DEVICE REPORT OF SENTATION

The Merge by Pak. Sold for 91.8M USD.

BILL GATES EXPLAINS THE INTERNET TO DAVE



1995



SOME OF THE GREATEST IDEAS ARE OFTEN MISUNDERSTOOD

INTRODUCTION

This abbreviated body of work is an exploratory of Web3 with the intent to provide greater clarity on the next iteration of the internet for brands and their consumers.

We are not here to prophesize or add hype around the subject. Instead, the aim is for a common understanding of the evolution of digital economies and new ways consumers can experience, connect and innovate with brands.

We hope it is informative and lays the foundation for a lasting strategy at the intersection of technology, data and psychology.

AGENDA

THE BASICS: A COMMON UNDERSTANDING

PROCEED WITH CAUTION (AND OPTIMISM)

FANTASY AND REALITY

PLACING BETS WITH BRANDS

WHAT'S NEXT?





THE BIGGEST WEB3 NETWORKS WILL BE BIGGER THAN THE BIGGEST COMPANIES

Eric Jorgenson, Author, Entrepreneur and Investor

Everydays: The First 5000 Days by Beeple. Sold at Christie's auction for



THE BASICS

STARTING WITH A WEB3 DEFINITION

With all the fascination of Web3, the definition of the term itself is often conflated with vague perceptions of what the internet *might be* in the future as opposed to *what it is* today.

Wikipedia sources <u>Gavin Wood</u>, co-founder of Ethereum, for coining the term "Web3" in 2014 which has since gained mainstream appeal in the last 18 months, particularly with cryptocurrency enthusiasts, technology companies and venture capital firms.

OUR DEFINITION

Web3 refers to specific principles that have the potential to introduce the next iteration of the internet. These principles are decentralization, blockchain and token-based economies.





Human One, by Beeple. Sold at Christie's auction for 28.9M USD



Web 1.0 Decentralized



1980s - 2005

Basic Open Web Publishers Have Power Mirrors Non-Digital Media With Some Exceptions Mostly Passive Users Walled Gardens Platforms Have All Power Mobile Adoption: Elon Musk Proclaims 'We Are Already Cyborg' IoT Connects Physical World Active Users (Social, Gaming)

YAHOO!



Web 2.0 Centralized



2006 - 2021



Web 3.0 Decentralized (tbd)



CURRENT (IN PROGRESS)

Decentralized Networks <u>Potential</u> For Power Shift Lots of VC Interest More Immersive User Experiences Where Actions Are Tokenized



What are NFTs?



Non-Fungible Tokens (NFT)

Assets recorded on a blockchain with unique identification codes and metadata that distinguish them from each other. The recorded ownership of an NFT in the blockchain can be transferred by the owner for selling and trading. Decentralized Autonomous Organization (DAO)

An organizational structure best described as a "cryptocoop" where a group of members come together on the blockchain (using public ledger and smart contracts) to increase purchase power based on shared values; a powerful tool for activism.











Decentralized Finance (DeFi)

An umbrella term for the digitally-native and blockchain based financial infrastructure (trading, lending, options, derivatives) that is separate from traditional financial processes, fees and intermediaries.



WEB3 IS NOT THE METAVERSE HOWEVER THE PRINCIPLES OF WEB3 (AND MUCH MORE) ARE **NECESSARY FOR THE METAVERSE TO BECOME TRULY VIABLE**

For marketers seeking a deeper understanding of the factors that shape the future digital world, global economies and the human experience, The Metaverse And How It Will Revolutionize Everything by Matthew Ball is a well documented analysis that demystifies the term (defined below), breaking down the meaning, limitations and potential for each criteria.

The Metaverse A massively scaled and interoperable network of real time rendered 3D virtual worlds that can be experienced synchronously and persistently by an effectively unlimited number of users with individual sense of presence, and with <u>continuity of data</u>, such as identity, history, entitlements, objects, communications and payments.



THEW And How It Will **Revolutionize Everything**





METAVERSE

New iteration of the internet as a decentralized web using blockchain and tokenized economies	An interoperable digits network of persistent 3 virtual worlds that aug and blend the digital a physical user experient
Blockchain	More connectivity,
Cryptocurrency	hardware, computing a
DAOs	processing power is ne
NFTs	More decentralization
DeFi	better experiences rec
Accessible in our existing	Still in development ar
web experience	under scrutiny



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A DEMOCRATIZED WEB3 USER EXPERIENCE

FROM 2.0

Platforms own your identity

Ad-supported internet

Play/Do to earn

Subscribe to services

Lots of middlemen

TO WEB3 You own a digital identity wallet Browse and earn Play/Do <u>and</u> earn Connect and share access Global peer to peer enhancements

CRYPTO ENTHUSIASTS TOUT DECENTRALIZATION BUT VCs MAY HAVE OTHER PLANS IN MIND...

VC firms invested \$33B in crypto and blockchain startups in 2021 and on pace for nearly 2x growth in 2022





PROCEED WITH CAUTION

- Conflation and hype surrounding the metaverse • with Web3 is a set up for failure
- False expectations from futurists on Web3 • promise to fully democratize the user experience
- Declining NFT market value due to economic ulletdownturn's impact on cryptocurrency market
- No technology immune from fraudsters, hacks • and scams (crypto wallet hacks, crypto mixers)
- Web 2.0 is not necessarily going away; Web3 • currently coexists with 2.0 - battle has just begun

Just look at how far we've come in 24 years. Mind blowing to behold. This is truly the future.



Second Life 2007. Metaverse 2022.



Bitcoinist

NFT Fad Fading: Trading Volume Declines To Lows Not Seen Since June 2021 | Bitcoinist.com

... amount of USD sales that NFTs saw during the span of last seven days. ... the NFT weekly trading volume (displayed in white) has plunged...

P PYMNTS.com

Today in Crypto: Actor Bill Murray Loses \$185K in Crypto After Hack; Georgian Coinbase Users Benefit From Tech Bug

Meanwhile, a hacker stole 119.2 ETH from Bill Murray's crypto wallet just hours after the actor participated in a non-fungible token (NFT)...

Decrypt

Crackdown on Tornado Cash Was Just Round 1

This week the U.S. government shook the entire crypto world to its core. The Treasury Department sanctioned the crypto mixer Tornado Cash as...

PROCEED WITH CAUTION AND OPTIMISM

WHY MARKETERS SHOULD CARE ABOUT WEB3

- The current generation of consumers are native to Web3 experiences and will gravitate toward ecosystems that create empowerment
- Ignoring trends in Web3 is like ignoring Social in the early 2000s when Web 2.0 formed
- Cultural and socioeconomic shifts driven by Web3 are providing new ways to establish identity for brands and their consumers alike



FANTASY AND REALITY A PERFECT MATCH

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EMERGING USES OF WEB3 MARKETING

EXPERIENCE (DIGITAL + PHYSICAL)

VALUE / POINTS / CURRENCY

IDENTITY / SOCIAL STATUS

ACCESS / EXCLUSIVITY

LOYALTY / AFFINITY





TICKETMASTER PARTNERS WITH FLOW FOR NFT TIE-IN

Allows Ticketmaster event organizers to issue NFTs tied to tickets on Flow blockchain

Event organizers can make NFTs available before, during or after the event

Enable special experiences like loyalty rewards or celebrity meet-and-greets







SEP 13 – INVESTOR DAY **STARBUCKS UNVEILS WEB3**

Expand the coffeehouse experience in-store and digitally (art, music, books and more)

Tie NFTs to the current rewards platform of 27M users globally

New revenue stream connected to stores, partners, customers and local communities











NBA PARTNERS WITH NIANTIC FOR NBA ALL WORLD FALL 22

Niantic, creator of Pokemon GO, is set to release <u>NBA All World</u> this fall

Mobile-first AR game appeals to basketball players and fans around the world using real world court locations and neighborhoods

Find, challenge and recruit athletes to your local neighborhood with varying elements of customization, competition and interactivity







FIREFLY FESTIVAL PARTNERS WITH AUTOGRAPH

- NFT collection tied to music festival
- Special access experiences
- Linked to wristband
- Special lane entry, rooftop party, merch
- Unique piece of digital memorabilia





Code Redeemed!



Congrats! Your Firefly Lumina is now visible under "Gallery' in your User Profile. Optionally, you can connect a wallet to have it minted.

View Redeemed NFTs



BACARDI PAIRS PURPOSE WITH NFT MIXTAPES

Bacardi and Caribbean producer Boi-1da empower fans to invest in female music producers; more <u>here</u>

Bambii, Denise De'ion and Perfxn created their own Caribbean-inspired tracks, which were then minted into NFT "mixtapes" for auction

<u>Sturdy Exchange</u> allows fans to effectively fund artists they like and receive monthly percentage of streaming royalties





25 NFTACOS ON RARIBLE SELL OUT IN 30 MINUTES. RESELL HITS 200K.

25 taco NFTs sell out on Rarible in 30 minutes with access to lifetime supply of tacos. Watch case <u>here</u>

Resale value hits 200k and recognized as the first QSR endeavor into NFTs

Proceeds go to Live Mas Scholarship Program, aimed at helping young people find careers. Lots of PR attention.









7M VISITORS TO NIKELAND IN LESS THAN 6 MONTHS

Nikeland grand opening on Roblox Q4 '21

Try on virtual products and play games

Lebron "visited" and played with others

Extended experience in NYC flagship store

Acquired RTFKT for NFT revenue strategy









27M VIEWERS OF TRAVIS SCOTT EVENT ON FORTNITE

12.3M concurrent in-game viewers, largest ingame event recorded to-date

190M+ views on <u>YouTube</u>

Included Astronomical merch for purchase

Scott's in-game avatar wore Air Jordans designed with Nike as product placement





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R BELLA HADID BELLA HADID CY-B3LLA PROJECT AS PASSPORT

Celebrates high fashion, women in web3 and love without borders. More <u>here</u>.

11k NFT collection spread across 10 regions

Idea originating with Hadid's interest in gaming during COVID and desire to reconnect

Ownership creates membership with digital and physical events, brand tie-ins, galas and more







FERRAGAMO SOHO CONCEPT STORE FOR NFT SNEAKERS

Partnered with digital artist, <u>Shxpir</u> to design the installation at a SOHO concept store

Customized sneaker holograms and digital stations to build your own NFTs

Shoes customized by guests, the process of which will be projected onto the booth in partnership with <u>DE-YAN</u> via hologram technology











20M VISITS TO GUCCI GARDEN IN TWO WEEKS. EXPANDING.

A small city in Roblox called <u>Gucci Town</u> as a more permanent expansion to Gucci Garden in May 2021

Original Gucci Garden was a virtual replication of the real-world installation in Florence with digital products available for purchase using Robux

Other noteworthy projects include sneaker holograms, virtual clothing in Pokemon Go and Zepeto (social avatar generator) apparel













CREATE ACCESS POINTS TO AUGMENT IDENTITY, EXPERIENCE AND VALUE

IDENTITY | ACCESS | EXPERIENCE | VALUE | LOYALTY

1. Decentralization will continue to receive positive user sentiment as a new frontier for digital democracies

2. Digital identity and culture will be influenced by the expansion of Web3 which can lead to disruption of many industries

3. Adoption of NFTs, DAOs and tokens can be a powerful tool for mission-driven brands to create positive change in the world

DEEP DIVE TO UNDERSTAND

Who is [your brand] persona and who is [your ideal customer]?

What is the ultimate experience that defines your brand [no restrictions]?

Where is your purpose-based mission [this may be your greatest strength]?

How do you redefine goods and services [new era of hospitality] in a self-serve economy?

Do you have assets to help build loyalty [and cross-sell]?







WEB3 SERVICES BUNDLED OR ITEMIZED TO SUIT YOUR NEED

- Category and competitive assessment
- Audience research and insights relative to category and interests
- Strategy and activation idea(s) tied to brand values and mission
- Web3 product development, tokenization and loyalty
- RFP creators, talent and blockchain specialist partners
- RFP blockchain analysis firms for measurement
- Creative, PR and Media support tied to Web3



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WEB3 TEAM

OPEN-SOURCE

Part of the D/V value proposition is our ability to source across agency networks. We believe the future is freelance and welcome clients who are motivated to create their own personal 'dream team' for Web3.

FIERCELY INDEPENDENT

Our independence allows us to assemble the right tech and team (without any red tape) to work as Web3 consult or as a full-service go-to-market partnership.

POWERFUL IDEAS

30 year track record of award winning creative and a commitment to bold ideas that reveal truths and create emotional connection.

WE DELIVER WHAT OUR CLIENTS ASK, **BUT NEVER WHAT THEY EXPECT**







Web3 collabs: dmolini@devitoverdi.com pstine@devitoverdi.com