into 5 categories which replicate similar uses cases consumers engage with today.

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## Feed Orientated Metaverses

Feed orientated metaverse platforms have account profiles and newsfeeds that mirror social media platforms like Instagram, Facebook, or Twitter. The key difference is that they place a strong emphasis on avatars, allowing users to create different 3D or 2D “experiences/rooms” where people embody their avatars and stay connected with other users. An example of a feed first metaverse platform is Zepeto.



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## Game Orientated Metaverses

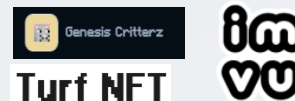
Built primarily around a game or set of games that has set rules, game play, and objectives. These platforms qualify as metaverse gateways because they also allow users to create and visit other spaces/worlds where they can engage with other users, participate in virtual events, or collaborate together. Leading gateways in this space include Fortnite, Roblox, RecRoom, and Minecraft.



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## Chat Orientated Metaverses

Built primarily around a text chat, live stream video, or audio chat experiences, chat orientated metaverses allow people to have conversations with one another similar to how they would on platforms such as Discord. However, they also include virtual worlds, 3D/2D rooms, and experiences to enrich those chats and engagements. Leading gateways in this space include IMVU, Critterz, and Turf NFT.



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## Virtual World Metaverses

Focused on creating a virtual world where users embody an avatar and can engage in different activities. Land and building on that land is a key element of engagement and participation.

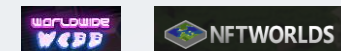
Key players in the space include Meta, The Sandbox, Decentraland, Stageverse, Otherside, and Somnium Space.



• • •

## Uerverse

The Uerverse concepts is an uber version of the metaverse and is meant to allow anyone to create affiliated metaverses that form part of a larger ecosystem. Think of Uerverse as equivalent to the Universe and metaverses as galaxies within it. Ultimately, the land owner is responsible for what they create on it (a game, a business, or many other things). Currently, there are a number of players trying to establish Uerverse, including NFT Worlds and Worldwide Webb.



# Key Metaverse Players For Brands

We've identified a few platforms that present unique opportunities for brands which are:

- Accessible and usable
- Offer larger user bases (often global but also geographically concentrated)
- Present versatility for both users and brands
- Have varying degrees of brand safety (centrally controlled or community governed)

Outside of these metaverse players, there are multiple metaverse games and NFT platforms which also offer brand opportunities. These include the likes of Axie Infinity, CryptoKitties, OpenSea, Nifty Gateway, Rarible, and LooksRare (among many others). Some qualify as metaverses now, others are developing metaverses, while others are Metaverse adjacent.

This list is not definitive as the space changes and shifts quickly.

## METaverse PLATFORMS



Decentraland



Fortnite



IMVU



Horizon Worlds



Mesh



Minecraft



RecRoom



Roblox



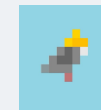
The Sandbox



Zepeto



Worldwide Webb



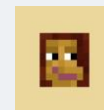
Turf NFT



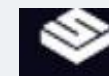
Somnium Space



NFT Worlds



Genesis Critterz



Stageverse



Otherside

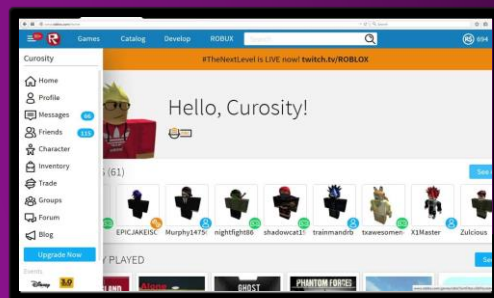


# Roblox

A global platform to imagine, create, and share experiences in immersive, user-generated 3D worlds. All games on the platform have been built by members for members of the community. Users buy experiences and outfits for their avatars using Robux.

The fastest-growing demographic is 17-to-24-year-olds, and as a result, Roblox is focusing on creating new content updates and more complex experiences featuring visuals and effects.

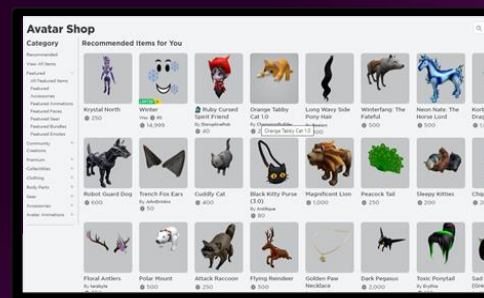
## The Metaverse Experience:



Homepage (must download to your computer or mobile)



Selection of games



Create an avatar and purchase items



Explore, play games, interact with other players, or participate in events.





# Decentraland

A virtual world that allows users to create, experience, and monetize their content. This metaverse is divided into individual LAND plots that have specific coordinates in the metaverse.

Apart from a thriving marketplace, players can also rent out their plots such as buildings, parks, hotels, and casinos to other players.

You can win MANA crypto (Decentraland's currency) by playing games or engaging in activities like searching for caches, completing tasks, playing in a casino, attending a concert, visiting a digital art gallery or museum. You can also buy Mana through the platform.

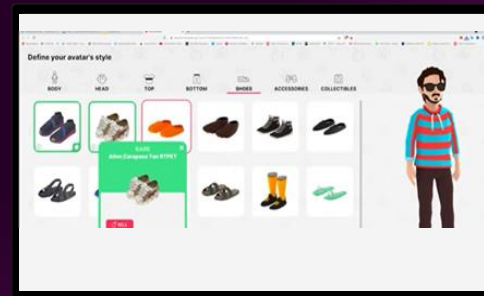
## The Metaverse Experience:



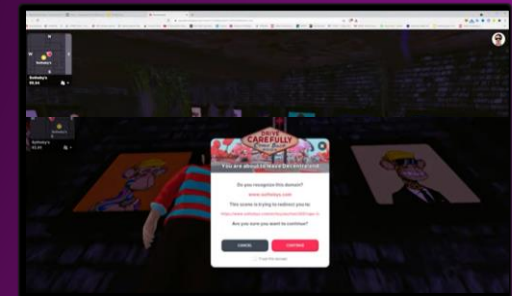
Genesis Plaza is the first destination you encounter when you log into Decentraland (play on browser but need to connect your account with a Web3 wallet)



Look for trending scenes and jump into a game



Create an avatar and purchase items



Explore spaces and buy NFTs

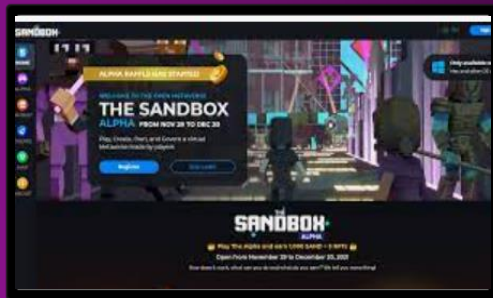


# The Sandbox

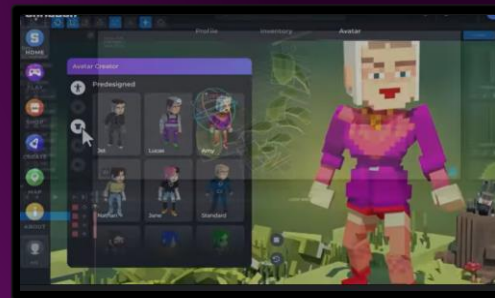
Part virtual real estate, part amusement park, The Sandbox is seen as a metaverse pioneer because of the creativity and business model of its platform. Its vast online ecosystem allows users to create and monetize their own distinct worlds and game experiences using NFTs and SAND, the platform's main utility token that serves as the basis for transactions and interactions.

The play-to-earn model gives players true ownership of anything they collect in the game, allowing them to trade assets to other players (including outside of the game on other websites).

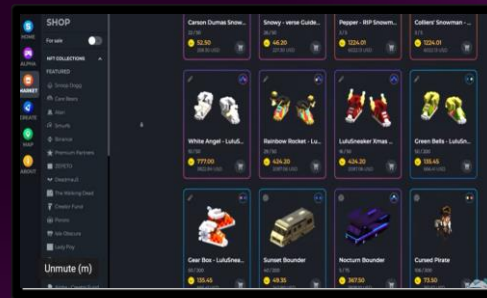
## The Metaverse Experience:



The Sandbox homepage (must download to your computer)



Use VoxEdit to create assets and your avatar



Sell and collect assets in the marketplace



Explore, play games, interact with other players, or participate in events.

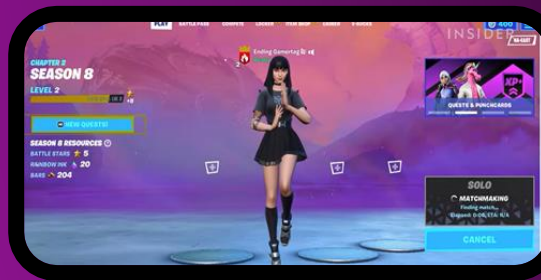


# Fortnite

Primarily a PC/mobile/console ecosystem that started out as a free-to-play multi-player survival game where 100 players fight each other. Players start by dropping onto an island and compete to be the last player (or team) standing.

It has evolved into a metaverse platform where users can hangout with friends to catch a concert or a movie, or build islands of their own. V-bucks, the in-game currency, allow players to complete challenges for rewards or purchase goods. Fortnite has also announced “Party Worlds,” which will bring players together for socializing instead of combat.

## The Metaverse Experience:



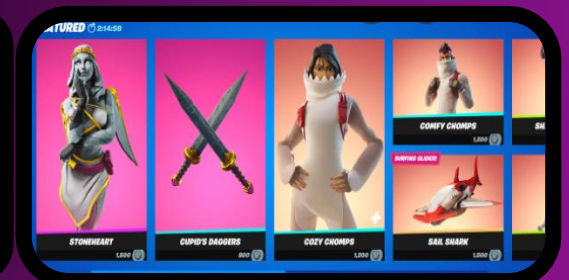
Fortnite (download through your Epic Games account)



Choose game of choice



Play game and collect items to build walls, ramps, floors to protect from enemies. You can use med kits and healing potions to regenerate health



Players can purchase items on Fortnite such as outfits, accessories, and battle passes





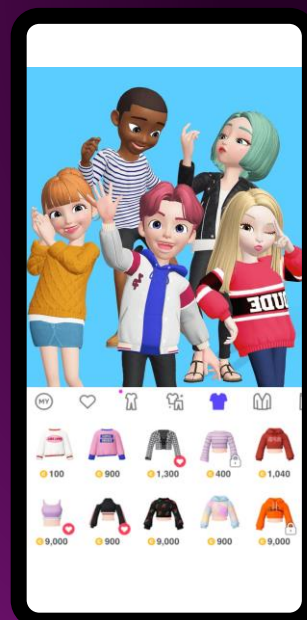
# Zepeto

The largest metaverse platform based out of Asia and one of the fastest growing avatar services in the world. Zepeto lets you create a 3D avatar of yourself by taking or uploading a selfie to use in in-app chatrooms, voice messaging, and more. You can “meet” other Zepeto characters on the “Zepeto street”, play games, and take pictures with other users. Within the app’s marketplace, users have been able to design and sell virtual assets like clothing for real world money.

## The Metaverse Experience:



Download Zepeto from the App or Play Store and create an avatar



Purchase items



Create worlds and choose games to play in



Explore, play games, interact with other players, or participate in events



# Minecraft

Owned by Microsoft, Minecraft is one of the bestselling games of all time. It is primarily an action-adventure game that gives players a limitless world to explore.

Minecraft offers multiple ways to participate – from a creator mode that allows you to build anything you imagine to a survival mode battling creatures.

The game also features the Minecraft Marketplace, a community driven space where players can create, experience, and sell their own community-made skins and textures, and even hand-crafted worlds and adventures.

## The Metaverse Experience:



Download Minecraft and create a new world



Create a hierarchy, assign roles to players



Communicate and socialize with others and survive according to the game's parameters



Players who have a Meta Quest can immerse themselves further into Minecraft through VR



# Meta's Horizon Worlds

The renaming of Facebook to Meta shows they are all in on a metaverse future. While critics feel their vision is limited or that their efforts don't qualify as "the metaverse," Meta has made some strides of note.

With the purchase of Meta Quest (VR headsets, formerly known as Oculus) and the establishment of the Horizons platform, Meta has several building blocks of the metaverse in place, giving brands a chance to potentially get in early.

Today, the Meta Quest headset paired with the Horizon platform enables people to "experience" the metaverse with:

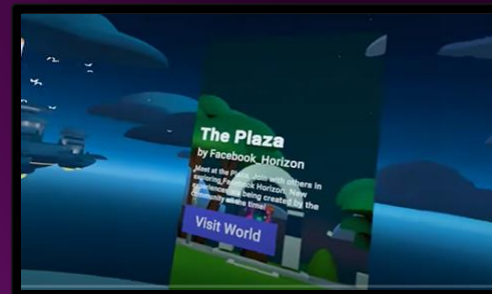
- VR world design and avatar creation
- Socializing and collaboration
- Gaming and entertainment

Meta's roadmap includes commerce, interoperability, opportunities for creators, and physical and digital collaboration with holograms.

## The Metaverse Experience:



Create and update your avatar



Visual of the platform you start off and where you can join worlds



Create worlds and explore worlds through portals



Connect, collaborate, or join a virtual event



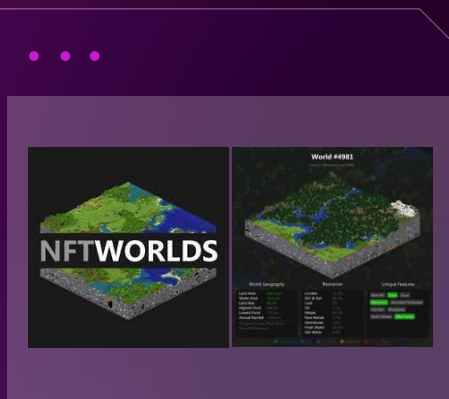


# Rising Metaverse Platforms



Turf NFT is a metaverse experience built around chat functionality. It allows people with PFP NFTs to chat and “hangout” together in one big community.

Turf City, a core component of Turf NFT, is 5041 plots of land, each uniquely great in their own way. The plots of land provide users with access to different chat rooms and experiences that make up a thriving and evolving ecosystem.



A decentralized, customizable, community driven, play-to-earn gaming platform where owners can create their metaverse games or experiences for users or exclusive communities.

NFT Worlds is radically expanding to enable new types of 3D voxel-based, decentralized metaverses backed by the Ethereum blockchain.



An interoperable pixel art gaming orientated metaverse giving utility to popular NFT projects. Players can buy and build land. Webb uses 2D pixelated NFTs for avatars, pets, lands, items and quests.

One of the goals of the integration of various NFT projects is to form stronger relationships with existing NFT communities and expand the user base. Notable NFT collections already integrated into the platform include CryptoPunks, Bored Ape Yacht Club and Cool Cats.



A fully on-chain NFT collection metaverse to enable play-to-earn gaming. Players can claim land, build, and earn \$BLOCK tokens in-game.

Plots are infinitely customizable NFTs that players fully own. They can be turned into an attraction, a minigame, or an operation to earn \$BLOCK in the metaverse.



# Rising Metaverse Platforms



An open-source VR World, that allows users to buy and customize digital land, homes, buildings, and other in-game assets in its online multiverse. Users can offer virtual experiences such as concerts and other live events. Somnium calculates the Karma level, how VR citizens perceive each other, through key metrics such as engagement and ratings.

The platform allows players to bring NFTs from around the decentralized ecosystem into Somnium Space.

Somnium is accessed through VR, PC and web, which is also accessible on mobile.



Stageverse is a social VR metaverse platform that aims to be the home of entertainment and social interactivity in the metaverse through its 3D venues. Users can attend events, explore spaces, interact in parties, collect virtual goods (and flex them), and even communicate via spatial voice chat.

The platform is also hoping to create an “NFT economy and marketplace” built around avatar clothing and customization. Stageverse created a members-only social club where NFT communities can congregate and move culture forward.



A new community-owned entertainment metaverse called “Otherside” launched in April 2022. This decentralized platform is developed by Yuga Labs, the founder of the Bored Ape Yacht Club (BAYC) NFT collection and the native token ApeCoin (APE). Otherside dropped its first land sale, “Otherdeeds”, cashing in over \$300MM.

Otherside is still in development but is of high interest, (the 55k NFTs sold out instantly). Players can expect to create and sell virtual goods such as NFTs, socialize, and build and explore worlds within.





# Rising Metaverse Platforms



The user-generated social gaming platform originally started in VR has seen growth on mobile, consoles and more during the pandemic. The free platform enables users to create and immerse themselves in over 12 million highly-customizable, interactive games or rooms (digital hangouts). Rec Room wants to strengthen its moderation tools and is testing automated tools for a safer environment.

The platform has over 37 million users. Console and VR users are averaging more than two hours in Rec Room, while mobile device users are averaging an hour.



An online metaverse and social network where users can create 3D avatars, connect and chat in 3D with other people worldwide.

IMVU is available across iOS and Android smartphones, tablets, and PCs. Its 7+ MM monthly visitors and spend on average 55 minutes per day customizing avatars, chatting, shopping, hanging out at parties, sharing experiences, and earning real money creating virtual products.

More than 200,000 people sell items in IMVU by turning virtual products into VCOIN's, the platform's currency.



# The following section covers

02 > 01

The Ecosystem &  
Platforms

02 > 02

The Users &  
Adoption Drivers

02 > 03

Edelman's Metaverse  
POV



# Early Adopters Of The Metaverse

The average metaverse user is between the ages of 26 and 34 (almost evenly split across 16–24 and 25–34 years old), mostly male, has a post-secondary education, and engages in the metaverse via gaming console or desktop computers, spanning many countries (developed and developing). Different platforms will have different user bases, but generally, the first adopters will fall into this demographic.

Roblox and Zepeto, skew younger with most of their users between the ages of 9 and 18. Zepeto also skews more towards women than men while Roblox is evenly split.

Some platforms also have specific geographic footprints. Zepeto for example is dominated by users from Korea, the US, and Southeast Asia.



# Time Spent On The Metaverse

...

**25%**

of metaverse users spend  
at least 1 hour in the  
metaverse every day

...

**40%**

Log-in occasionally every  
week

...

**74%**

of US adults would consider joining the metaverse  
in the near future

...

Most popular reasons people are joining the metaverse:

**52%**

Work  
possibilities

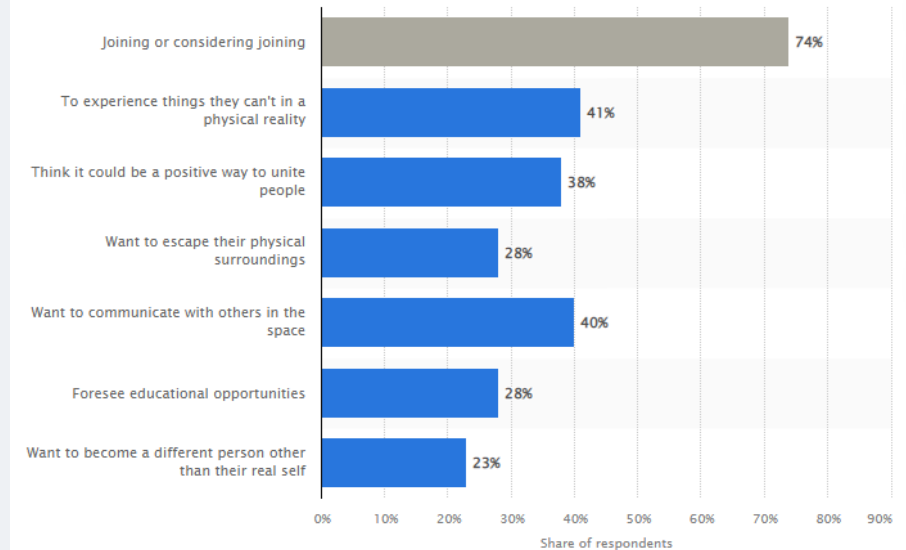
**48%**

Art and live  
entertainment

**40%**

Money  
investment

## Share of adults in the United States joining or considering joining the metaverse



# Is It The New Social Media?

• • •

## 66%

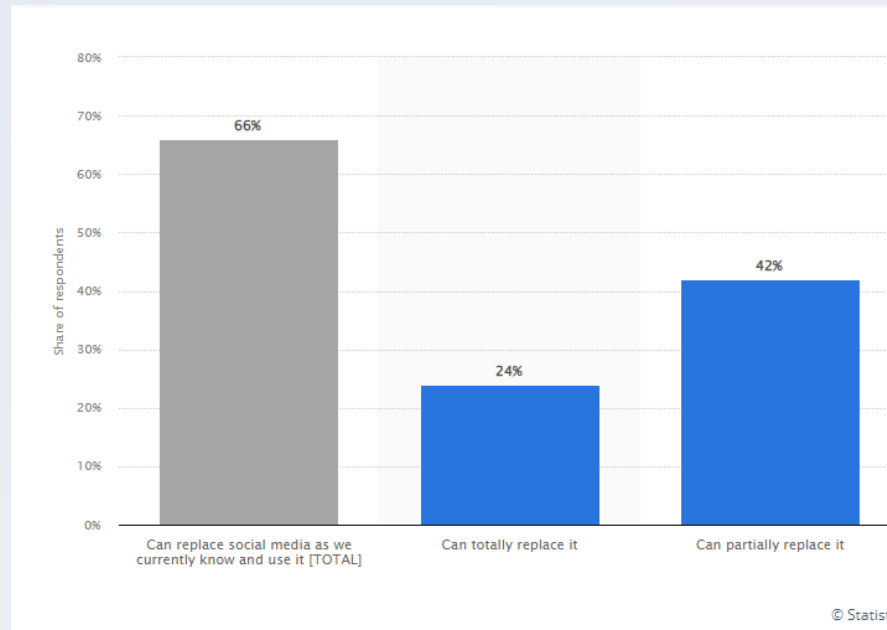
Of US adults surveyed believe that the metaverse could totally replace social media as we currently know and use it

• • •

## 57%

Of US adults believe the metaverse will be as popular as traditional social media platforms (e.g. Facebook, Instagram, TikTok)

Share of adults in the United States who think that the metaverse could totally replace social

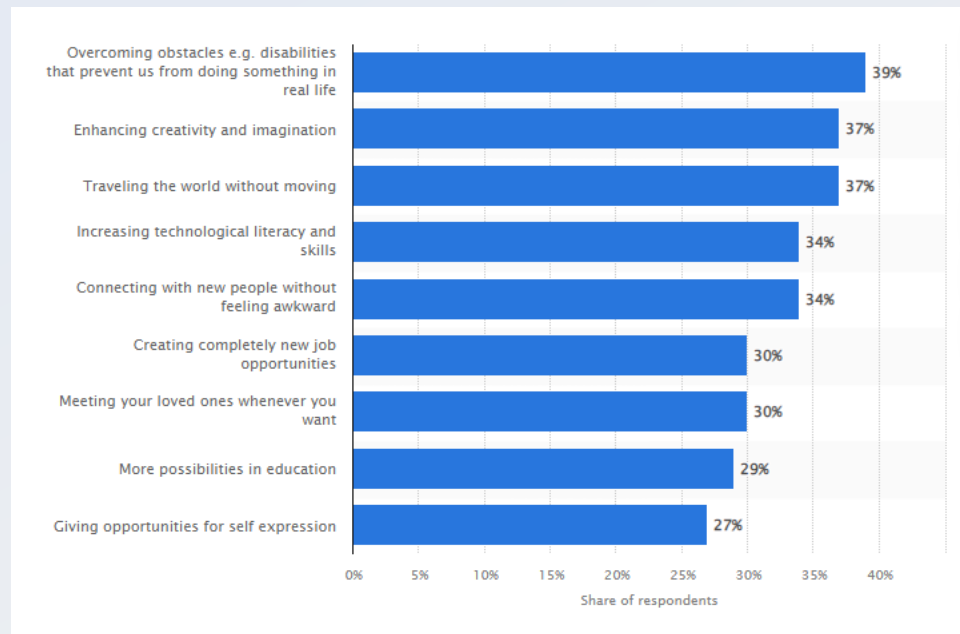


# Adoption Drivers Connected To Physical Limitations & Creativity

A global survey of internet users conducted at the end of 2021 found that key drivers of adoption for the metaverse was overcoming obstacles that prevented people from doing things in real life and enhanced creativity and entertainment.

Survey participants also expressed an interest in trying extreme sports, altering their consciousness with the help of VR instead of drugs or alcohol, and spending money on collectibles as other benefits of the metaverse that they would not/could not do in real life.

Global drivers of adoption for the Metaverse



# Core User Benefits Also Span Education & Collaboration



## Learning & Collaboration

The metaverse allows consumers to lower geographical barriers to collaborate as well as gain hands-on experience in low-risk settings while operating at scale and more efficiently.



## A Sense of Belonging

People enter the metaverse to find like-minded individuals and connect through common interests and passions.



## To Stay Entertained

The democratization of the metaverse enables the creator economy, allowing users to create their own content. Users also flock to the metaverse to escape their daily lives and discover new experiences.





# Entry Points Dominated by Adjacent Experiences Or Word-of-Mouth

Word-of-mouth and “peer-pressure” are entry points for new users into the metaverse.

There are generally three avenues of discovery:

1. Multi-player gaming and AR/VR experiences as entry points to other metaverse platforms such as Fortnite, Blade and Sorcery, Golf VR, etc.
2. Cryptocurrency, Play-to-Earn Games, and NFTs as opportunities to earn income or represent their personalities. These include Axie Infinity, Bored Ape Yacht Club, and other PFP projects.
3. AR based social/mobile games where players are recruited by friends and family such as Pokemon Go, Zepeto, and others.





# Many People That Have Yet To Engage In The Metaverse Are Already Familiar With Elements of It



Using AR to discover, try, and shop for products in virtual stores through their phones for convenience, but also for reassurance, sometimes sharing what they try with friends and followers to get feedback.



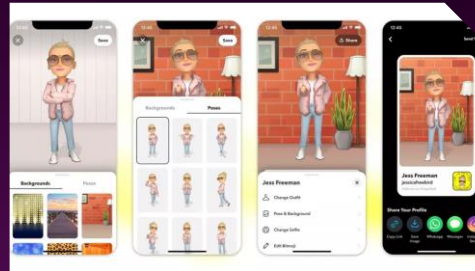
They're gaming on their desktops and when they aren't, they tune in and watch others game on platforms like Twitch to feel connected, have a community, and share experiences.



Some are buying NFTs to flex and feel a sense of pride while others are creating to express their beliefs and identify.



Companies and organizations are leveraging the advances in hardware and training their employees to increase learning, productivity, and satisfaction.



Users are creating avatars, – like 3D bitmojis – and even purchasing digital clothes and accessories for their virtual selves to express and take control of their identities.



They're attending or creating events, sometimes even using their avatars, to build a community, share experiences, and interact.

# The following section covers

02 > 01

The Ecosystem &  
Platforms

02 > 02

The Users &  
Adoption Drivers

02 > 03

Edelman's  
Metaverse POV



# Metaverse Momentum: Strong Adoption & Investment Growth

Adoption of metaverse platforms has been growing over the last 2 years, and investment into the sector has been steady and focused on scaling platforms and expanding the user experience.

10x

User growth for Meta's  
Horizon platform over  
the last 3 months

300k

Active monthly users  
engaging on  
Decentraland

2MM

Registered users on The  
Sandbox

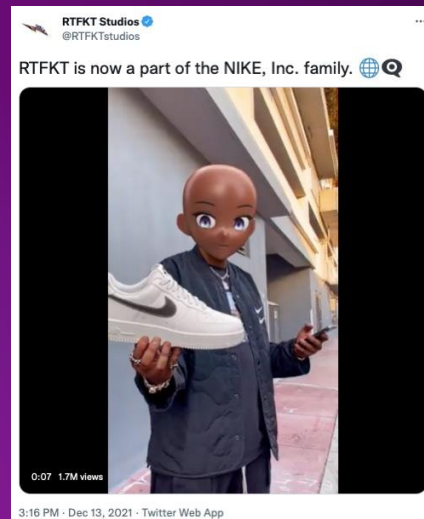
\$2B

Raised by Fortnite  
creator Epic Games to  
build the metaverse



# Brands Are Showing Up Early: Undeniable Opportunity To Engage With Web3 Early Adopters

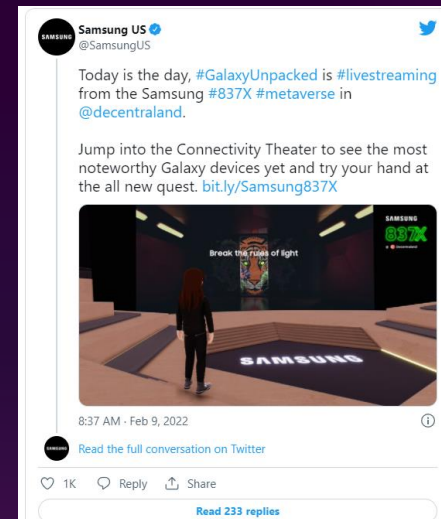
Unlike the emergence of social media, NFTs, podcasts, or other consumer facing technologies over the last 20 years, brands are, in many cases, already engaged and leading in the metaverse instead of consumers.



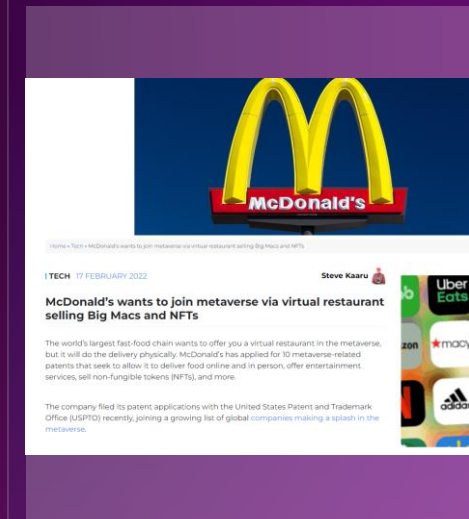
At the end of 2021, Nike acquired RTFKT as part of its vision to sell digital sneakers and fashion in the metaverse.



In May 2021, Roblox hosted the Gucci Garden, a two-week art installation aimed at building brand awareness with young consumers.



During CES 2022, Samsung launched its 837X devices on Decentraland to experience the company's newest products.



McDonald's applies for 10 metaverse related patents seeking to allow offline food delivery from metaverse orders.

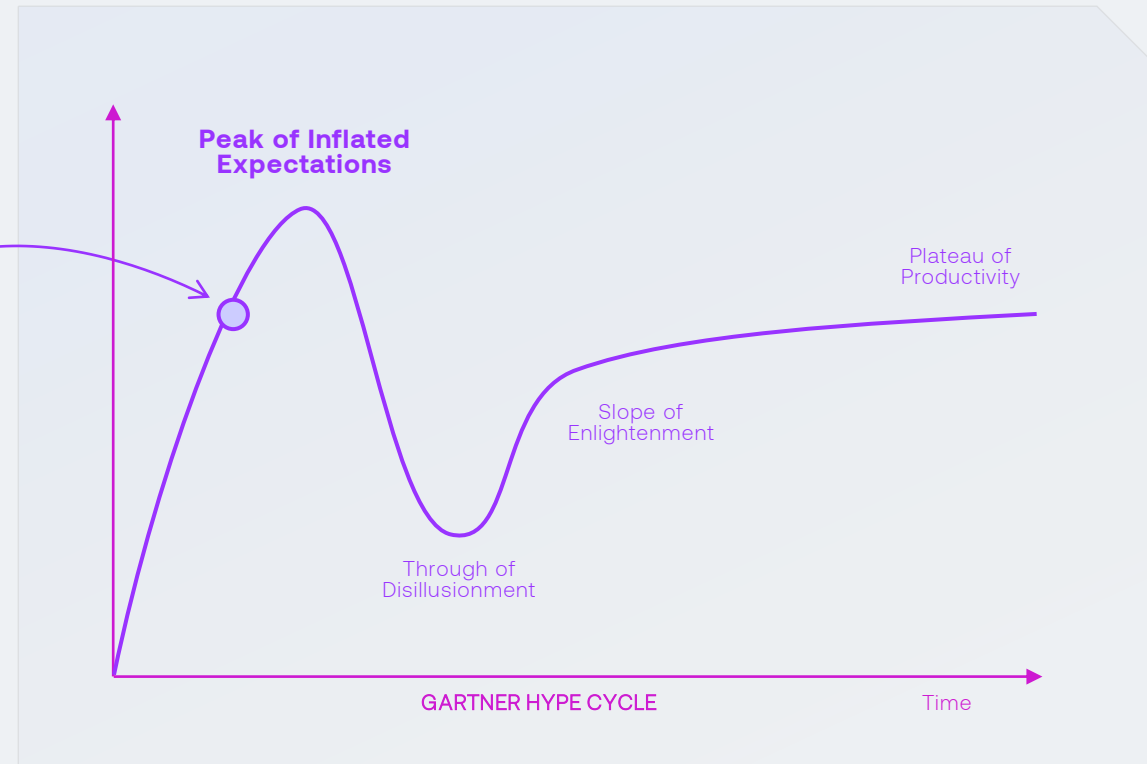




# The Metaverse Is Early In The Hype Cycle

We are early in the innovation cycle. While some platforms like The Sandbox and Decentraland have been around for a number of years, excitement around the metaverse does not match the reality of the experience.

We are **here** in the hype cycle for the metaverse. Early adopters are investigating and mass media hype has just begun.





# But Significant Challenges To Mainstream Adoption Remain



## User Concurrency

While active users have been growing, platforms struggle with how many people can be active at the same time. Decentraland can only support a maximum of 2,500 users at a time.

Fortnite supports a maximum of 100 people in a single space. So, while more than 181 million people have watched the YouTube video of Travis Scott's concert on Fortnite in 2020, only 100,000 people experienced it live separated out across a series of different spaces.



## High Friction

Friction for new users remains very high. To engage in The Sandbox, a user needs to download specific software, Decentraland is only accessible through a web browser, and Fortnite is currently not available through the Apple App Store.

Users also need to learn new controls, user interfaces, and climb the blockchain and crypto wallet learning curve.



## Scaling, Interoperability & Standards

Some of the technologies that underpin the metaverse are still not scalable. Specifically, blockchain on which many metaverse platforms plan to record and track ownership of digital goods, is still maturing with limits to transaction speeds.

Blockchain networks are often overloaded.

Interoperability and portability between metaverse platforms is still limited as are standards to govern this important element of the metaverse.



## Speculation Rife

The metaverse land rush has accelerated significantly since October. In some cases, virtual plots of land are going for millions of dollars on Decentraland, The Sandbox, and other platforms. In January, prices for land has risen more than 500% over the last few months.

However, most of this land remains undeveloped with no content or experiences on it.



## Content Experiences

Content experiences are still limited. Platforms such as Decentraland and The Sandbox rely on brands and users to create content in them.

The content and experience gap remains significant with not enough things for users to do in these spaces. This is a barrier to continued adoption.



## Discovery

Brand experiences created in the metaverse are limited to existing user bases.

Significant investment is required to drive awareness, onboard users, and deliver consistent engagement to ensure ROI. Many metaverse platforms also do not have standard measurement approaches.

Most brands are limited to earned media coverage and paid ads on social platforms.



Test

Learn

Experiment

Explore

Innovate

# EDELMAN'S POV

Without a doubt, there is significant potential for brands in the metaverse. While the technology is gaining traction, and user behaviors and early adoption set a strong foundation for the future, the metaverse is still evolving and brands should approach the opportunity as such: test, learn, experiment, explore, and innovate in the metaverse.



# Edelman's POV on the Metaverse

## Test

## Learn

## Experiment

## Explore

## Innovate

At this time, we do not recommend brands invest in establishing an always-on presence, buying land, or creating content that requires ongoing maintenance costs or content updates. Given how quickly the space changes, these heavy investments may be difficult to rationalize long term.

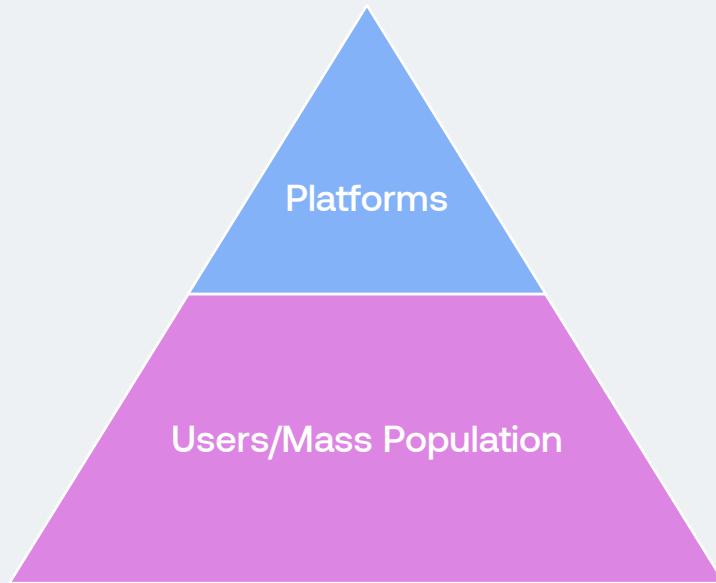
We encourage brands to test, learn, experiment, explore, and innovate around specific consumer use cases (covered on slides 66-72) as it relates to metaverse platforms or adjacent opportunities in Web3, such as NFTs.

There are also ample opportunities to participate in the metaverse via tangential platforms such as Discord where communities of interest or influencers congregate and chat/stream their activities.

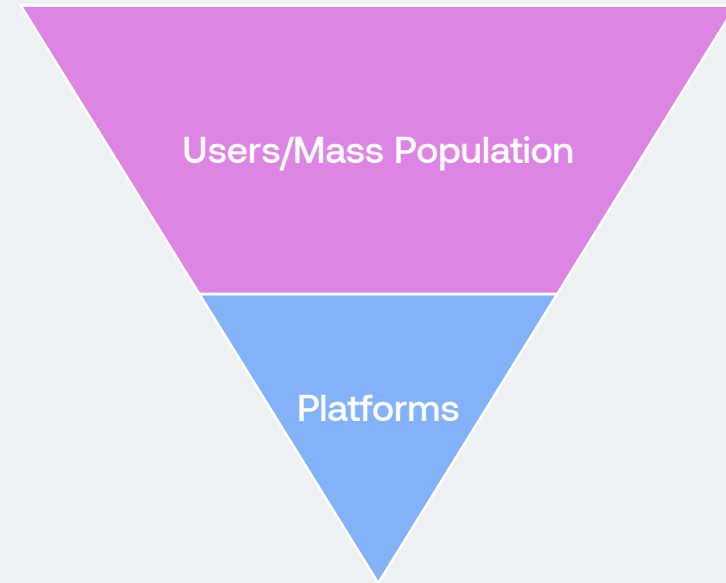
In the following pages are some key considerations for brands planning to test, learn, and experiment in the metaverse.



# Power Dynamics and Authority Are Shifting from Platforms to Users



Web1 and Web2 Era of Marketing  
and Communications



Web3 Era of Marketing  
and Communications

Before activating in the metaverse, consider the implications of Web3 and how it shapes and changes the engagement model with consumers. In Web3, network effects don't accrue to the platform, they accrue to the users who have "sovereignty" in moving across platforms with their data and digital goods. As such, platforms and engagement strategies take on greater importance than ever. It's critical to understand the shift in power dynamics, the implications of Web3, and the ownership era of the internet.



# How to Stay Up To Date & Show Up In The Metaverse

## Stay Abreast of Metaverse Developments

The metaverse space is fast moving and developments take place everyday. A significant portion of the metaverse is also built on open source which allows startups and platform providers the ability to quickly fork that code and build new platforms or experiences. Currently, users are not loyal to a single platform and network effects are still limited with vampire attacks common. As such, it is important to kept abreast of current developments in the space.

## Brand Personification

With the emergence of social, companies had to think about how their brands would look, but also how they would sound and what their personalities would be. With the metaverse, companies will need to consider how their brand will show up in these spaces, if they are personified as an avatar, and what they will look and sound like in a 3D virtual world. Given the growth of the metaverse and implications for brands, it is important to define this early.





# Build Your Brand: Create Relevant Content Via Cultural Moments, Influencers, Partners & Other Creators

## Focus on Branding

There are many use cases developing in the metaverse from the purchase of digital and physical goods to customer service. However, friction around these use cases remains high and as such, we recommend brands focus on brand building and brand affinity opportunities – specifically brand experiences that are built around tentpole events or cultural moments to surprise and delight people. These include Fashion Week, Super Bowl, Christmas, New Year's, etc. Other use case opportunities for brand building are covered later in this deck.

## Content, Influencers & the Creator Economy

For the metaverse to be successful, it will require a lot of content. That content can be created by brands but also by metaverse users and influencers. A great way to test, learn, and experiment early in the metaverse is to collaborate with influencers and other creators to develop experiences and content for its users.

## Virtual Influencers

Over the last few years, we've seen the emergence of virtual influencers across several traditional social media platforms. We expect this trend to accelerate in the metaverse with virtual influencers becoming more prominent. When considering your metaverse influencer strategy, also think about virtual influencers.

## Consider Partnerships

Metaverse platforms are eager to engage with brands to create unique experiences for their users. Outside of the platform owners themselves, there are a myriad of companies facilitating brand activations by offering their space for rent and working with brands to plan and execute these activations. At this stage, we recommend brands collaborate with these partners versus buying land or building an expensive always-on presence.



# Drive Awareness Through Communities, Discovery & Flexing

## Discovery & Onboarding

With any activation that a brand undertakes, consider how you will drive engagement beyond the existing user base for a particular metaverse platform. Driving awareness, push and pull factors to new user onboarding, and sustenance should all be part of your campaign considerations.

## Community Engagement

As covered in slide 15, communities of interests are being created across the metaverse around passion points and other topics. Some of these communities of interest are focused on brands. Identify and evaluate where those communities exist and what opportunities your brand might have to surprise and delight them. Consider tangential spaces where these communities may engage and interact beyond metaverse platforms themselves.

## Leveraging Flex Culture

In slide 15, we outlined how Flex Culture was intersecting with the metaverse and Web3. For brands that see opportunities to test and learn in the metaverse, consider how you can tap into this aspect of the experience by enabling people to flex.

For example, Twitter has allowed users to show off their NFTs in a hex-shaped profile picture on their Twitter account. Currently, Twitter only supports static image NFTs (JPEG, PNG) minted on the Ethereum blockchain (for example ERC-721 and ERC-1155 tokens).

## IRL Still Matters

While a lot of activity in the metaverse happens online, there are O2O (online to offline) opportunities to extend a brand experience or activation. Making IRL part of any activation will enrich the experience for users and drive higher affinity for the brand.



# Create Structure In The Undefined Metaverse

## Metaverse Policy & Employee Guidance

The early days of social brought with it reputational risks for brands in how employees would portray themselves on this new medium and engage with customers or stakeholders as representatives of the company. We expect people will look to the metaverse to build their personal and professional brands as they did with social media. As with any new technology, brands should strongly consider providing guidelines and policy guidance to employees on how to represent themselves in these new environments.

## Asset Ownership & Control

A core concept that underpins the metaverse is portability and interoperability of digital goods. In some cases, brands will own some of these digital goods and items which may be connected to a Web3 wallet. Brands may also hold tokens or currency. Control and ownership of those assets will need to be codified as will use of multi-signature wallets.



# Regulation and compliance is evolving

## Comfort with Anonymity

The metaverse and web3 is populated by people who prefer to remain anonymous. This will include development teams and other stakeholders. Any company that wants to engage in the space will have to weight the risk and benefits of working with anonymous groups in the metaverse. Brands should consider providing guidelines around working with such teams.

## Regulation and Standardization

Regulatory frameworks and standards are still being established. Several companies that participate in the metaverse now have active industry group lobbying lawmakers across many countries. The Oasis Consortium, composed of 14 companies including Pandora, Riot Games, Roblox, and SiriusXM, envisions “an ethical internet where future generations trust they can interact, co-create, and exist free from online hate and toxicity”. We recommend companies determine how engaged and involved they want to be in the shaping of these regulatory questions and standard bodies.



# Privacy, Safety, Security, & Legal Precedent Is In Flux

## Privacy, Safety, Security & the Law

With the space emerging, existing laws and regulations will need to be updated over time to accommodate this new technology. When launching a new project or pilot, it is important to bring on experts to address the following questions and issues:

- What kind of data privacy and protection measures and protocols are in place or will need to be updated?
- Identity in the metaverse will take on new shapes and forms – and will create a need to find new ways of verification. How will your company approach these issues?
- Safety and Integrity: engage in the question of how to keep customers and communities safe online and give them tools to take action or get help if they are subject to abuse or see something they're not comfortable with.
- Laws and legal jurisdiction in the metaverse, which has no physical boundaries or borders, have not yet been developed. A POV from your legal team may be required before activating in the metaverse.
- NFTs and tokens present a new financial asset class. When monetary value is paid out, local taxes apply. What considerations do you need to take before investing in digital goods, currency, or NFTs?





# Build Trust From The Start

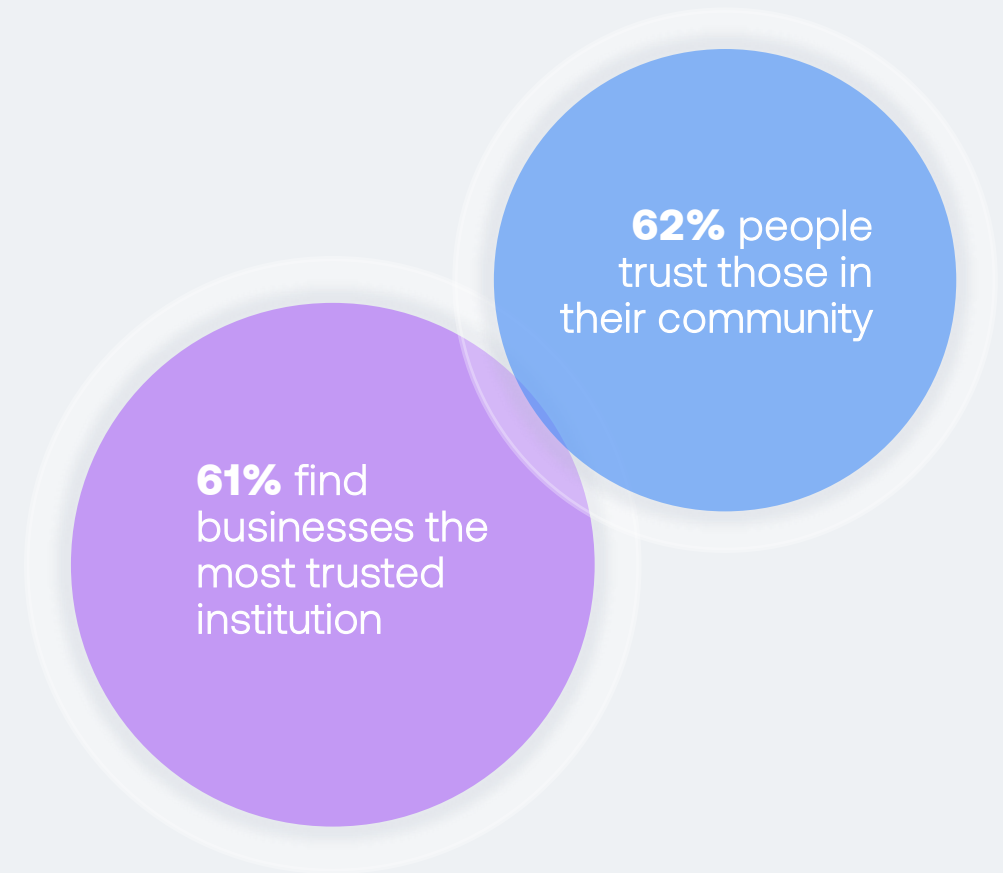
As we have seen from more than 20 years of the Trust Barometer, people are more likely to engage with a brand, buy their products and remain loyal to them with a strong foundation of trust.

As we enter the age of the metaverse, trust will be more important than ever. Greater degrees of anonymity, the decentralized nature of some of these platforms and the virtual experience mean brands have an important role to play in creating a trusted experience and engaging with communities.

In Edelman's 2020 Trust Barometer, **56% consumers mentioned their experience with a brand is important in creating trust, and trust brands earn action.** According to Edelman's 2022 Trust Barometer, **58% of respondents are more likely to purchase, 67% are more likely to stay loyal and advocate for them**

That experience is increasingly likely to happen in the metaverse too.

Edelman 2019 Trust Barometer; Edelman 2020 Trust Barometer; Edelman 2022 Trust Barometer



# Understand Your Metaverse Consumers To Build Your Strategy

## Develop a Metaverse Strategy

As with any new communications or marketing channel, we recommend brands develop a comprehensive metaverse strategy to define where, when, how, who, and in what way they show up in this environment. Metaverse platforms are more global than social was when it started, so brands need to think globally about these strategies to maintain and deliver a strong customer experience. We have already seen examples of business units within companies deploying different tactics across the same platform, creating confusion amongst users. The requirement for a centralized approach is higher with the metaverse than any channel that emerged before it.

## Focus on Building a Value Exchange

Many brands have experimented in the metaverse with bespoke activations. As with other marketing channels or activations, those that are successful create a value exchange for metaverse users. Those that have failed have not considered what's in it for the user. In that respect, different platforms have different use cases for the community. Consider and understand these carefully when planning any campaign or activation.

## Remember Social Motivations

In the development of any metaverse activation or experience, consider that a value exchange can also be built around social motivations. Social motivations tap into the very reason we use social platforms, play MMORPG games, or engage in the metaverse. Brands can create activations around shared passion, utility, or kudos (among others). This is covered in more detail on slide 67.



# Think about Long Term Investments In The Metaverse

## Assess Budget Needs & Support Requirements

Being active in the metaverse is not a low-cost proposition. Currently, the going rate for the development of a simple metaverse experience starts at USD \$100K. Ongoing maintenance of these experiences can also add up over time. Consider how much of your budget you would like to allocate towards the metaverse and what opportunities (per the point on new revenue streams) will allow this to be either a profit driver or revenue-neutral. In addition, consider ongoing support requirements from in-house staff and agencies in your budgeting.

## Identify Platforms for Investment

Connected to the strategy, we recommend clients determine which platform(s) they want to engage and invest in. Given the current high cost of development within the metaverse, it is best to align the brand's objective with the target audiences and opportunity for a specific platform versus trying to cover all of them.

## Evaluate Private/Bespoke Metaverse Platforms

Outside of the larger metaverse players such as Decentraland, The Sandbox, or Fortnite, there exist start-ups building tailored metaverse experiences that brands can create communities around. These experiences can be always-on or time-bound but can provide additional options for companies to engage with consumers.



# Monetize your Activities

## Understand the Broader Commerce Opportunity

According to JP Morgan, every year, USD \$54B is spent on virtual goods. These goods are just the tip of the commerce iceberg. There are broad opportunities in everything from NFTs to physical goods. Today, brands can already facilitate the delivery of physical goods from the metaverse to a consumer's home. While friction still exists, we expect to see these barriers lowered very quickly. As part of a long-term strategy, it's important for brands to consider what their commerce strategy will be in this new environment.

## Identify New Revenue Streams

With the emergence of the metaverse comes the opportunity for brands to develop new revenue streams by meeting the needs of users on these platforms. For example, Nike plans to offer virtual sneakers and apparel for the metaverse. Adidas's recent NFT drop was profitable for the company. Outside of apparel, there are multiple opportunities for brands to meet the virtual or physical needs of users.





# CRM & Customer Care Matter Even In The Metaverse

## CRM Integration & NFTs

First party data's importance carries over into the metaverse. Key long-term considerations include assessing how CRM programs can be integrated into a metaverse experience to collect and retain customer information or market a brand activation. NFTs and smart contracts also offer promise in building/extending CRM into this new realm.

## Customer Care & Customer Experience

As with other channels, people will expect brands in the metaverse to not only build affinity for their brands or sell their products, but also be there to support customer care needs. There are opportunities for brands to differentiate themselves by offering customer service and support within the metaverse. This also opens a larger question of how to maintain or extend the customer experience.





# Navigating the Metaverse with Edelman

• • • Metaverse Strategy	• • • Experience, Events & Tech Enablement	• • • Commerce	• • • Brand Strategy & Differentiation in the Metaverse	• • • Influencer Engagement in the Metaverse	• • • Compliance, Risk & Government	• • • Metaverse for Executives, Work & B2B Marketing	• • • CRM & Loyalty
Platform Strategy	Metaverse Experience Creative and Build	NFT Strategy	Metaverse Brand Strategy	Metaverse Influencer Engagement	Regulation & Standardization Guidelines	Metaverse Executive Thought Leadership	Customer Acquisition
Content Strategy	Metaverse Event Activations	Virtual Goods	Brand Avatar Personification	Virtual Influencer Strategy	Data Privacy Strategy	Communications Strategy	CRM Integration
Community Building, Engagement, & DAOs	Gamification in the Metaverse	Virtual Commerce/ Direct to Avatar Strategy	Integrated Campaigns	Creator Economy & Partnerships	Crisis Strategy	Future of Work & Collaboration	
Measurement & KPI Framework	Tech Integration & Enablement	NFT Minting	Go To Market Strategy & Product Launches			Metaverse Policy & Employee Guidance	
O2O Strategy	Partner Management		Custom Branding, Design & Guidelines				



03

The Opportunities for

# BRANDS

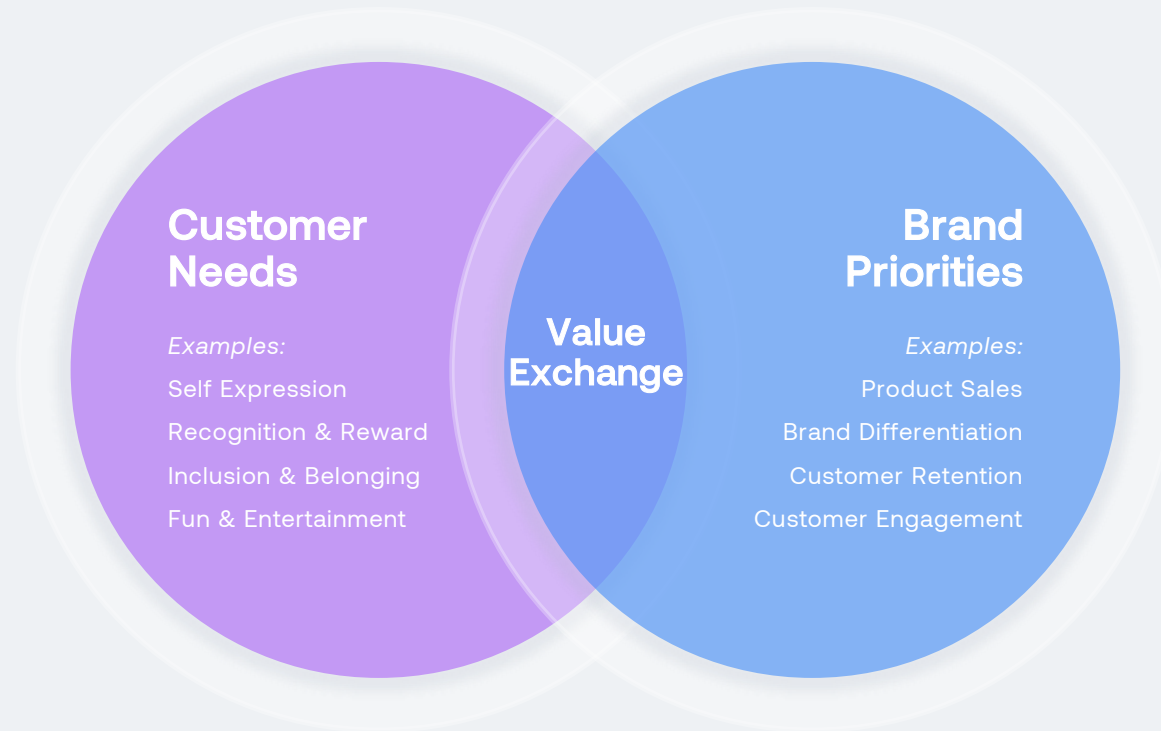


# Great Activations In The Metaverse Create A Value Exchange Between Brands & Audiences

A “value exchange” between customer and brand is one of the fundamentals of modern marketing. It defines how the brand and target audience trade items of value in return for access. At its most basic level, a consumer exchanges cash for a product.

In the case of the metaverse, the value exchange is even more important because users are suspect of brand interruption.

Cracking the value exchange leads to deeper and more sustainable relationships between brands and people within the metaverse and beyond.



The critical question we must ask before activating in the metaverse:

Does it deliver value to both our business **and** our audience?



# The Value Exchange Is Built On

1

...

Metaverse  
Use Cases

2

...

Social  
Motivations





# 1 Metaverse Use Cases

People are using the metaverse for specific reasons. Where brands can intersect with the use cases is where a value exchange can be created. Most of these are covered in slides 68 to 72.



Experience Things that Aren't Possible in Physical Reality



Express My Personality in Different Ways



Partake in Extreme Sports without the Risks Inherent in the Physical World



Travel to Far Off Destinations without Having to Do so Physically



Learn New Things in a More Immersive Environment



I Have a Hobby and Want to Socialize with People that Share a Similar Interest



I Want to Express Myself in Creative Ways



I'm Bored and There's Nothing Good on Netflix. Entertain Me



# 2

## Social Motivations

People engage on digital platforms to achieve social/emotional needs. They share content that triggers these different social motivations and look to brands to help them achieve these needs.

• • •

### Social IRL

I would engage with this brand in the metaverse because it helps me socialize with my friends in the physical world

• • •

### Social Utility

I would engage with this brand in the metaverse because the information/product/service/experience could be useful for my friends

• • •

### Social Good

I would engage with this brand in the metaverse because they support a good cause or initiative I care about

• • •

### Zeitgeist

I would engage with this brand in the metaverse because they have created an experience connected to a current trend or event

• • •

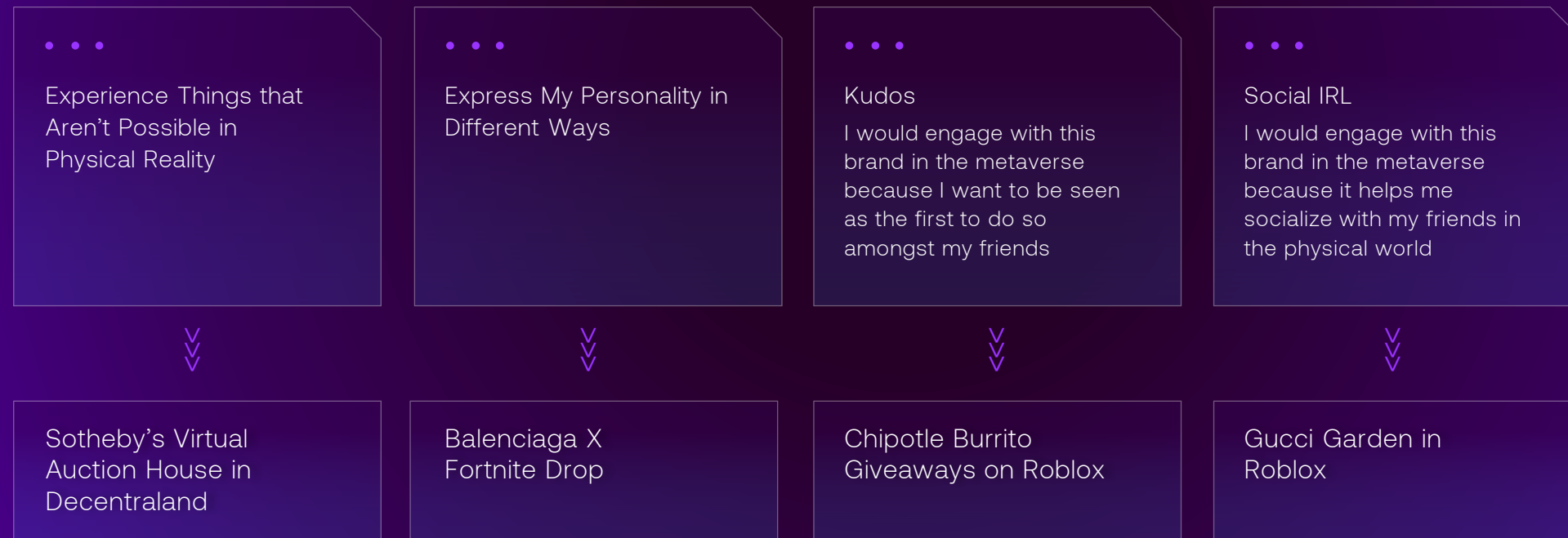
### Kudos

I would engage with this brand in the metaverse because I want to be seen as the first to do so amongst my friends



# Building A Value Exchange Through The Metaverse

Some brands are activating across these use cases today, but not all possibilities have been explored. Examples are included in the following slides.



## Sotheby's opened a virtual gallery, making art buying more immersive

Sotheby's 'Natively Digital' NFT Sale Lands at \$17.1 Million, With More Than Half the Total Racked Up in the Final Minutes. Artnet News, 2021



In June 2021, Sotheby's launched a virtual gallery in Decentraland's Voltaire Art District that showcased NFTs. The digital replica of Sotheby's London headquarters includes the digital avatar of its London commissioner Hans Lomulder. Visitors could explore the gallery and learn more about the art.

Part of the launch included Natively Digital's curated NFT sale which was streamed live on June 10th in the virtual gallery and broadcasted in Decentraland. All 28 pieces of digital art (lots) were sold, generating USD \$17.1 million in sales. According to Sotheby's, nearly 70% of buyers were new to the auction house.





## Balenciaga x Fortnite

FORTNITE | BALENCIAGA



Balenciaga has become the first high fashion label to drop in Fortnite. Players could buy digital outfits inspired by real-life Balenciaga pieces in a virtual version of a brick-and-mortar Balenciaga boutique and the game's Item Shop. A real-life Balenciaga x Fortnite series was also available in select Balenciaga stores and at Balenciaga.com. Fans who purchased the real-life apparel unlocked Balenciaga outfits in Fortnite.

While most of the merch (virtual and physical) had to be bought, some items could be unlocked. For example, Balenciaga's Triple S Sneakers could be collected in the Strange Times hub. The game also launched a Fortography campaign, allowing users to showcase their images on in-game billboards in the Strange Times hub.





Chipotle  
celebrating  
Halloween with  
burrito  
giveaways to  
the first 30K  
visitors



Chipotle wanted to give fans a fun way to visit the restaurant, so they went virtual and crashed Roblox from heavy traffic.

The first 30K players dressed in a costume won a free burrito, creating urgency. Gameplay was interactive, tied to the brand DNA and inspired by Halloween. Exclusive virtual items could be won such as menu item costumes (Chip Bag Ghost, Burrito Mummy, Spicy Devil and Guacenstein).





## Gucci goes to the metaverse for a virtual event and experience



The Gucci Garden Experience on Roblox opened for two weeks, and allowed users to buy collectibles and limited-edition Gucci accessories.

Items were hidden in the virtual Gucci Garden, which echoed real world Gucci Garden exhibitions in Florence.

While the Gucci items users bought can only be “worn” on the Roblox platform (unlike NFTs), it is just the tip of the metaverse iceberg.

Roblox has its own marketplace where items can be traded. The Gucci Dionysus Bag with Bee was resold for over USD \$4,100 worth of Robux — exceeding the price of a real Gucci Dionysus bag and a huge premium of the original price of 475 Roblox, roughly USD \$4.75.



# Activating Across Different Types Of Gateways

Remember the primary purpose of the metaverse experience you are activating when thinking about how the brand will show up and engage with users.

## Feed Orientated Metaverses



Newsfeed orientated considerations similar to social platforms. Your avatar, the avatars kit, and content that populate the newsfeed is critical to user engagement. Consider virtual goods for avatar self expression and collection.

## Game Orientated Metaverses



Focus on virtual events and experiences that allow users to participate in novel ways.

## Chat Orientated Metaverses



Focus on creating different virtual rooms or lobbies with themes associated with your brand that allow users to socialize with one another.

## Virtual World Metaverses



Build content on land to connect users, create NFTs associated with your brand in these spaces, or create other virtual goods.

## Uberservers



Examples of how brands  
are activating in the metaverse

# Experiences



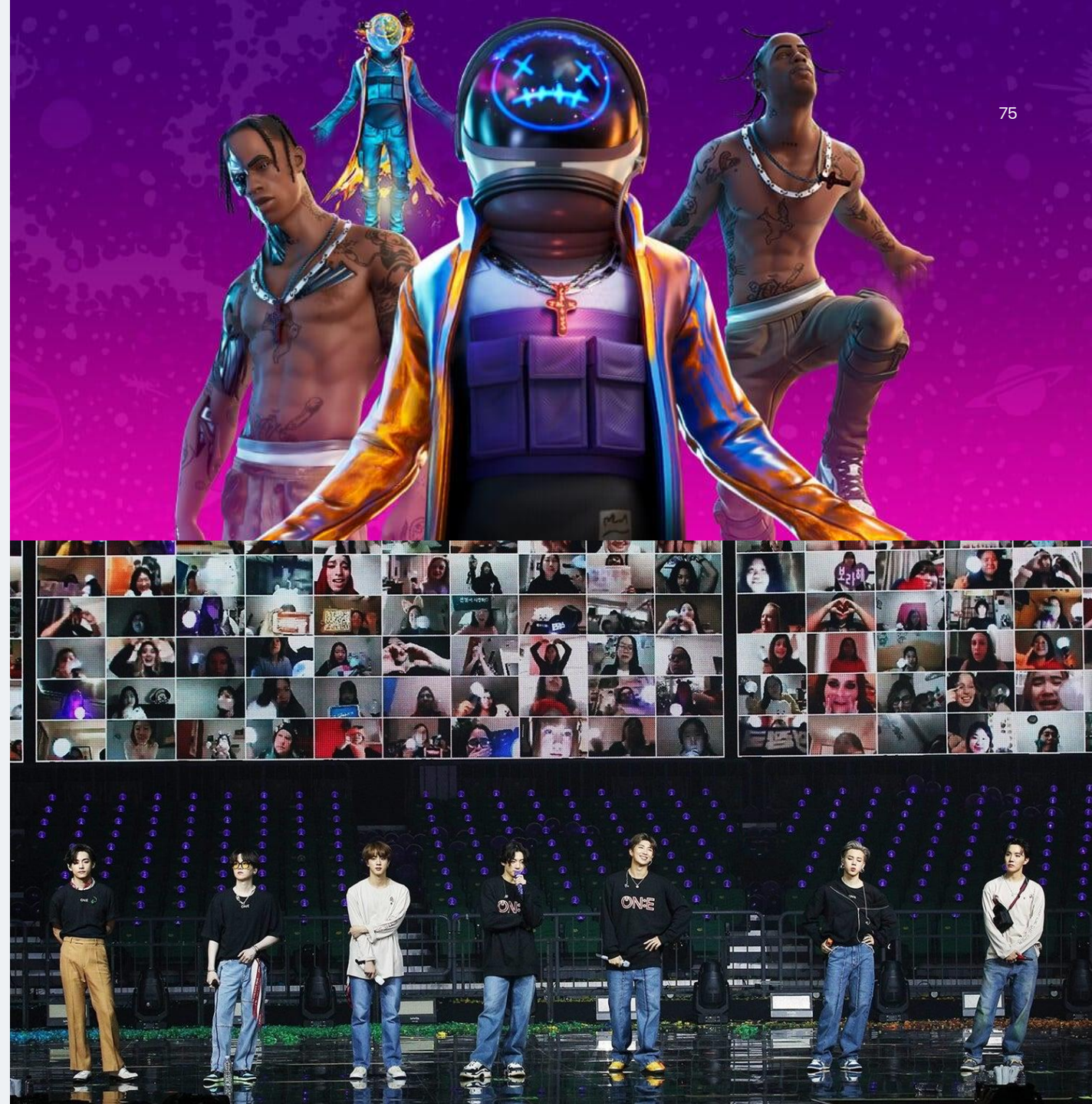


## Virtual Concerts Broke Record with Unprecedented Global Attendance

Fortnite launched their first in-game concert in February 2019 which featured Marshmello, and successfully reached 10 million viewers. In April 2020, Fortnite partnered with popular rapper Travis Scott, pulling in a 27-million strong audience in the process.

BTS' Bang Bang Con: The Live drew nearly 757,000 viewers from 107 countries in a paid online concert and broke the Guinness World Record.

"BTS' 'Map of the Soul ON:E' online concert a massive hit". SCMP.com, 2020; "Fortnite' Had 10 Million Concurrent Players In The Marshmello Concert Event". Forbes, 2019; "Travis Scott's Fortnite concert series draws 27.7M unique views". Reuters, 2020





## Degree Deodorant\* partnered with Decentraland to help shape the standard of inclusivity and representation in the virtual world.

Degree's first step in the Metaverse is its introduction of a more inclusive avatar library —such as prostheses, running blades, and a wheelchair—offer greater representation for people with disabilities and enable participants to create avatars representative of their unique identities.

The Degree® Metathon™ course in April 2022 covered 26.2 virtual miles of some of the most iconic scenes of the Vegas City Sports Quarter, Decentraland's largest district. The course incorporated accessible architecture to reflect a more inclusive landscape, with structures such as ramps for wheelchair users. Grammy-nominated recording artist Fat Joe and Paralympic Athlete Blake Leeper hosted the world's first Metathon.





Examples of how brands  
are activating in the metaverse

Store



## Virtual Storefronts: Forever 21 Shop City

The fast fashion brand created Forever 21 Shop City within the massively popular Roblox. In the shop, users and fashion influencers own and manage stores as they try to become the "top shop".

As new collections are released in its physical and e-commerce stores, Forever 21 Shop City will simultaneously offer the ability to add the same merchandise to each store or buy it for one's Roblox avatar.

The gamification element creates an engaging hook that allows users to take control of how they interact with the brand while leaning into shoppers' tendency to use both physical and digital channels during purchase.



## Samsung\* Launches an Immersive Flagship Store in the Metaverse

In January 2022, Samsung debuted Samsung 837X in the metaverse, modelled after their physical Samsung 837 flagship store in New York City.

This experiential playground allows fans to discover and learn more about Samsung technologies. Visitors can explore three immersive worlds within 837X and complete quests for 837X NFT badges and earn exclusive supply collections of Samsung Decentraland wearables to customize avatars.

To celebrate the launch of 837X, guests were invited to Samsung's first-ever metaverse mixed reality live dance party hosted by DJ and Vibraphonist, Gamma Vibes, from the physical Samsung 837 location. 837X NFT badge holders were eligible to win 1 of 3 limited-supply wearable collections from Epic to Mythic levels for their Decentraland avatar to sport.

"Welcome to our immersive world". Samsung, 2022

\*Disclaimer: Samsung is an Edelman client





Examples of how brands  
are activating in the metaverse

# Interest & Communities





## L'Officiel Launches a Virtual Museum, Showcasing NFTs

In September 2021, French fashion magazine L'Officiel celebrated their 100th Anniversary by opening a virtual museum metaverse called The House of Dreams within The Sandbox.

The House of Dreams includes 8 galleries with ongoing programming and new exhibitions and VIP performances to be unveiled periodically.

Fans were able to register on L'Officiel's website for exclusive access to the exhibition.



# Spotify became the first music-streaming brand presence on Roblox

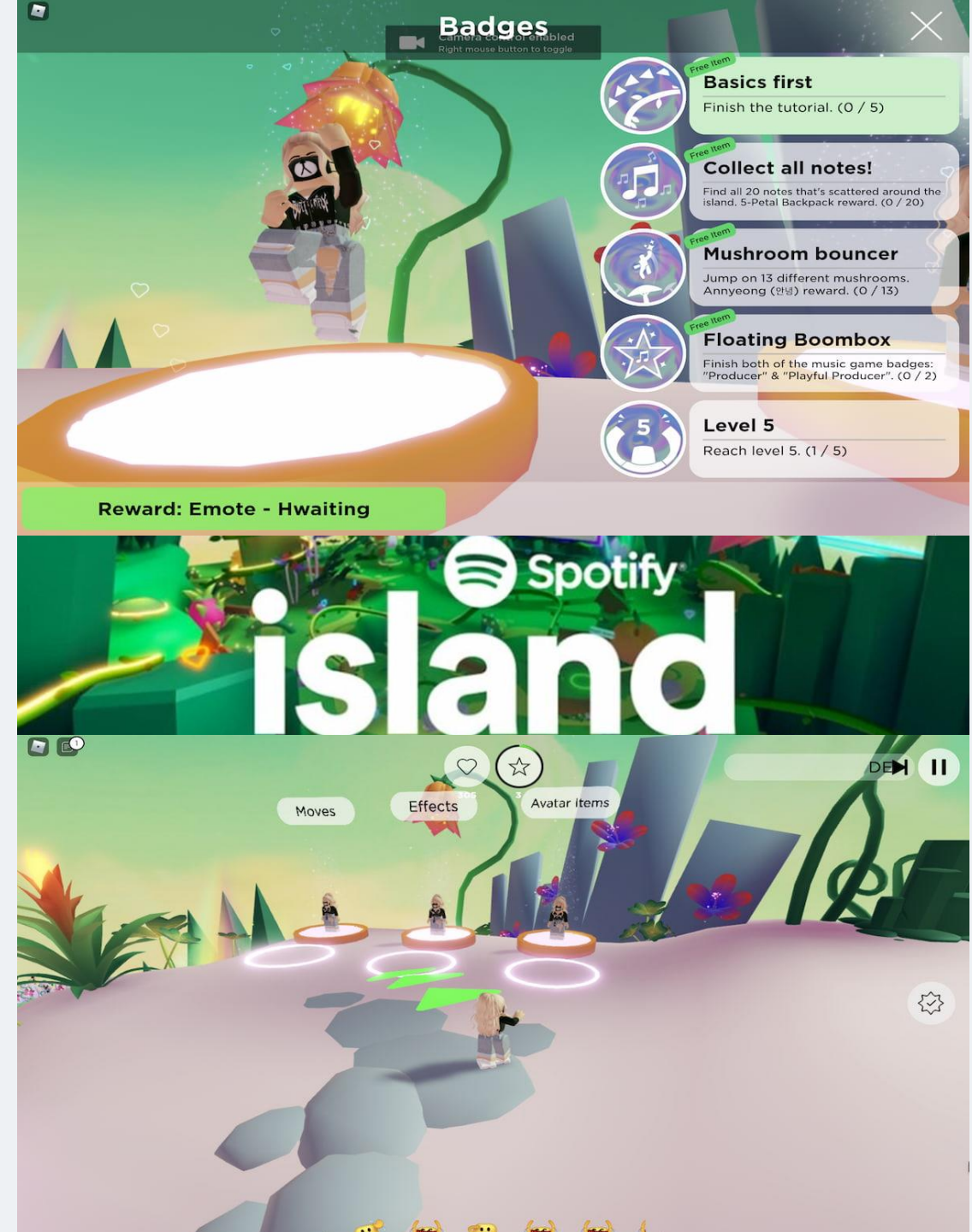
Spotify launched Spotify Island on Roblox in May 2022, where fans could link up and create new sounds together, hang out in digital spaces, and gain access to exclusive virtual merchandise. .

Roblox users can mingle with artists, complete interactive quests, and unlock exclusive content. Players can also enjoy an immersive audio experience by creating music and exploring sounds at the virtual beat-maker stations powered by Soundtrap.

Spotify kicked off its Roblox launch with its first music-themed island, K-Park, which is supposed to celebrate all things K-pop and will feature interactive experiences with K-pop artists Sunmi and Stray Kids.

“Welcome to our immersive world”. Samsung, 2022

\*Disclaimer: Samsung is an Edelman client





Examples of how brands  
are activating in the metaverse

# Future of Work



# By 2030 Nearly 23.5M Jobs Worldwide Will Use AR & VR For Training, Work Meetings Or To Provide Better Customer Service

## “Meta Quest for Business” Enterprise Platform

### Launched in 2020

Launched to provide a suite of tools designed to help companies reshape the way they do business through the power



## Horizon Workrooms

### Launched in August 2021

Meta launched Horizon Workrooms, a VR workspace for team meetings. Using the Oculus Quest 2, Meta's VR headset, users can create avatars that would access their work laptop and interact with colleagues in a virtual metaverse.



## Microsoft is Rolling Out its own Metaverse

### Coming up

The “Mesh” platform will let people meet in the virtual space, with or without a VR headset. Microsoft says the new features, which it is calling “immersive meetings” will be available in the first half of 2022.



# Opportunities For Brands In The Metaverse Are Extensive

• • •

Enhance Brand Equity  
through Unique  
Experiences

• • •

Develop New Streams of  
Revenue with Digital  
Goods

• • •

Build and Engage Brand  
Advocates with Tailored  
Access

• • •

Promote Products and  
Solutions with more  
Immersive and Engaging  
Content

• • •

Enhance the Purchase  
Journey and Convert Sales  
via Higher Fidelity Product  
Experiences

• • •

Leverage New CRM and  
First Party Data Channels  
and NFTs

• • •

Support Customer Service  
Requirements through  
Virtual Support Centers  
and Avatars

• • •

Launch Unique Loyalty  
Programs to Increase  
CLV

• • •

Improve Customer  
Experience



# Adjacent & Connected To The Metaverse

The interoperable nature of the metaverse allows brands to tap into other Web3 opportunities which can stand on their own or be part of a broader experience.

• • •

## NFTs

NFTs are digital assets stored on blockchains and are used to represent ownership of items online such as art, collectibles, and even real estate.

While NFTs are part of building the metaverse, they can also exist independently of it.

Brands can use NFTs to create a content and experience including:

- Create new revenue streams for brands
- Allow people to show their affinity to a brand or its products
- Collaborate with artists and influencers to develop digital collectibles
- Provide membership or access to special events
- Create NFTs that support charities

• • •

## Metaverse Games/Game.fi

Gaming allows users to create their own worlds and build communities, helping merge the physical and virtual.

Game.fi (the fusion of gaming and finance) allows players to leverage skills and strategies to complete a gameplay objective such as winning a battle, mining resources, obtaining/creating an asset, or completing a daily task. As a result, players earn a rewards such as in-game tokens and NFTs.

Brands can tap into gaming both inside and outside of the metaverse to create online events, sponsorships, and customized assets through partnerships.

• • •

## DAOs

A Decentralized Autonomous Organization (DAO) is a community without a centralized leader who determine the direction of an organization and bring more transparency to organizations.

DAOs can be built around specific items/goods, a range of community interest, and more.

For example, Flamingo DAO is focused on acquiring unique art NFTs and is made up of thousands of members who contribute funds to sustain the organization.

Rules are built on a blockchain using smart contracts (digital contracts) to ensure processes run by the rules. To be a part of a DAO and to vote, one must buy a governance token.

Brands can tap into DAOs for a wide range of opportunities.

• • •

## Decentralized Creator Economy

A decentralized internet allows creators to have more control of what they create, how it is shared, and where their audiences/fans congregate. These new “brands” will have a significant impact on Web3.

Companies can partner with creators across Web3 to create exclusive collaborations, virtual events, and promote products in both the physical and virtual world.





04

Understanding

# KEY TERMS



# Glossary Of Metaverse-Related Terms

**5G:** Fifth generation wireless technology that can provide higher speed, lower latency and greater capacity.

**Augmented Reality (AR):** Enhanced version of the real physical world achieved through digital visual elements, sound, or other sensory stimuli delivered via technology.

**Avatar:** An icon or figure representing a particular person in video games and internet forums.

**Blockchain:** A system in which a record of transactions made in a cryptocurrency are maintained across several computers that are linked together with equal permissions and responsibilities for processing data.

**Cryptocurrencies:** Digital representations of value that only exists in electronic form, secured by an encoded message and a secret key.

**Decentralized:** Distribution of ownership—the idea that the metaverse will not be regulated or run by a single corporation or individual. Functions are decided upon and carried out by an entire network of participants.

**Decentralized autonomous organization (DAO):** Community-led digital organizations that run on blockchain technology, specifically smart contracts. Use cases of DAOs are still nascent may include operations of charities, investor groups and art collectives, among other entities.

**Discord:** A social chat room platform used by web3 communities, such as members of an NFT collection or a DAO. The platform has roughly 6.7 million different groups, called servers.

**Drop:** Another word for releasing an NFT or NFT collection on a marketplace.

**Ethereum:** A popular blockchain for NFTs, accounting for ~80% of the market share. Ether is the platform's cryptocurrency, the second-most popular crypto behind Bitcoin. Ethereum is more than a platform for sending and receiving digital currency as it also supports smart contracts, NFTs, DeFi and more.

**Game.fi:** The term is a fusion of gaming and finance, allowing players leverage skills and strategies to complete a gameplay objective such as winning a battle, mining resources, obtaining/creating an asset, or completing a daily task. As a result, players earn a rewards such as in-game tokens and NFTs.

**Interoperability:** Ability for a user to seamlessly move between platforms with their owned assets.

**Mint:** To publish an NFT on a blockchain.

**Non-Fungible Token (NFT):** Non-interchangeable unit of data stored on a blockchain, a form of digital ledger, that can be sold and traded and assigns ownership.

**Smart contract:** A computer program that when run, executes a function without the need for third parties, and has use in areas outside of NFTs as well, such as DeFi (decentralized finance).

**Virtual currency:** Digital representations of value that can exist only in electronic form.





# Glossary Of Metaverse-Related Terms

**Virtual land:** Parcels of real estate formatted as NFTs that exist in virtual platforms, such as The Sandbox and Decentraland. Owners can buy or rent their land on primary and secondary marketplaces and develop it however they want (e.g. building stores that sell virtual goods or creating music festivals with performances on the platform). Like physical real estate, parcels are acquired as fixed plots and cost real money (average for smallest plots is roughly \$11,000), though transactions are made using platform-native cryptocurrencies.

**Virtual goods:** Non-physical objects and money purchased for use in online communities or online games.

**Virtual Reality (VR):** Computer-generated simulation of a 3D image or environment that can be interacted with in a seemingly real or physical way by a person using special electronic equipment.

**Virtual world:** A computer-simulated environment which may be populated by many users who can participate in activities and communicate with others through an avatar.

**Web3:** The vision for the next iteration of the internet. As opposed to the current system (Web2), which is controlled by walled gardens like Google and Facebook, Web3 emphasizes user ownership—of data, content and assets—through the interoperability of metaverse platforms and the decentralized nature of blockchain technology.

