What Does The Future Hold?
A LOOK INTO ADOPTION, ENGAGEMENT & POSSIBILITIES

SEPTEMBER 2022
NBCUniversal
The Use Of Digital Technologies Has Evolved Over The Last 30 Years
Opening the door to decentralization and consumer ownership

Web1: The Information Economy: Read
Browser Access / Desktop-First

Web2: The Platform Economy: Read & Write
Social Networks / Mobile-First / Cloud Computing

Web3: The Ownership Economy: Read, Write & Own
Decentralized Platforms / User-First / Edge Computing

1990s-2000s → 2000s-2020s → 2020s-Onward

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1998 Decentralization begins
2009 Blockchain is invented
2021 “Metaverse” gains popularity

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FOR MARKETERS AND CONSUMERS,

The Metaverse Has Emerged As The Gateway Into Web3, Given Its “Consumer-Friendly” Appeal

The metaverse is the convergence of “virtual reality and a digital second life” that manifests in non-mutually exclusive areas:

**Extended Reality**
e.g., VR/AR experiences

**Worlds**
e.g., Immersive gaming platforms

**Economies**
e.g., virtual land ownership

**Spaces**
e.g., virtual social environments

*Other Applications*

- Decentralized Autonomous Organizations (DAOs)
e.g., Uniswap

- Play-to-Earn Gaming
e.g., Axie Infinity

- Non-Fungible Tokens (NFTs)
e.g., Bored Ape Yacht Club

- Decentralized Finance (DeFi)
e.g., cryptocurrencies

*Non-exhaustive examples of web3 applications*
As Web3 and the Metaverse push mainstream, consumers & marketers are facing key challenges.

**Hype vs. Mainstream Reality**

68% of Americans were uninterested in Meta’s vision of the Metaverse,¹ and >30% of the global population does not have internet access²

**Lack of Education**

Of the 85% of consumers who never bought virtual goods or NFTs, 44% have indicated they do not know what they are³

**Cost of Entry for Hardware**

The average minimum cost of a current VR headset is $500 per person, while some devices go up to $1500+ and there is dedicated hardware

**Unknown Data Privacy**

55% of U.S. adults said the tracking and misuse of their personal data is a major concern⁴

Sources: 1. Nasdaq; 2. The Next Cartel; 3. Scalefast; 4. Statista
T H E S E C H A L L E N G E S A R E M A N I F E S T I N G T H E M S E L V E S A S ...

**Hype vs. Mainstream Reality**
- Limited consumer awareness and understanding of what it is can slow adoption momentum

**Lack of Education**
- Varying levels of consumer understanding can require significant investment in user research

**Cost of Entry for Hardware**
- Purchasing a device needs to be a priority, as does habitual use

**Unknown Data Privacy**
- Slow-to-keep-pace data privacy laws may lead to consumers taking pause before engaging or not engaging at all

**Barriers to Adoption**
- Difficulty enticing interest in maintaining continuous involvement
- 73% point to experience as an important factor in purchasing decisions, behind price & product quality

**Obstacles to Engagement**
- Frustration with the user experience not meeting today’s expectations
- 65% of customers said they have changed to a different brand because of a poor experience

- Without a unique use case, the question arises: Why engage regularly?
  - Prices have risen 8.6% in the past year, driving up costs for a range of essential goods and services

- Missed opportunities by consumers and marketers
  - Just 20 minutes of VR use can generate some 2M unique data elements

Brand Sensory Experience

People won’t just hear or see your brand, they will experience it. What is your brand’s sensory profile and how will it come to life digitally?

Fully Virtual Events

What will brand activations and events look like? An exploration of how those events may come to life and how consumers can engage with them.

Influencer Meet-Up

How will influencers reconcile (or distinguish) their IRL identity and virtual avatar? How will brands and consumers respond?

As purveyors of innovation and culture, to help brands think about adoption and engagement, we pose

**Key Questions To Answer As Brands Go Virtual**

CLICK HEADLINES TO EXPLORE
CONSUMER & MARKETERS WILL ALWAYS WANT TO BE ON THE CUSP OF WHAT IS NEXT

Recommendations For Today, Addressing Tomorrow’s Landscape

Don’t Get Ahead of Consumers

Don’t get caught up with innovation for the sake of innovation. Be mindful of people’s acceptance and adoption thresholds and don’t make them feel uncomfortable. Test and learn with a variety of consumers.

QUESTIONS FOR THE FUTURE:
What is your long-term objective or desired outcome? What are your KPIs?

Remain Nimble and Take Calculated Risks

Collaborate with old and new partners, with successes creating the foundational activation layer and new partners/successes creating the next. Continue to ‘optimize,’ with new learnings fueling the strategy and partners.

QUESTIONS FOR THE FUTURE:
How are you measuring success of your partners against objectives?

Build Partnerships

Forge reciprocal partnerships (e.g., marketing, technology) with organizations and individuals that share similar values, stances, and long-term goals to continue to establish your position in the space.

QUESTIONS FOR THE FUTURE:
How do you want your audience, your competitors & the market to perceive your brand?
Adopting Technologies is at The Heart of How We Tell Stories

1992
Consumer Generated Content
Universal’s Jurassic Park is the first film to feature both CGI and Animatronic figures in live action

2012
Social Innovation
Comcast, NBCU, and Zeebox partner to bring viewers the latest on TV shows, allowing them to discover new shows “in the moment” and join live conversations

2018
Virtual Reality
NBCU partners with Google to create 10 VR episodes of popular shows like SNL

2022
Gaming
NBCU and tech startup Anzu partner to bring in-game ads to advertisers

Metaverse
The Tonight Show and Samsung partner to bring fans a custom, interactive playable Fortnite experience “Tonight at the Rock – Powered by Samsung,” showcasing Samsung products in new, creative ways
What Can Interactions In The Digital & Virtual World Look Like For Different Industries?

NOW & 10 YEARS FROM NOW
### A Few Examples of What Activations In The Metaverse Could Look Like In The Future…

<table>
<thead>
<tr>
<th>Category</th>
<th>Now</th>
<th>Near</th>
<th>Next</th>
</tr>
</thead>
<tbody>
<tr>
<td>Auto</td>
<td>Branded transportation, allowing users to drive the virtual vehicle of their dreams.</td>
<td>Fully virtual test driving and vehicle purchasing.</td>
<td>With self-driving connected cars (or even flying), what might an immersive ad experience look like while sitting back in your car with your feet up?</td>
</tr>
<tr>
<td>CPG</td>
<td>Buying products through VR shopping.</td>
<td>Take a seat next to a celebrity in the makeup room and get some pro tips on how to rock the same look.</td>
<td>CPG products are no longer on shelves; they are all available through virtual shopping.</td>
</tr>
<tr>
<td>Finance</td>
<td>Immersive financial education opportunities &amp; experiences to help build literacy and close wealth gap.</td>
<td>Embedded banking &amp; payments solutions within all metaverse channels enable consumers to buy any products they see with one click or voice command.</td>
<td>Retail branches within the digital world that feel no different than the physical world.</td>
</tr>
<tr>
<td>Luxury</td>
<td>Shopping for virtual goods to wear/use.</td>
<td>All influencers and brand ambassadors will be virtual avatars.</td>
<td>Designers can build their runways “on the moon” or “underwater.” Attendees can buy items in real time.</td>
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</table>
### What Activations In The Metaverse Could Look Like In The Future…

<table>
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<th><strong>NOW</strong></th>
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<td><strong>Restaurant</strong></td>
<td>Bridging virtual &amp; physical experiences via reward programs and promotions.</td>
<td>Third party delivery services operating concession stands in virtual spaces.</td>
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<tr>
<td><strong>Retail</strong></td>
<td>Branded clothing and accessories; Metaverse retail locations for Avatars to try on and buy their favorite brands.</td>
<td>Metaverse malls to shop virtually where consumers can browse all items via VR.</td>
</tr>
<tr>
<td><strong>Tech</strong></td>
<td>Teasing tech products in the Metaverse (e.g., new phone models), allowing users to test them and communicate with others.</td>
<td>Promoting metaverse safety – e.g., home security brands that help players secure their metaverse properties with technology.</td>
</tr>
<tr>
<td><strong>Travel</strong></td>
<td>Booking companies will allow for consumers to see their trip itinerary through VR.</td>
<td>Tourism boards lean into tours on their islands helping consumers pick multiple sightseeing experiences.</td>
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Thank You.

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NBCUniversal
Brand Sensory Experience

01.

It’s Friday night and Sarah is in the mood for a movie. She starts up her web3 device, a moment of black with shots of light and then a “click.”

A few selections later and she is on her way to the “local” movie theater that is modeled off the one she went to as a kid.

Hype vs. Mainstream Reality
Lack of Education
Brand Sensory Experience

02.

As she enters the theater lobby though, **banner ads** fly across the top of the theater promoting snacks. She catches a faint **whiff of movie butter** and hears **popcorn popping**.
She hears a chime and looks down at her watch.

It’s a note from Orville Redenbacher, reminding her that any movie is better with popcorn and offers a free coupon for movie-style popcorn with 10-minute shipping.
She dismisses the notification and starts a movie. A gentle whir, the clicking of film passing through a projector -- *sounds* pipe into her headset. The *butter popcorn smell* gently gets piped into her room once more.
Tonight’s the night! Amber is going to an Imagine Dragons concert in the Metaverse. She purchased an NFT three months ago as her ticket to this concert.

She goes to her virtual closet to find the perfect outfit for her avatar – an IVY PARK tracksuit and Yeezy Boost 350s.
Fully Virtual Events

While “flying” to the Chase-sponsored arena, she takes in the sites of the metaverse, including personalized billboards.
After entering her unique code, she goes inside and meets up with her friends at the virtual merchandise booth, where she buys a concert t-shirt.

Her friends are also excited for the concert, with one of them even dressed as an actual dragon.
They don’t have “seats” because in the metaverse, everyone gets a front-row view.

The avatars of the band appear on stage and begin to perform – Amber can hear everyone singing along to the music. She takes a photo with her friends and posts it on Instagram #selfie.
Influencer Meet-Up

01.

After months of watching her favorite lifestyle influencer (Lisa), Chrissie finally has a chance to meet Lisa in-person during a meet-up event.

Chrissie is beyond excited because she views Lisa as a close friend. Although the two never met, she already has an idea of how their interaction will feel.
Influencer Meet-Up

02.

Chrissie found Lisa's channel on YouTube, while looking for hair tutorials. Chrissie was drawn to Lisa's bubbly personality, pride for her culture, and passion for beauty.

Although Lisa is a public figure with a large following, Chrissie trusts Lisa's opinions. In fact, when Lisa asked her viewers to join the metaverse, despite reservations, Chrissie followed.
Influencer Meet-Up

As Chrissie prepares for the meet-up, she rocks a showstopping makeup look and rehearses what to say to Lisa.

She arrives at the venue and spots Lisa across the room. Chrissie is nervous but walks over. As soon as she introduces herself, she could tell that the person she knew online was completely different than the person in front of her.
Instead of the bubbly and bold woman she grew to love, Lisa is quiet and socially awkward. Lisa's digital personality was very different from her actual personality.

Although disappointed by the "real" Lisa, Chrissie is intrigued by the fact that influencers can have a completely different identity in the virtual world. Chrissie realized the metaverse offers a space for creativity and inclusivity, and she is excited to continue exploring this virtual world.