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MUSIC AND MEDIA SALON SERIES

# HOW IS THE METAVERSE BEING BUILT?



Nfluence  
Partners

CrossBorderWorks  
Music Tech Consulting & Advisory Firm



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# Introduction to the Media and Music Salon Series



July's event was the fourth in our Media and Music Salon Series, bringing together leaders in the creative, technology, and music industries. We examined the future of the metaverse and what is driving its growth.

## Media and Music Salon Series ("MMSS")



**Nfluence Partners and CrossBorderWorks** have teamed up to bring together CEOs, executives, entrepreneurs, influencers, and investors to exchange ideas and perspectives on timely topics in Media and Music.

## Salon Series

**Our Salon Series** events are in the style of Jeffersonian dinners, albeit virtual for now. Jefferson was known for hosting dinners in the late 1800's in his Monticello home, curating intimate groups of thought leaders and influencers to converse about a single topic, diving deep into a theme to spark collective wisdom. The purpose was to listen, learn, and inspire one another through meaningful dialogue over a shared meal.

## How is the Metaverse Being Built?

### Spark



**Jenna Seiden**

VP of Business Development  
Niantic Labs



The fourth of our Media and Music Salon Series engaged a select group of twelve people across varied sectors of creator communities in lively conversation, sharing their views and experiences.

Our Spark was Jenna Seiden, VP of Business Development at Niantic Labs. Jenna provided an intriguing perspective on the various use-cases for the metaverse and shared her opinion on the opportunities within the space, for brands and consumers alike.

### Other Participating Firms



REPLICA



METAVRSE



amazon



# Key Takeaways Overview



1

## Evolving Definitions, Defining Characteristics

- We are so early in the development of the metaverse, and attendees agreed there is not yet one neat definition — the space continues to grow and change rapidly, and has opportunities for applications across many sectors



2

## Challenges to Reaching Mass Adoption

- Interoperability, identity, and ownership are central to the future of the metaverse
- Brands, governing bodies, and individuals are learning that the metaverse is a new frontier

3

## Utility as a Measure of Success

- The metaverse is a metamorphosis for many real-world experiences — what can businesses provide in the metaverse that gives users better engagement, loyalty, and value?



4

## Generational Differences Will Define the Metaverse

- Gen Z's and Gen Alpha's values are heavily influencing the boundaries and expectations of the metaverse
- Ultimately, the metaverse will have a place and utility for every generation

5

## What Exists in Web2 That Will Carry Over to Web3?

- The metaverse will be a place for both traditional brick-and-mortar and digital-only businesses
- Creators and consumers will lead the trends that allow Web3 to grow and take hold



6

## Who Will Fund and Build the Metaverse? Brands Will Play a Key Role

- Brands have not previously had this kind of opportunity to create an image and provide value in a virtual world — hop on the train or it will leave the station without you
- Not every brand/business belongs in the metaverse
- Understanding Gen Z will be important to success



## EVOLVING DEFINITIONS, DEFINING CHARACTERISTICS

It is  
SO  
early

- It will be quite some time until we are able to agree on a singular definition of the metaverse, but the next few years will be formative
- "The metaverse has the potential to be applicable to all aspects of our lives"
- Web3 is the infrastructure for enabling interaction and immersion in the virtual world, the metaverse is the content

Different  
communities,  
commonality of  
experience

- Community is going to drive everything in this space — the metaverse will be a place to build and grow together
- The metaverse creates new spaces for people all around the world to share great ideas, knowledge, and fun
- Communication, collaboration, and a creative collective experience
- Each application has different communities and different building systems — but they are all based on creative output
- Culture and community are foundational to the business model

A new way of  
experiencing content

- An opportunity exists to create innovative partnerships to preserve and create the legacy of legendary and iconic artists
- Giving users the tools to mobilize and motivate to do amazing things; giving artists new ways to express themselves

Value and relevancy  
can be measured by  
the concept of "utility"

- Utility is "engaging and interacting with the data that we are surrounded by as a mechanism to improve our life"

Highly visual, highly  
experiential, and  
real-time

- Opportunity to build tech with humanity that allows people to customize the various layers of data into their own special journey
- Not simulating the existing environment, but augmenting it and making it better
- It is the real world in a virtual space
- Seamless, real-time transition from AR, VR, 2D, and 3D to the metaverse

**While decentralization is a buzzword, this concept, avoidance of data silos, and its power will be significant factors in the development of the metaverse**



# CHALLENGES TO REACHING MASS ADOPTION

## Interoperability

- Connecting across an endless group of virtual worlds with deep community roots
- The metaverse will come full circle with interoperability
- As it stands today, there are distinct worlds that do not speak to one another well or at all

## Identity

- Presentation of yourself in a virtual world
- The ability to be presented differently in the metaverse than reality, and the opportunity to have various versions of yourself
- An expansive representation to be able to interact with others in a fantasy setting

## Ownership

- Intellectual Property — is it up to us as humans and corporations to decide how we handle the IP issues the metaverse creates
- There are many gray areas around IP, copyright laws, and usage rules



## Transitioning to the Metaverse

- The same principles that helped Web2 companies win do not necessarily translate into Web3
- Government involvement
  - There will have to be governance, regulation, and risk — especially in Crypto, which is a necessary step toward adoption
  - Data control — use of individual data in Web2 has caused the government to step in and is reducing a company's access to its data
- Monetization
  - Successful companies in Web2 drove down costs and drove up the network effect
  - Monetization dynamics in Web3 are still nascent, but shopping, in-app purchases, and gamification are early leaders



# UTILITY AS A MEASURE OF SUCCESS

Value and relevancy can be measured by the concept of “utility”

### Finding a place for brands

- Brands need to find their metaverse voice: how does it add value, and how does it allow me to get closer to this community?
  - The goal is to further brand loyalty, affinity, communication, and a sense of community
- The metaverse allows businesses to get closer with their audiences and build up a two-way interaction between them
- Web3 is about give and take. In order to incentivize people and engage with the community, you have offer something of value for that individual
  - There needs to be a purpose, and utility should be the “giveback”



### Eyes are still opening to the possibilities

- Medical access and information
  - There is a massive opportunity to give people access to instant healthcare
  - Inner-city, rural, and indigenous communities have limited access to healthcare — but they usually do have a phone. We have an open door to get healthcare to a place where people can more readily interact
- Entertainment
  - Providing unique experiences not accessible to everyone in the real world
  - Allowing fans and artists to more closely engage with each other and the community surrounding an artist
- Types of experiences
  - Company A wants to work with Company B, so they develop a decentralized world and interoperability tools so they can communicate together, creating a seamless experience across the two businesses





## GENERATIONAL DIFFERENCES WILL DEFINE THE METAVERSE



### Shift from real-life experiences to digital experiences

- In a time when kids could not be together in person, Roblox and other metaverse platforms brought kids together
- Kids in metaverse just "hanging out" like previous generations did on bicycles
- Around 70% of people are not playing interactive games, and they are mostly older
  - However, elderly people will still participate with utilitarian uses, like shopping for groceries

### There will be a huge shift in the dynamics of how brands will operate

- Gen Z and Gen Alpha are very adept at gaming and virtual worlds
- A company's team needs to be diverse and nimble
  - Bringing younger generations onto the team to gain a new perspective
    - The older generation has the money and direction of the company, but the younger generation truly understands where this is going
  - This is where immersion and engagement becomes critical
- Gen Z depends on true value – they won't be interested if it isn't beneficial or "cool"
  - They are digital natives
  - Authenticity is key

### Gen Z does not want to be "sold to"

### Bridging the music experience across generations

- Music companies are bringing artists' copyrights and legacies into a world mainly inhabited by younger people, potentially lifting legacy artists up into younger generations' views and experiences
- Especially in creation of shopping malls — music must be a part of metaverse malls for the younger generation



# WHAT EXISTS IN WEB2 THAT WILL CARRY OVER TO WEB3?

### The creator economy is leading the way in Web3

- Our third MMSS event discussed the evolution and future of the creator economy. [We invite you to take a look at it by clicking here](#)
- Going to be a struggle for everyone – behemoths will stumble because they don't get the core of it

### Music

- Push platform versus push-pull platforms — broadcasting versus real interactivity
  - In Web2: artists publish, fans receive — this is an audience
  - In Web3: communication is artist to fan, fan-to-fan, fan to artist — this is a community
- Web3 provides empowering tools to communicate and co-create with fans
  - Companies have created simple, powerful creator tools to plug into, participate, and engage fans
- Key questions for companies in the space: What tools do artists want to engage with? What do fans want from these platforms?

### Entertainment & Gaming

- Certain companies are incredibly successful in Web2. Does it make sense for them to transition to Web3 if their platform already has a strong following? Web2 and Web3 will co-exist for a long time
- Gaming will be a huge opportunity in the metaverse and “mainstream”



### Shopping

- Web2 companies want a lower-cost and lower risk way to experiment in Web3
- In-app purchasing and virtual goods are already showing strong usage

### Socializing, community building, and communicating

- Audiences exist in Web2, whereas communities will exist and flourish in Web3 with 2-way communication across sectors



## WHO WILL FUND AND BUILD THE METAVERSE? BRANDS WILL PLAY A KEY ROLE

### Does every brand need to be in the metaverse?

- Web3 is about utility and purpose — if your brand does not have an authentic reason to be in Web3, it should not be
- A brand needs to bring elevated value to its customers as compared to what anyone else is doing

### If a brand sees value in being part of the metaverse, they should be investing now so they can start understanding what works

- The next iteration of the web is an ecosystem play — as a brand, you have to have a part of it to learn. Because it is an ecosystem, once you are left out, the barriers to entry become incredibly high
- The metaverse serves as a channel for brands to test and learn what works, focusing on brand immersion as interactivity and engagement
- Brands will be engaging with customers in a different way — they need to know and understand the audience that will be there, their ethos, and what they want, but should not assume Web2 will transfer to Web3
- Every brand wants young customers, because their continued engagement generates higher lifetime value (LTV). Those customers will be in the metaverse

### A brand can reinvent themselves in the metaverse; it doesn't have to be status quo

- Brands have not previously had this kind of opportunity to create an image in a virtual world — why recreate Web2?
- Reinvention is possible but brands need to be strategic and thoughtful about how they can make the transition
- If they have a different identity in the metaverse, it must be well researched and thought out
  - What emotion do you want to elicit? What do you want to be? What image do you want to create?

### Huge shift in the dynamics of how brands will operate

- Building experiences that the community will be able to relate to and have fun experiencing
- The whole construct of Web3 infrastructure and characteristics will demand a different mode of operation

# Contact Us

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