Brands in the Metaverse

An exploration of how immersive virtual experiences are changing consumer behavior

Presented by UnionDigital Bank

Metaverse: immersive entertainment

So what is the "metaverse"?

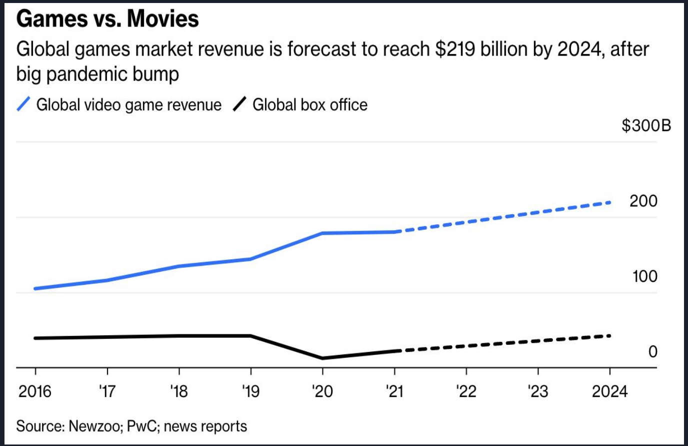
- Life in a "metaphysical," or more-than-physical world
- It's the new normal for a world that values virtual immersion
- We already have it: Fortnite, Roblox, Minecraft, GTA V online, all the way back to Ragnarok Online 2002
- A virtual world where you can share "real" experiences with others: Adventure, explore, socialize, build, create, share

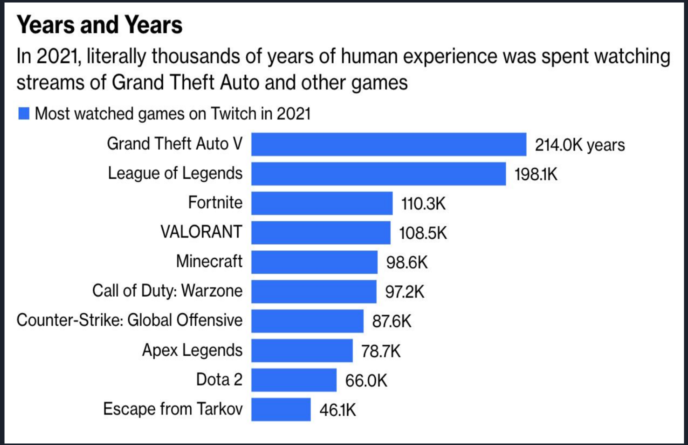
Web 3 tech unlocks the metaverse potential at a new level

- Now we can exchange value with digital currency
- Buying and selling in the metaverse is now possible
- Unlocking a new level of immersion
- Adventure, explore, socialize, build, create, share
- **+ Own, trade, buy, sell, invest, save**

Consumer Behavior Trends

Increasing globalization + growing internet adoption





$21.4 Billion
Movie Industry

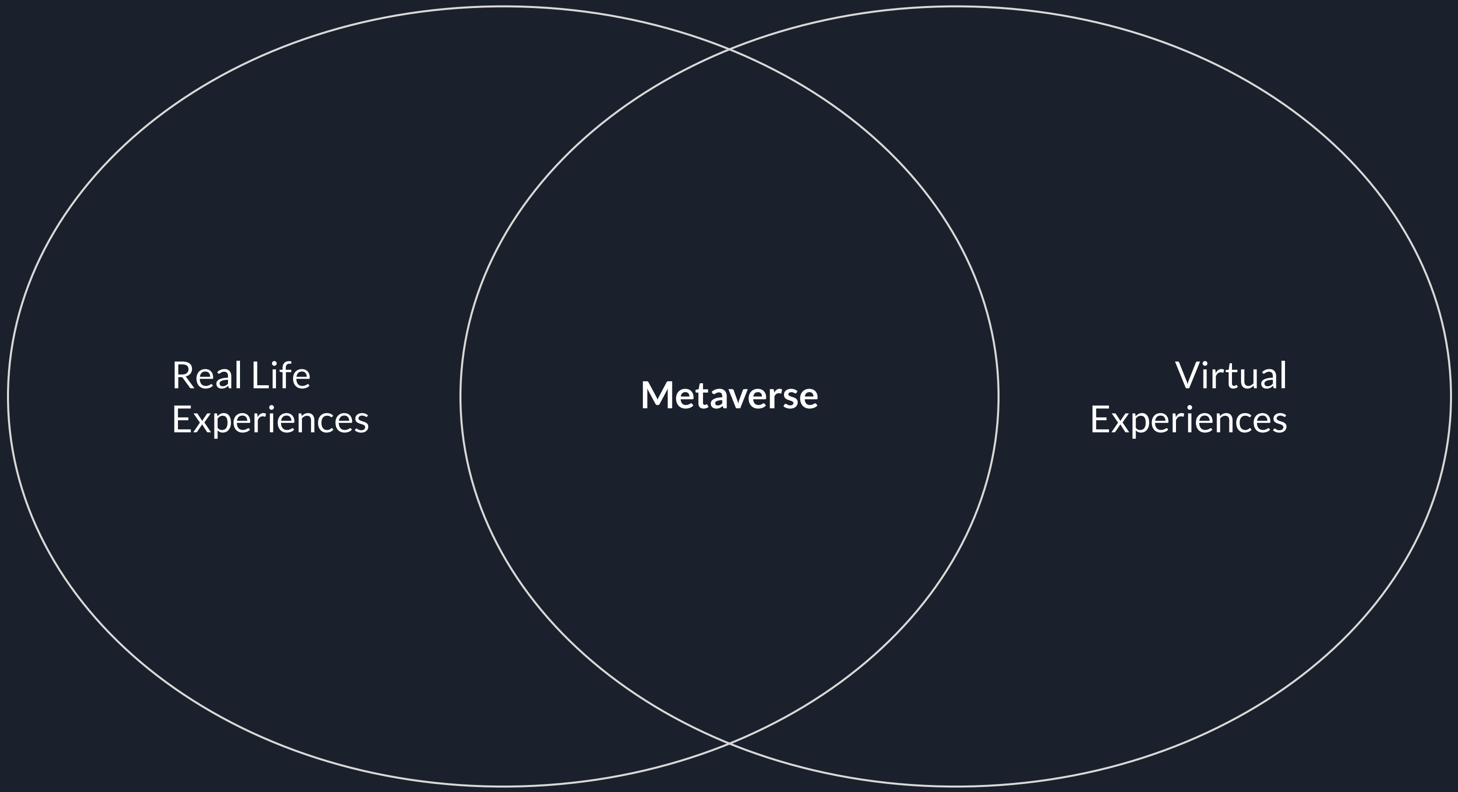
vs

$180 Billion
Gaming Industry

...and only growing

= more life spent in virtual experiences

Metaverse isn't a place, it's a new way of experiencing life



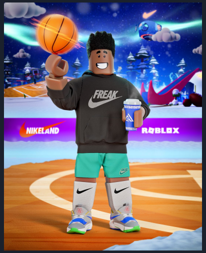
The "metaverse" is real life, lived through virtual experiences

Metaverse is not so different from traditional brands that turn “utility” into “identity”

THEN

Shoes, initially a practical necessity

NOW



Personal statement/ collectible/ social signifier/ indicator of identity

Function has expanded into self-expression.

Forms of self expression are now valued for their “utility” in making statements and forming personal brands

Case Study: Fortnite

1.1 Billion
Hours streamed

83 Million
Active users

400 Million
Registered users

- Introducing more and more immersive experiences
  - Live Concerts
  - Creative mode
  - Creator-made games
- Adding more experiences that are not possible in the real world
- Allowing artists and audiences to express more than ever before

Source: epic games

In the Metaverse, life is a constant flux of real & virtual, enabled by emerging tech

Technologies like Augmented Reality enable this fusion.

- Virtual assets can be projected into the real world
- Ie. Pokemon Go creates an immersive pokemon experience, mimicking the actual IP

Virtual Reality fully immerses users in the metaverse

- VR allows us to fully alter our perception of the environment

While innovations like Crypto and NFTs make it possible to own and transfer real-world value virtually

- Virtual assets are more than empty images, sounds
- They can be owned, traded for physical experiences

It’s changing the culture.

Before	Now
“Why would I want to collect something I can’t touch?”	“I love that my virtual collection is always with me, in my pocket.”
“Who would spend that much money on a cosmetic for a videogame?”	“More people see my avatar than my outfit irl, so he has to look good.”
“Digital shoes? Stupid. Waste of cash.”	“I want those dope Nikes on my story.”
“Who cares what my profile pic is.”	“Bro, scan this QR, it makes all the street art come alive.”

What people value is evolving towards the metaverse

Same same, but different

The core of what makes people value a brand or product is still intact

- Social signaling
- Function related to their interests
- Alignment with personality, identity
- Enjoyment, fun, positive association

But the vectors of approach are evolving

- Metaphysical, or virtual, is no longer met with skepticism
- People are willing to spend on digital
- Digital lasts longer, looks better, is superior to “the real thing”
- In fact, the idea of “real” is changing
- Virtual/meta is “real” to the consumer because the experience is real

What does this mean for brands?

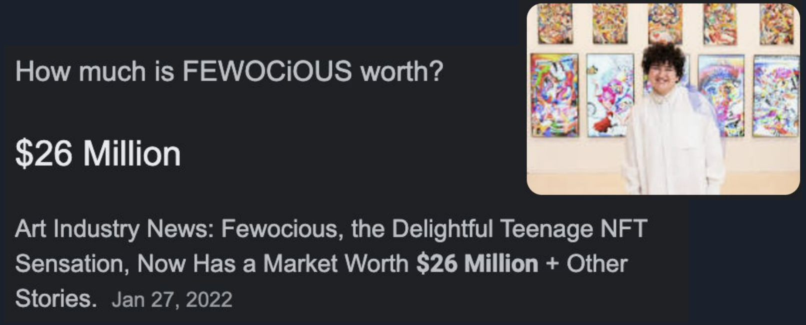
- For individual creators, it’s a path to self-ownership
- For traditional brands, it’s the new frontier

Creator-led brand ownership

Independent creators can run their own brand without sacrificing ownership or proceeds to labels, studios, galleries, etc.

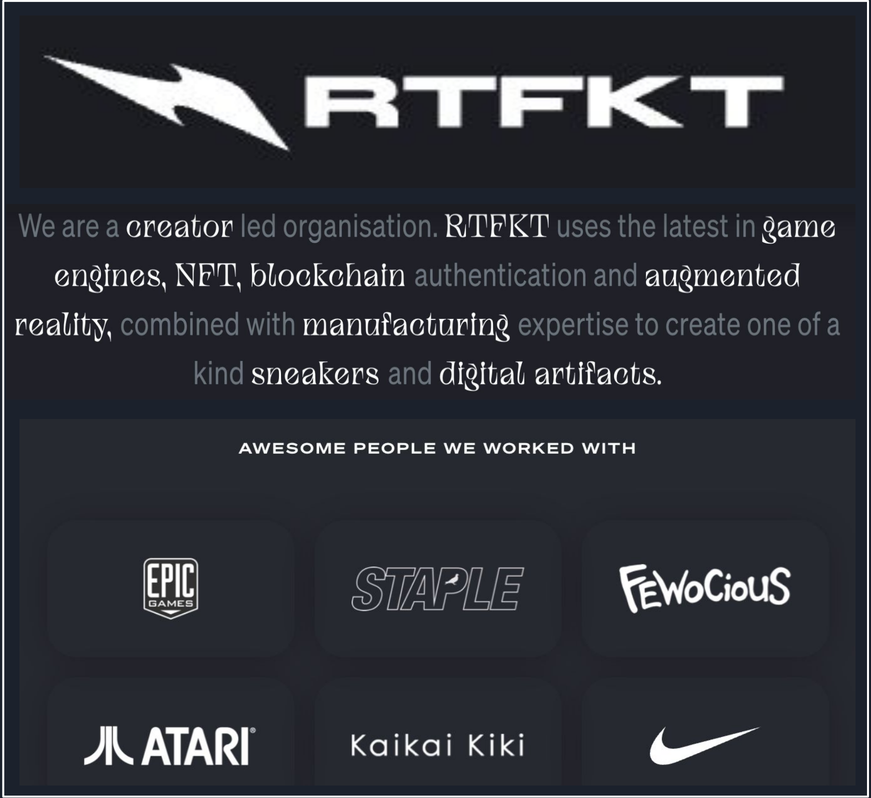
Immersive metaverse mediums offer new forms of artistic experience.

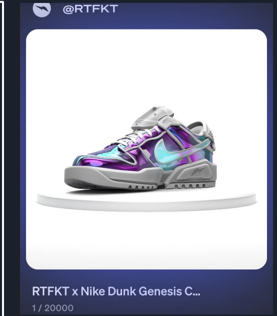
Case Study: FEWOCiOUS



NFT Artists are reaching audiences without galleries

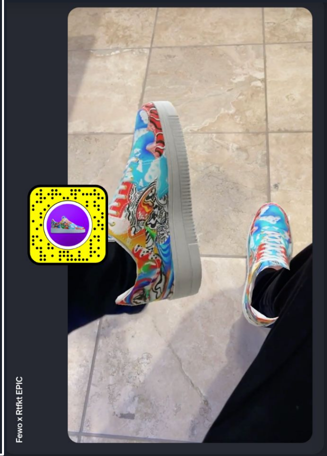
For big brands, it's a new level of penetration

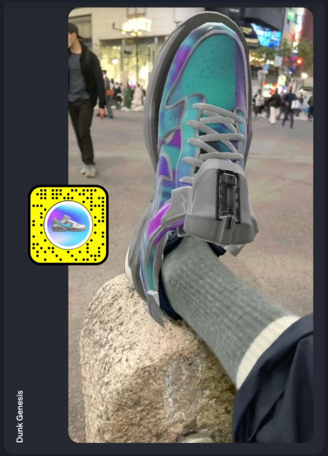




In the metaverse, expression and experiences are valued at a premium.

Brands can be part of a more immersive lifestyle and be embedded deeply into the identity and living experience of users- **affecting how they perceive places, tell stories and represent themselves**





Enabling MetaCommerce through Digital Banking

Philippines MetaCommerce Market Opportunity

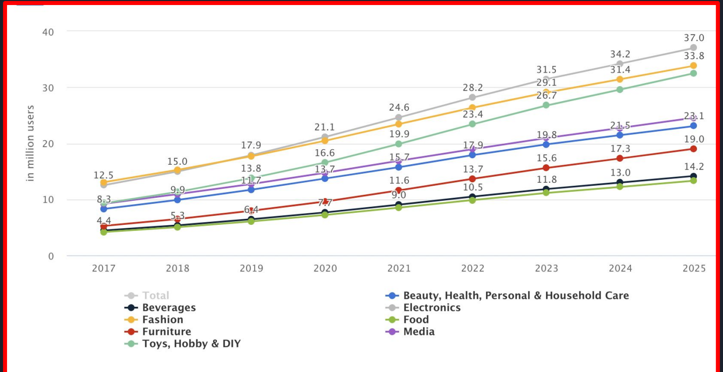
eCommerce growth momentum will translate into Metaverse adoption

eCommerce penetration and projected growth

78 million
active on social media

39 million
online shoppers

P265 billion
2021 txn value



Most recent update: Jun 2022

Source: Statista

Evolution/ Disruption

Metaverse adoption

The Philippines:

#1 Global
In NFT ownership

Top 5
In Crypto Penetration

P117 Billion
Crypto txn volume 2021 (1st half)

3.57 Million
Metamask users, 17% of global users

As Metaverse adoption grows, it will become the new arena for eCommerce

Source: forbes, bitpinas ITA statista

Who is Banking the Metaverse?

The metaverse needs banking to enhance consumer experience

As the metaverse continues to develop and grow into common usage, it must embed some of the core financial functions that consumers are accustomed to.

The first of these is reliable and recognizable forms of payment and exchange.

Digital banks make these executions possible:

- On/off ramp from regular money (fiat) into virtual currency/assets
- A bridge between virtual assets and real-world functions like bills payment & more
- Digital banks can “tame” the metaverse by bringing tried and true elements that the metaverse currently lacks: **regulatory security, consumer trust, customer protections and legitimacy**

Case Study: Play to Earn Gaming

Virtual asset (VA): Assets, stores of value, and/or mediums of exchange in the metaverse, such as cryptocurrency and NFTs

THE INNOVATION

Axie infinity is a metaverse game where players are awarded VA for winning. Earnings can be exchanged for other cryptocurrencies, withdrawn or spent within the game to improve the odds of winning. The more successful a player, the more they earn.

THE PROBLEM

Axie Infinity has created opportunities for Filipinos to earn in VA, but there is a lack of banking support around this emerging industry.

THE SOLUTION

A digital bank capable of handling VA makes it possible to easily transfer between crypto and fiat money.

UnionDigital Bank is designed to bank the metaverse.

YIELD GUILD

AXIE INFINITY

NEXPLAY

TRINITY

FOR THE LOVE OF GAMEFI

However the space evolves, our core capabilities are designed to enable commerce

Making Metacommerce Happen

UnionDigital Bank's mission is to empower the future of the metaverse.

An emerging future:

Every brand equipped with virtual asset capabilities, making the metaverse a consumer ready marketplace.

Every company can be metaverse-ready through UnionDigital Bank.

Art Credit: [luciusfelimus]