billion,dollar,boy

CREATOR MARKETING
IN THE METAVERSE ERA
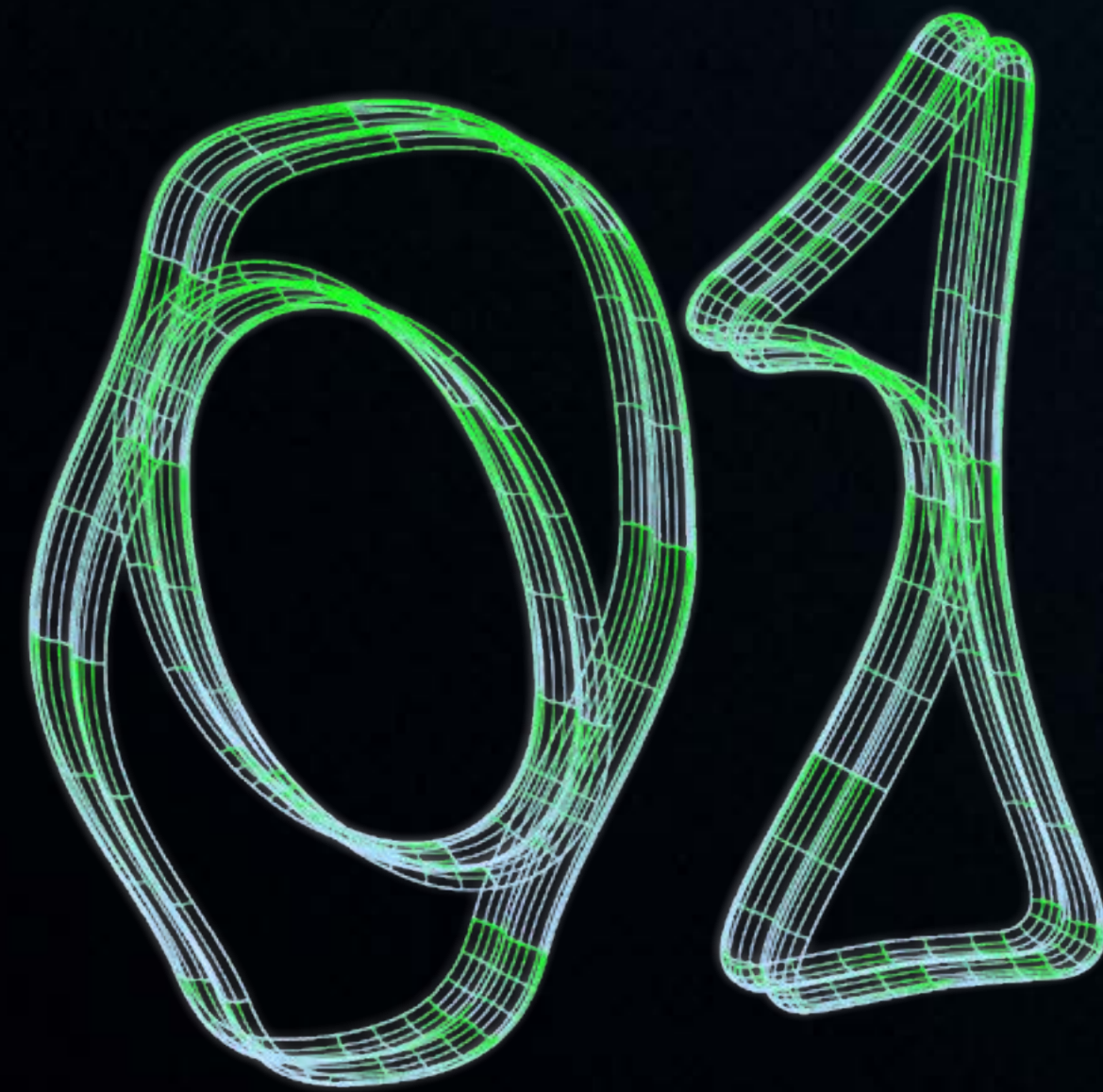
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WITH INSIGHTS FROM

FOREWORD

FOREWORD

In 2014, we made a prediction that social media influencers (creators) were not a passing trend, but a hallmark of what was to come – namely the democratisation of information.

Social media platform capabilities, inextricably linked to the evolution of the infrastructure of the internet, would come to revolutionise advertising at large: to enable the sharing of rich content, experiences, self-expression, and the accrual of audiences engaged in that content.

What's now known as the 'creator economy' is a space kick-started by a bedroom-hustle mentality that has grown from $1.7 billion in 2016 to **$16.4 billion in 2022.** A staggering 860% increase in just six years.

Early 'influencers' (who first appeared on blogs, then YouTube) were seen as shiny and new, but an unknown entity for marketers. Initial concerns around authenticity and demonstrating ROI meant few considered them for brand marketing opportunities.

However, over time, alongside an ever-evolving ecosystem of professional services specialising in the space, they proved themselves as the hottest and one of the most effective new marketing tools, connecting with audiences and communities on a whole new level.

Where influencers were once hobbyists who fell into influencing, creators, as we know them now, grew up with this notion and have advanced the space considerably, just as we predicted they would back in 2014.

Their ascent continues, with an increasing number of brands applying a creator lens to their advertising and / or integrating creators at the heart of their communications. So, what's next?

The rise of the creator economy was driven forwards by technological advancements. In 2022, all of these elements are evolving faster than ever before. What's more, the debate and construction of radical new visions for its future use, and the rules that might govern it, are unlike previous iterations – something that ordinary consumers and creators can contribute to and influence.

Just as creator marketing started to feel like a familiar space for brands... enter the metaverse. Now, the world's biggest tech companies, brands, and game developers are all competing for a slice of the virtual pie.

THOMAS WALTERS
UK CEO and co-founder, Billion Dollar Boy

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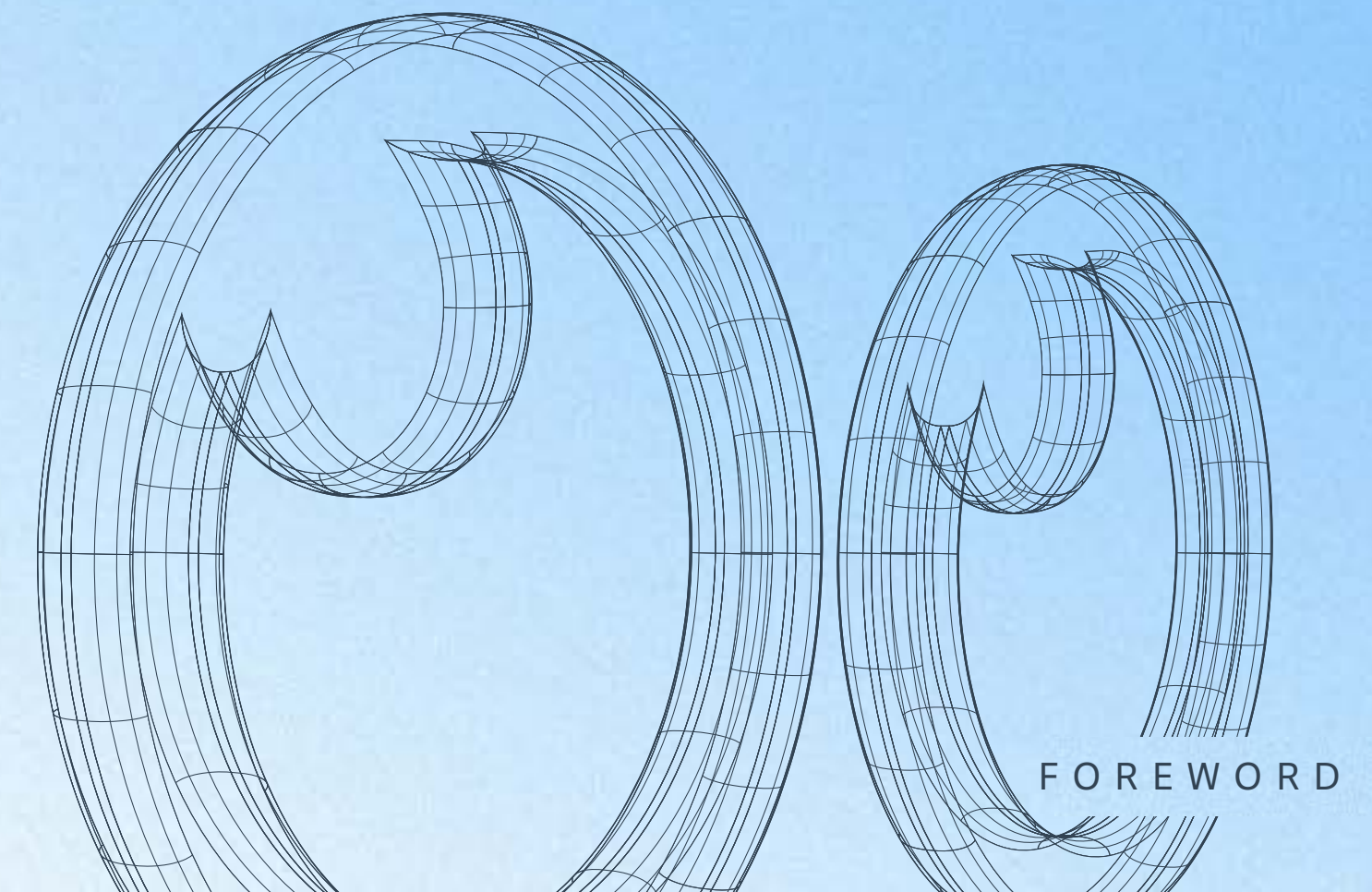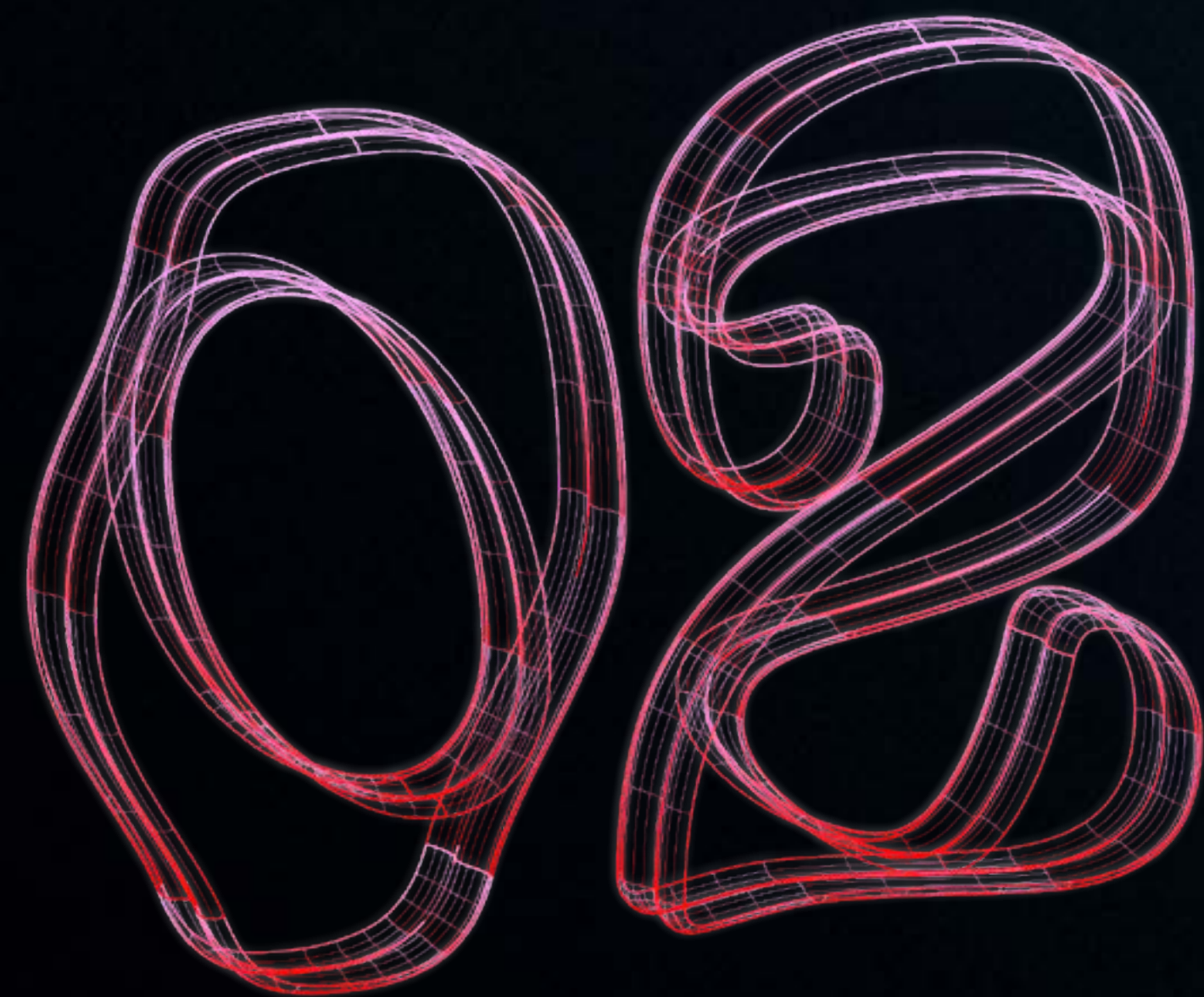
INTRODUCTION

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A term first coined by author Neal Stephenson in the 1992 science-fiction novel Snow Crash, the metaverse is a concept brought to life by the new era of the web. And at the helm, creators, who understand the space better than anyone else.

Although the word 'metaverse' has officially entered the cultural lexicon, there is not yet an agreed-upon definition. Currently, this is how we define it:

Metaverse
/ˈmɛtəvəːs/

The collective term for a current and future immersive form of the internet. An expansive network of digital spaces, which create a shared virtual environment for its users. It has been considered an evolved iteration of the internet – enabled by augmented, virtual and mixed realities, where users can traverse interconnected worlds and share experiences between real and virtual worlds.

The metaverse presents us all with new means of connection and experience – some of which we've already witnessed come to life: online gaming, virtual shopping experiences, exclusive brand drops, virtual events, NFTs, and virtual avatars are a few obvious examples, but future possibilities are limitless thanks to ever-evolving technological advancements.

To give you an idea of its potential scale: if mass adoption of metaverse technology started this year, by 2031 it would lead to a **2.8 percent contribution** to global GDP. **Citi predicts** the metaverse economy could be worth a staggering $13 trillion by 2030, with the potential to generate **$8.3 trillion** total consumer expenditure in the US alone, according to Morgan Stanley.

These are impressive figures, given it's still being built. It forms part of the next iteration of internet evolution and is unfamiliar territory for the majority of brands, agencies, and platforms. The metaverse is more immersive than its predecessors, and in a world where community is key, we argue that creators are the best individuals to help navigate this new and uncertain virtual terrain.

Historically, before user-generated content came into play, marketing focused on product and promotion, then shifted to emotion and engagement. The metaverse elevates those concepts, with a focus on experience and connection.

So, how will the metaverse impact the marketing industry, the quality of experiences and relationships, and community building? We're still working out the intricacies of how the metaverse comes to life – so what does creator marketing look like in the metaverse era?
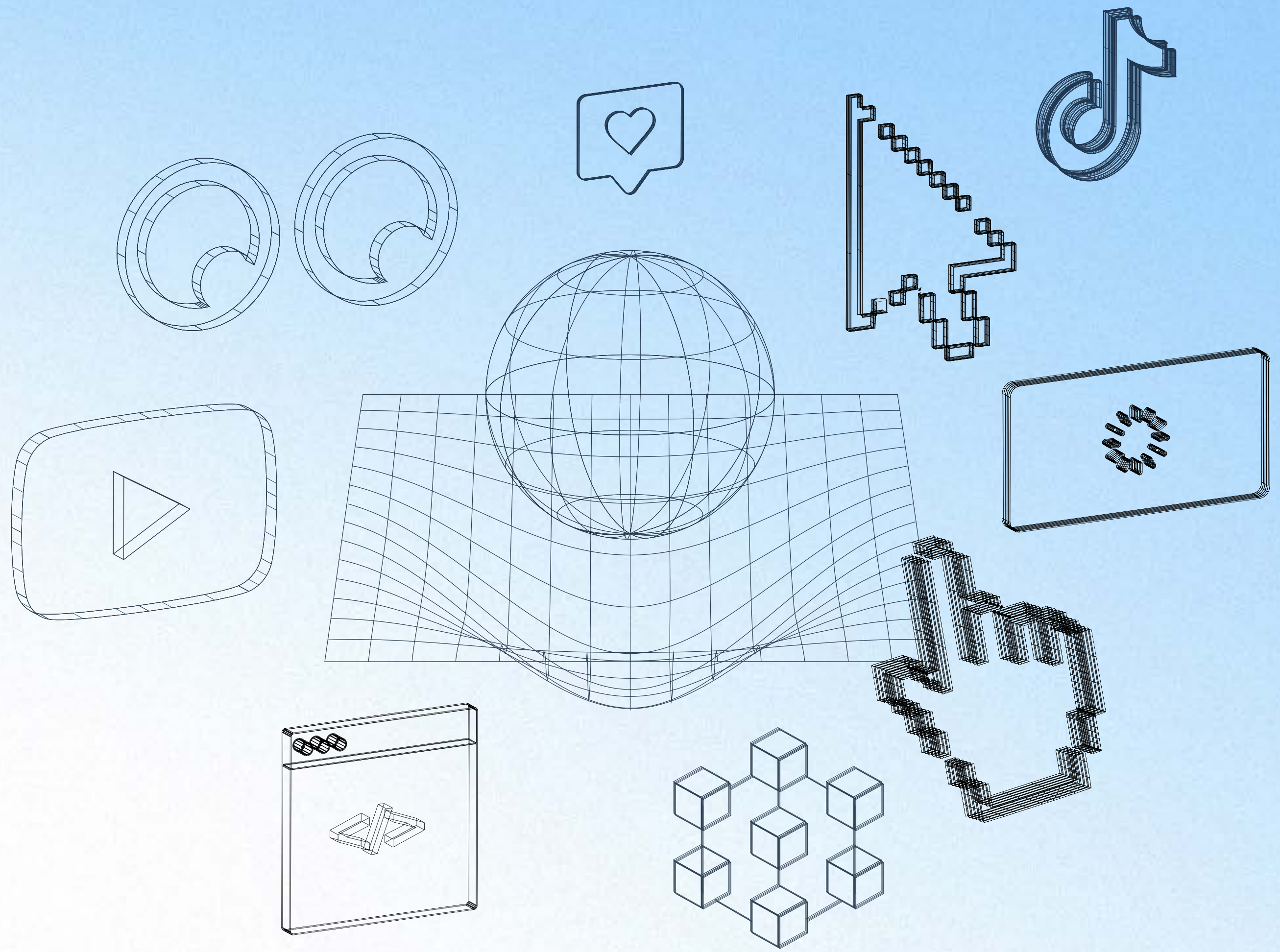
This report explores the expectations and concerns of over 4,500 consumers, marketers and creators in the UK and US to explore the opportunities provided by evolution of new technologies, and how brands and creators can future-proof their presence within the metaverse.
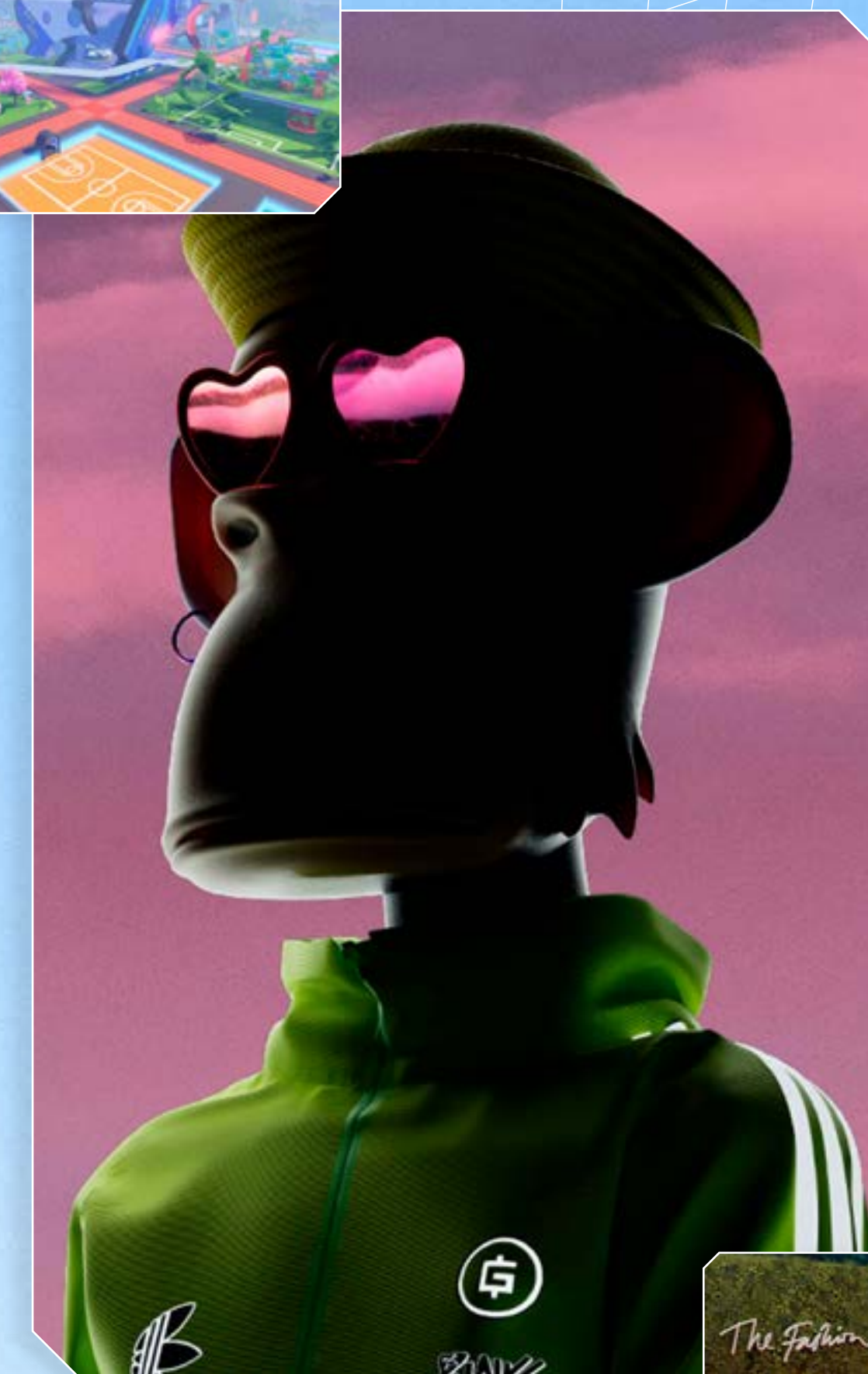
IMAGERY L-R: Courtesy of Nike, Adidas, Roblox

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META-WHAT?

META-WHAT?

The evolution of the internet has had a far-reaching impact on all corners of society. The birth of the internet saw us able to connect online for the first time, but only a few could create the content housed there. The mobile revolution followed, allowing us to do it all on the move.

The subsequent birth of social media afforded creative opportunities that up until that moment had been unimaginable. Anyone could create content from more or less anywhere, and share it with practically everyone. This democratised the space, creating accessible feeds fuelled by content from creators and the brands working with them.

Across this timeframe, the interaction between humans and screens remained the same. However, the metaverse creates an unprecedented, more fluid interaction between the real and virtual worlds. It combines existing innovation to evolve technological, social, and economic sectors.

However, before we delve into the opportunities offered by the metaverse, we need to make sense of how it's perceived. Ultimately, whether we understand it, how we feel about it, and what it could entail.

CONSUMER PERCEPTIONS

Over the past year, conversation around the metaverse has increased significantly. Google's search trends show an obvious spike in interest in the metaverse towards the end of last year.

When asked to choose the emotion they currently attribute most towards the metaverse, overall **UK consumers are feeling ambivalent (31%) or confused (19%).** These sentiments are reflected in the US too, with 21% claiming ambivalence and 21% confusion towards the metaverse.

It seems the problem goes right back to fundamental misunderstanding of what the metaverse actually is. **While 28% of US and 22% of UK respondents believe they could confidently describe the metaverse to someone else,** 39% and 47% respectively believe the creation of the metaverse is associated with Mark Zuckerberg. Meta's rebrand and shifted focus has clearly paid off and piqued consumer interest.

19%
of UK consumers feel confused towards the metaverse

31%
of UK consumers feel ambivalent towards the metaverse

Metaverse Google search interest over time

Becky Owen, Meta's Head of Creator Innovation & Solutions, Creative Shop EMEA notes: "Conversation on Facebook around the term "metaverse" grew 689% over the last 15 months". (Facebook IQ Culture Rising 2022).

Nevertheless, while Meta has huge stakes in the metaverse (it has **reportedly** invested a total of $10 billion into acquiring and developing both hardware and software that will be used to provide VR capabilities within the metaverse), it is wrong for consumers to assume the Facebook and Instagram parent company single-handedly created it.

"Conversation on Facebook round the term "metaverse" grew 689% over the last 15 months".

BECKY OWEN
Meta Head of Creator Innovation
& Solutions, Creative Shop EMEA
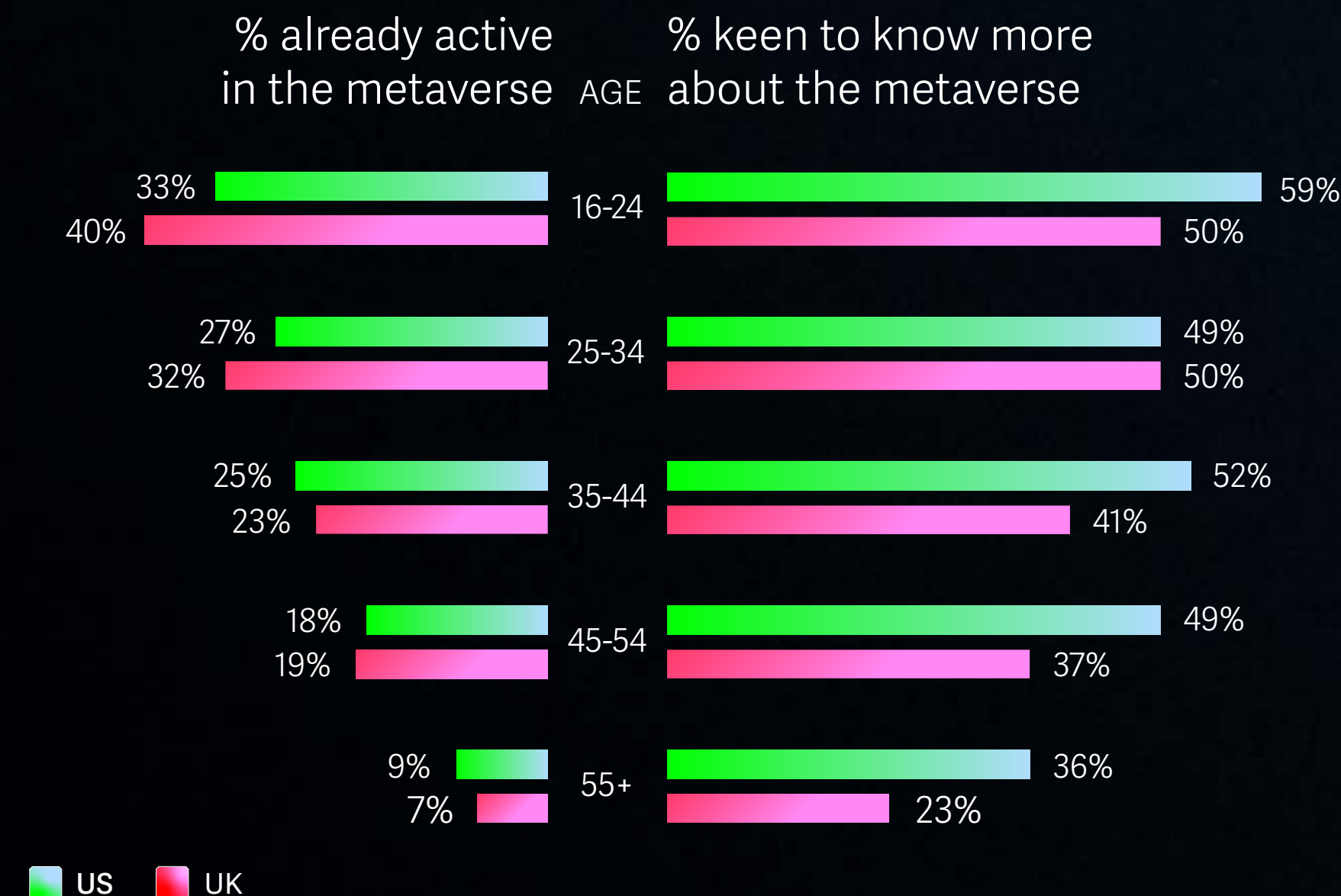
SO, WHAT DO CONSUMERS WANT?

As Billion Dollar Boy guides brands through this new era of creator collaboration within the metaverse, we have seen campaign briefs which predominantly align this new era of the web with younger audiences. It's assumed the metaverse is skewed young (Gen Z).

As predicted, the 16-34 year olds surveyed appear highly interested in the metaverse's potential. **40% of UK Gen Z respondents and 32% of UK millennials surveyed are already active within the metaverse, and half of both age groups are keen to learn more.**

Sébastien Borget, co-founder and COO of The Sandbox, a decentralised blockchain gaming platform where players can build, own, and monetise their gaming experiences, has seen this trend in his work, saying: "Gen Z spends more time engaged digitally and young people also increasingly value their digital reputation and appearance highly. This has encouraged major brands to enter the metaverse to reach a new generation of customers and interact with them in an authentic manner."

While the data leans this way, it's not as clear cut as 'target Gen Z and leave the Boomers out of it'. **Over a fifth (21%) of 35-54-year-olds in the UK are already active within the metaverse, and 39% of them are keen to learn more.** This appetite is reflected on a bigger scale in the US, where **22% are already active within the metaverse and over half (51%) are keen to learn more.** So, let's not discount our Gen X and Y counterparts just yet.

Brands are constantly on the lookout for innovative and engaging ways to speak to their communities, and the metaverse provides a goldmine of untapped creative opportunities (some of which we aren't even aware of yet) to explore. They just need to be open minded in where it might go.

% already active in the metaverse   AGE   % keen to know more about the metaverse

AGE	% already active (US)	% already active (UK)	% keen to know more (US)	% keen to know more (UK)
16-24	33%	40%	59%	50%
25-34	27%	32%	49%	50%
35-44	25%	23%	52%	41%
45-54	18%	19%	49%	37%
55+	9%	7%	36%	23%

US   UK

BRANDS: FINDING YOUR PLACE IN THE METAVERSE

First and foremost, brands must ask themselves why they want to enter the metaverse, how they want to show up, what value they will provide to consumers, and what value they want to get from it. Brands must also consider what meaningful impact they can make within the metaverse, and what conversations they can initiate.

They must champion spaces where people can connect, and facilitate relationships where users can share values and interests. Neglecting these considerations will leave consumers wondering why they should bother engaging with them within the metaverse and beyond.

And finally, brands must put their trust in it.

Remember, it took brands a while to warm up to creator marketing. **Global spend** on Instagram influencer marketing in 2014 was $100 million. This shot up to $7 billion in 2019, at that point we saw a huge investment from big brands across the board. That same year, Estée Lauder **announced** they were planning to spend 75% of their marketing budget on 'influencers'.

Widespread buy-in to the metaverse is likely to look the same, but those who do it early and do it right will learn how to nail their activations for the future.

Right now, it might be all about generating earned media but if it's a mass participation experience brands focus their efforts on, for example, they'll need to encourage over half of consumer audiences (55% still aren't active within the metaverse) to cross that barrier for the first time before seeing any relative success or ROI.
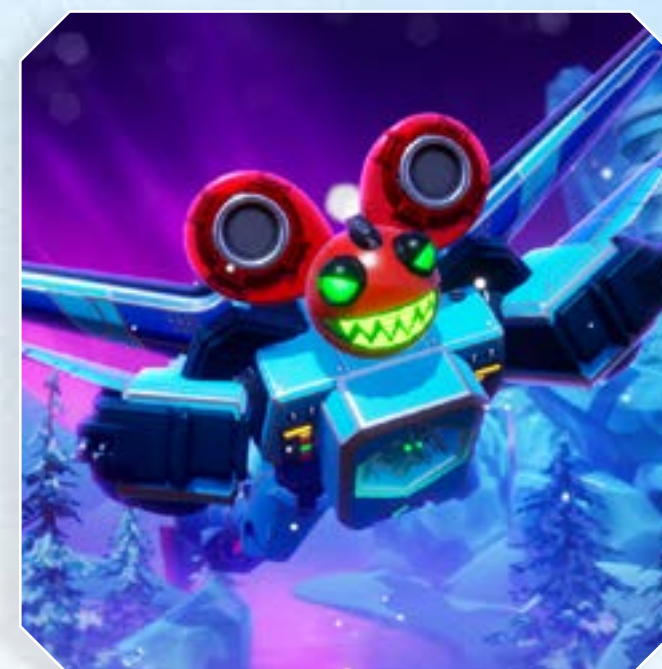
Advice from major players has a common theme: brands must ensure their purpose for existing within the metaverse is clear and that their core brand spirit is translated across accordingly.
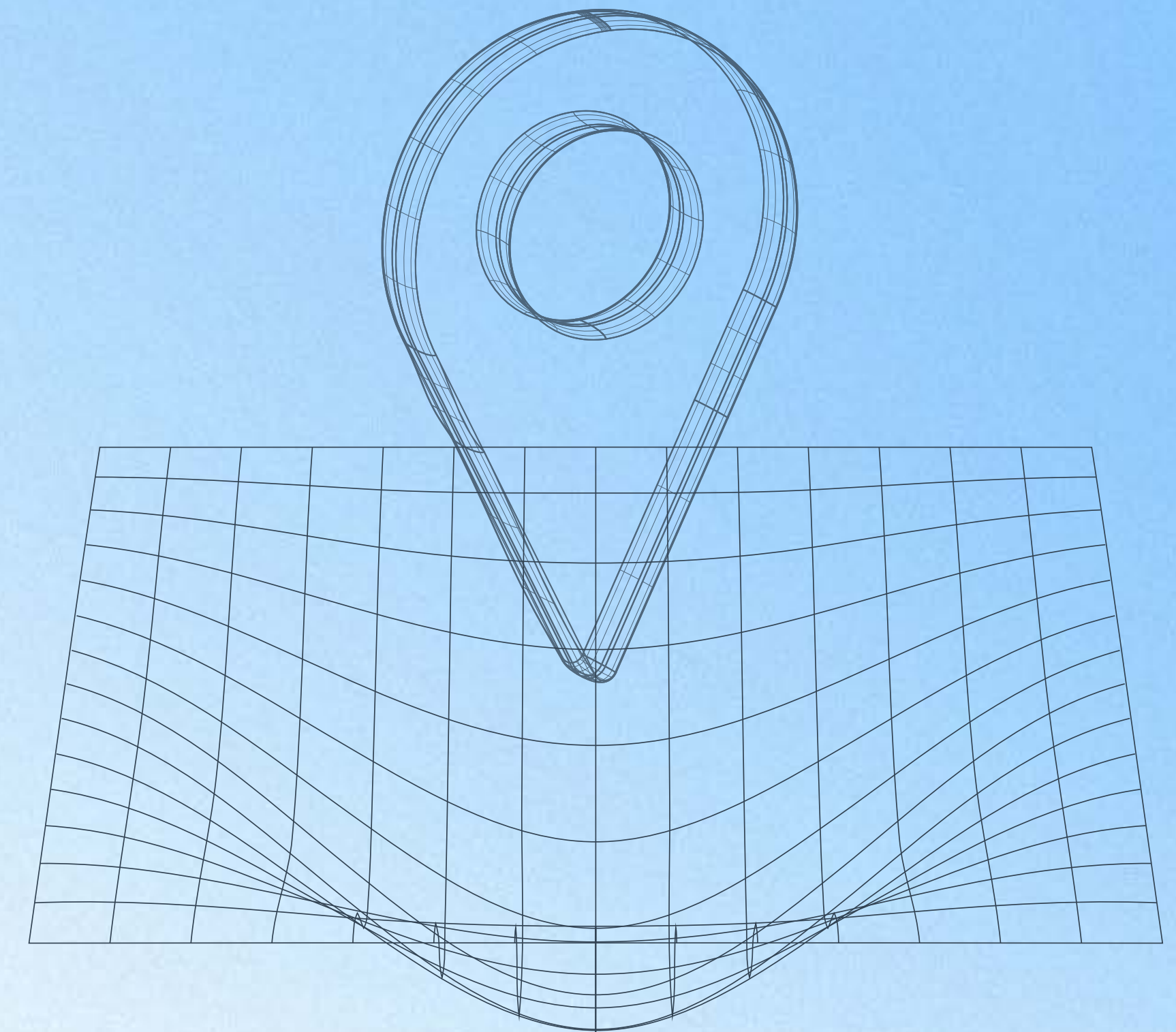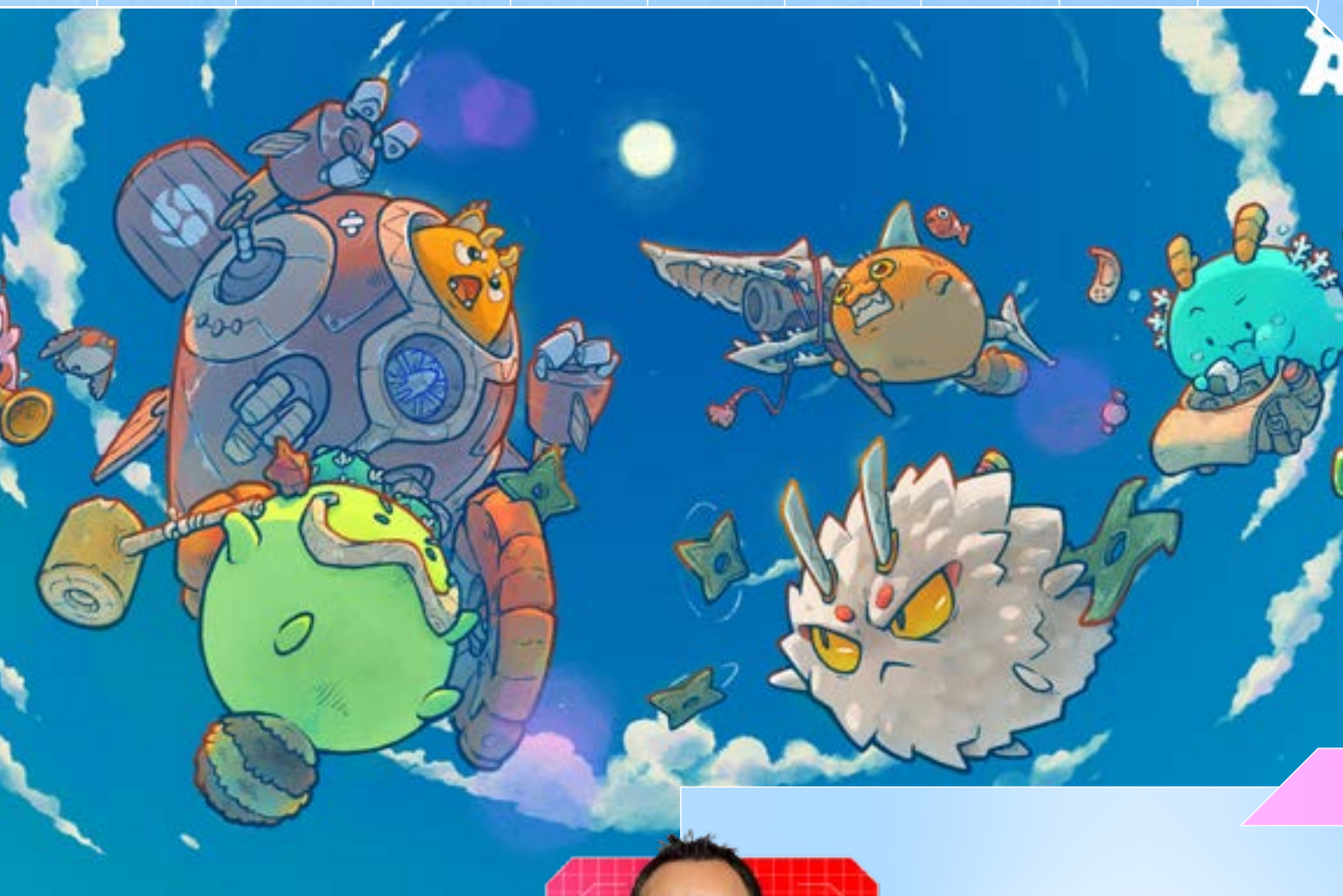
Sébastien Borget advises: "The most important thing [brands] can do is listen to their community and be true to themselves. New technology [...] allows them to magnify their brand identity and what they stand for in new ways, but it all revolves around staying true to their DNA. They shouldn't view the metaverse as an opportunity to cash in; they should view it as a new opportunity to digitally engage with their customers."

The metaverse offers an immersive reality – an opportunity for audiences to not only view content, but interact with it and take part in it. The possibilities haven't yet been fully explored, understood or figured out. What we do know is brands can't just duplicate the real world in the digital world to succeed – or replicate the past to create the future. Real people are still at the forefront of these experiences and have a deep desire to connect with each other. The metaverse can help to enhance those connections.

Scott Keeney, CEO of DXSH – which has built metaverse experiences for the likes of Paris Hilton & Major League Baseball – highlights the importance of collaboration and a test-and-learn approach in order to succeed: "Web3 is all about community, and authenticity is key. Brands and individuals who come in over the top without community behind them will fail. Learn, surround yourself with the right team and people, and also realise you don't have to make the biggest splash on day one. Collaborations and integrating inside other projects, platforms, and communities are a great way to establish yourself and test the waters in the space."

"They shouldn't view the metaverse as an opportunity to cash in; they should view it as a new opportunity to digitally engage with their customers."

SÉBASTIEN BORGET
Co-founder and COO of The Sandbox

IMAGERY L-R: Courtesy of Sky Mavis, Deadmau5

MARKETER MENTALITY

So, where do brands currently stand? Perhaps for fear of being left behind, brand marketers across the globe have jumped at the chance to execute within the metaverse. Out of those surveyed, **57% of US and 46% of UK respondents state they are already executing marketing strategies within the metaverse**. Additionally, 55% of UK brand marketers have a dedicated in-house team or agency exploring possibilities within the metaverse. This investment is heightened in the US, with 69% admitting the same.

Brand marketer belief in the metaverse's potential success is incredibly high. Strikingly, 59% and 55% of US and UK respondents respectively admitted they have budget set aside for marketing activity within the metaverse which has been taken from other marketing channels.

69%
of US respondents have a dedicated in-house team or agency exploring possibilities within the metaverse.
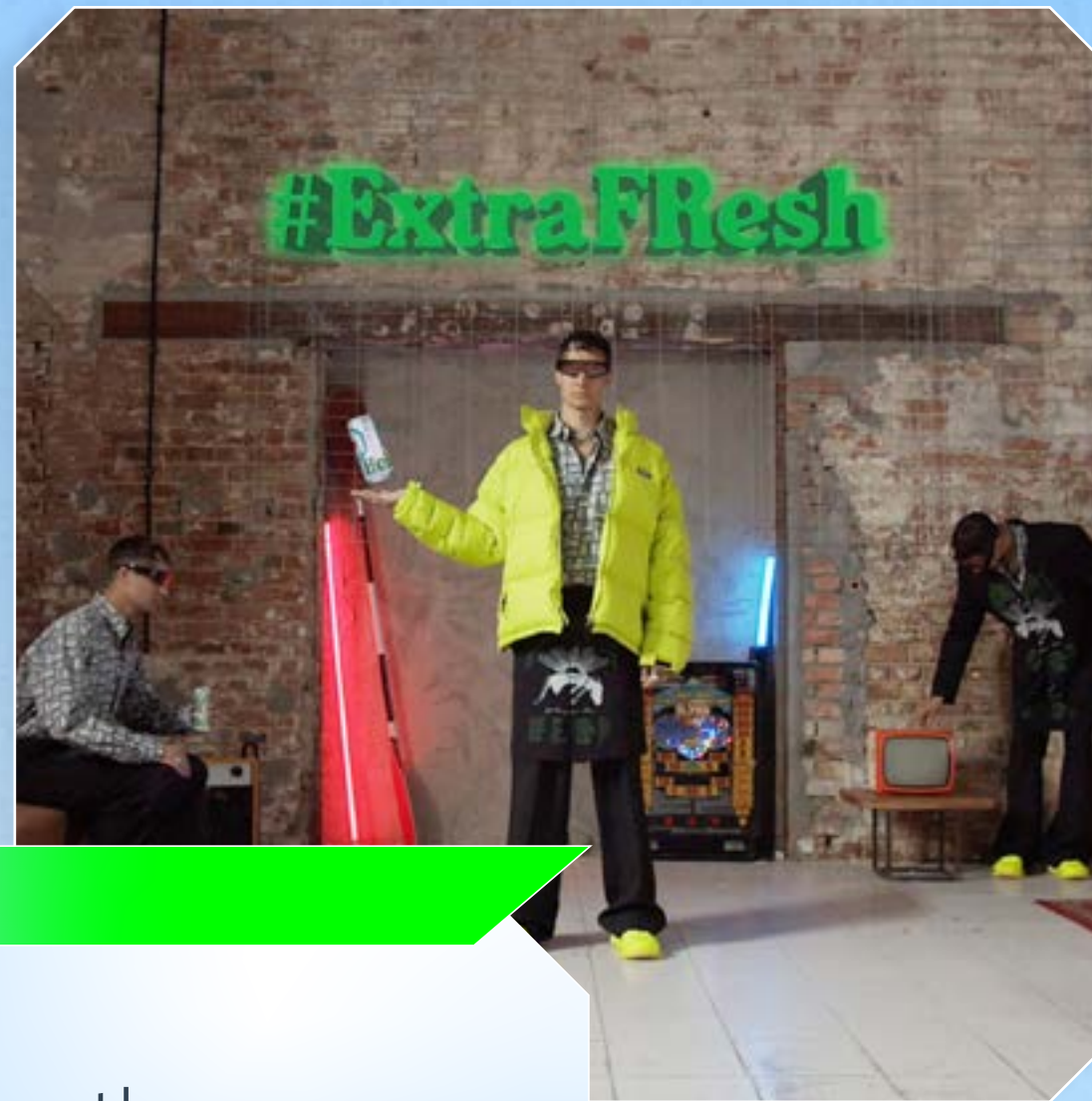
46%
of UK respondents are already executing marketing strategies within the metaverse

59%
of US respondents have budget (taken from other marketing channels) for marketing activity within the metaverse
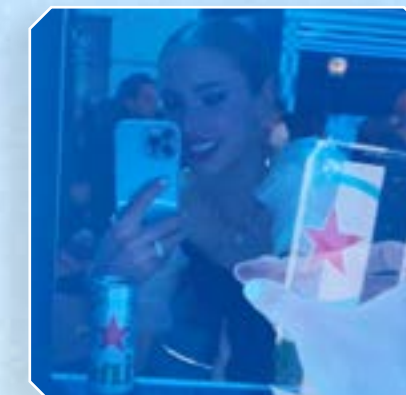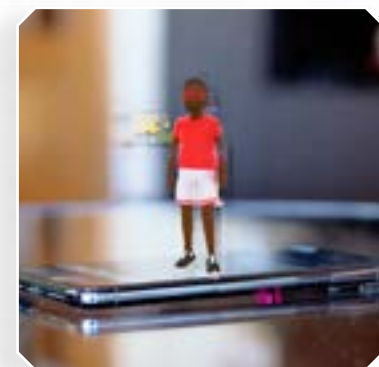
55%
of UK respondents have budget (taken from other marketing channels) for marketing activity within the metaverse

There are brands that foresaw this potential in the metaverse's ability to support campaign objectives. As **Jonathan O'Lone, Heineken Brand Global PR Lead** admits: "Our marketing strategy towards the metaverse has been proactive, rather than reactive; we are always looking at innovation as a source for creativity. As such, we haven't diverted budget away from anything specific."

Heineken is a brand that has also utilised places in the metaverse and creator collaboration as part of an innovative marketing approach. Billion Dollar Boy worked with Heineken as a creative agency partner for its launch of the world's first virtual beer at a brewery in Decentraland, poking fun at the absurdity of a virtual beer and other brands that jumped into the metaverse with products that are best enjoyed in the real world.

Creators were integrated during each phase of the campaign – creating reactive game-play content and assets, building hype pre- and post-launch. We used the role of creators to celebrate authenticity and realness in social moments using their unique brand of creativity.

This virtual experience launched alongside social and OOH advertising campaigns to highlight the undrinkable beer, and once it was clear how ironic the launch was, follow-up real-world Metabar parties elevated consumer experience to an enhanced level. The campaign generated widespread talkability and was awarded four Cannes Lions awards at the 2022 Cannes Lions International Festival of Creativity. It was a brilliant example of how combining virtual and physical worlds can pack a punch if executed correctly.

"Our marketing strategy towards the metaverse has been proactive, rather than reactive; we are always looking at innovation as a source for creativity. As such, we haven't diverted budget away from anything specific."

JONATHAN O'LONE
Heineken Brand Global PR Lead

IMAGERY L-R: Courtesy of @miguelparaiso, @cybermarianpl, @bashtheentertainer, @drummeerr, @jessicabrugali

Contrary to consumer sentiment, overall brand marketers are feeling both excited and hopeful about the prospects this new era of the internet may bring. In the UK, when asked to choose the emotion they attribute most to the metaverse, **almost a third (30%) chose 'excited' and a quarter (25%) selected 'hopeful'.** Across the Atlantic, optimism is slightly enhanced, with 34% choosing 'excited' and 26% selecting 'hopeful'. The minority (18% in the UK and 13% in the US) are feeling confused, despite 46% and 57% respectively already executing marketing strategies within the metaverse.

However, there appears to be a disconnect in associated value. On examining brand marketer opinions on the metaverse in a professional versus personal capacity, **almost half (43%) in both markets agreed that whilst they are working within the metaverse on a professional level, they have no interest on a personal level.** As consumers themselves, where do they see the value in the metaverse?

New immersive technology allows brands to connect with their audiences on a new level and build new worlds for their communities to explore. Therein lies an opportunity for brands to learn from creators on how best to reach those communities.

Brand marketer sentiment attributed to the metaverse

30%
'Excited'

25%
'Hopeful'

UK

18%
'Confused'

36%
'Excited'

26%
'Hopeful'

US

13%
'Confused'
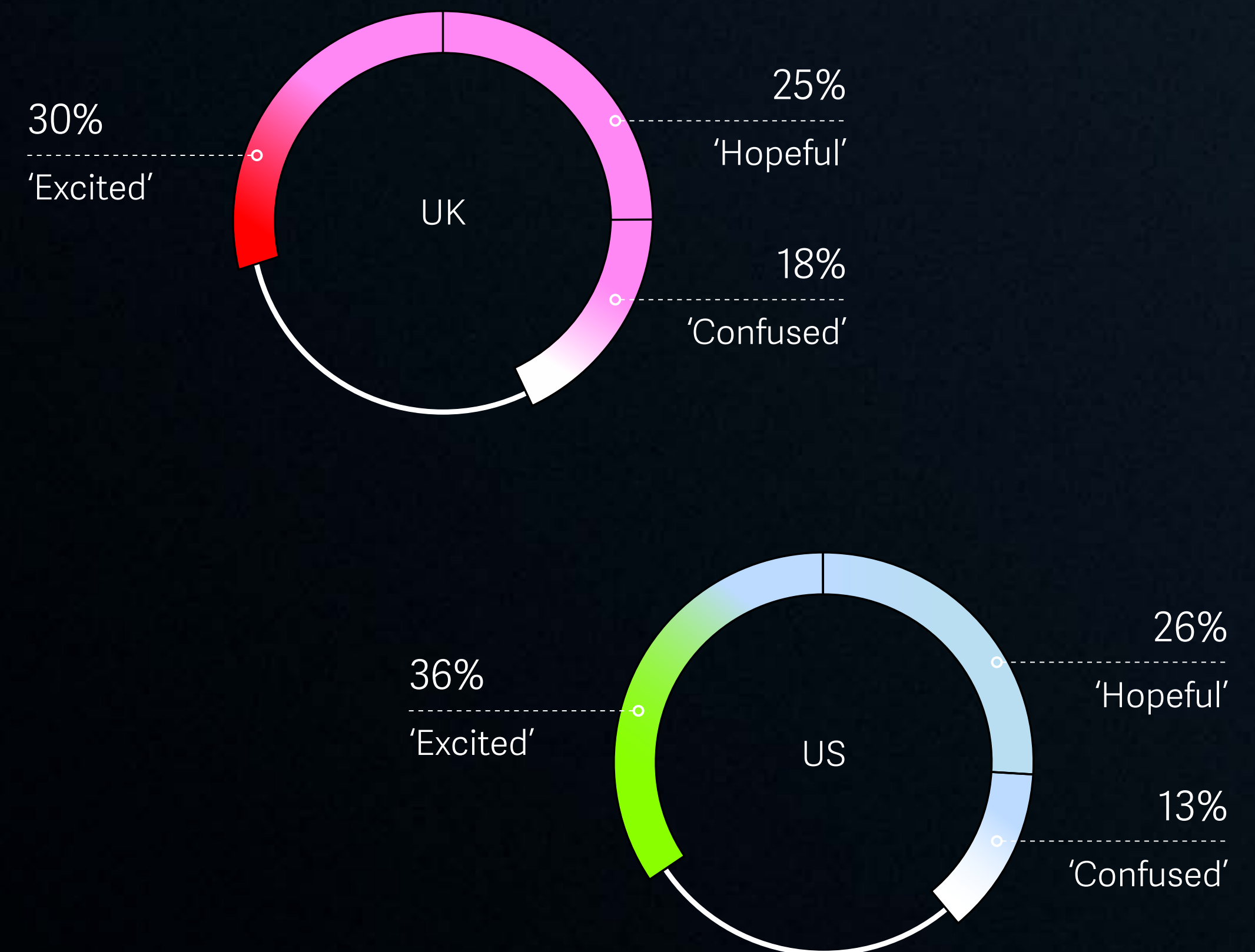
WHAT DO CREATORS THINK?

Creator sentiment sits somewhere between that of consumers and brand marketers. **Overall, the majority of respondents across the UK and US said they are most feeling hopeful about the metaverse (32%).** This was closely followed by 29% stating they are excited. Some trepidation should be recognised though, with 27% expressing confusion most accurately representative of their feelings towards the metaverse, while 8.8% agreed they are intimidated by it.

The metaverse provides and will go on to provide ample opportunity for creators to flex their creative muscles. **Andrew Ling (@andrewling)**, creator and photographer expresses: "I spend tons of time in [the metaverse] already and am looking forward to more! We live in such a digital world that is only becoming more digital-focused every day. It's the future."

Bash Mbunzama (@Bashtheentertainer), creator and comedian agrees. He says: "It's going to be amazing and I can't wait."

From our research, it's apparent that creators are eager to take any learning opportunities they can – 91% of creators in both markets say they are keen to know more about the metaverse and how they can benefit from it. 29% of creators surveyed say they are planning on operating within the metaverse over the next year, without question. Interestingly, a majority of responses (53%) say they want to, but aren't sure where to start.

Creator sentiment attributed to the metaverse

29%
'Excited'

27%
'Confused'

32%
'Hopeful'

9%
'Intimidated'

3%   'Ambivalent'
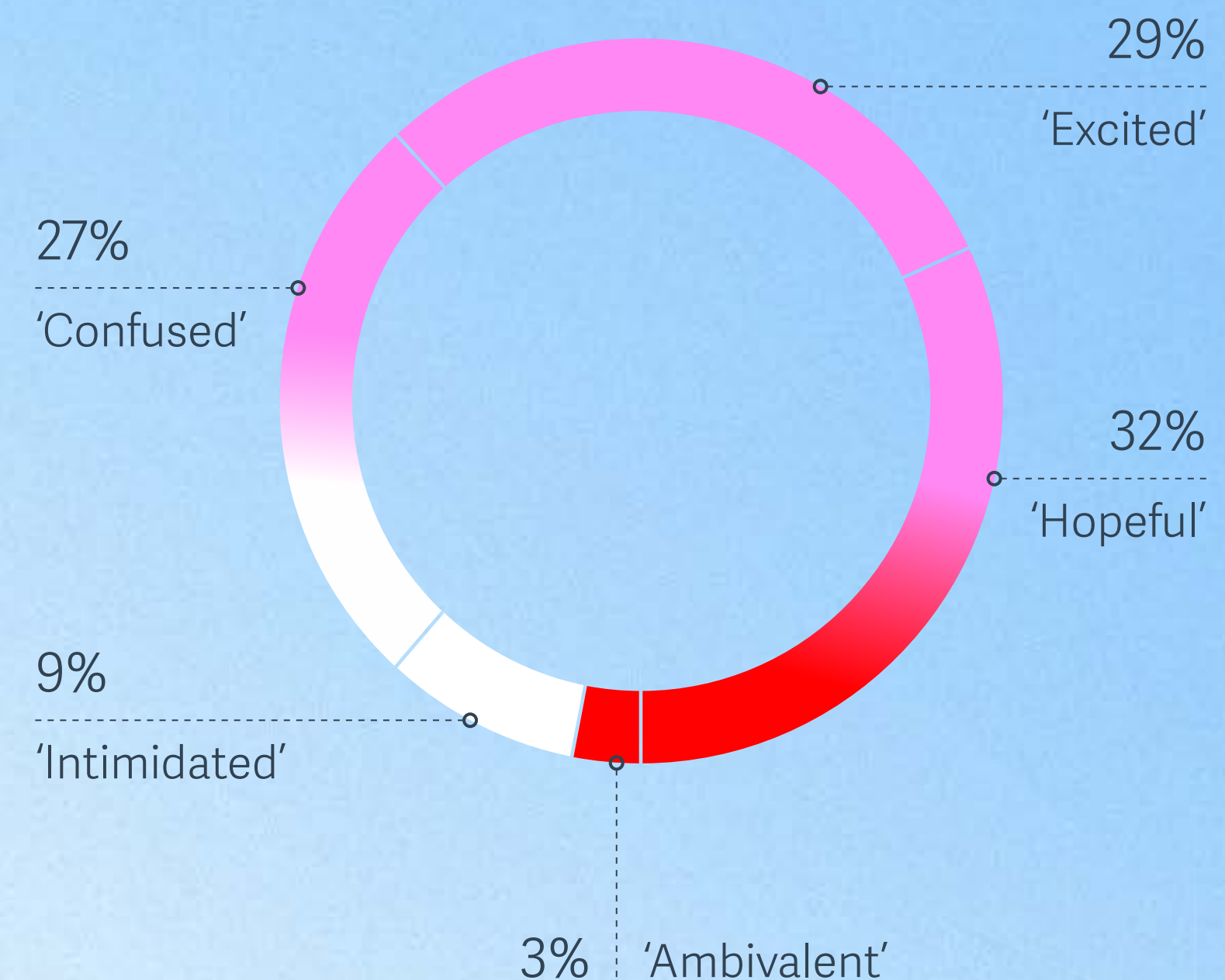
Victor, digital creator behind @hisOOTD sums up this sentiment nicely. While he feels most hopeful about the metaverse, Victor says: "I'm not very familiar with the metaverse yet and I feel a bit intimidated. At the same time, if people like me become educated on this matter, the metaverse could take over a big market."

Early adopters are key here, leading the way and providing inspiration and motivation for others.

Luda Weigand (@Luda_) is a creator and DJ anticipating big things from the metaverse: "When [it] is fully immersive and is adopted by more people, I will definitely be joining."

Only 6% of creators surveyed say they're not planning to operate within the metaverse over the next year at all. This small percentage reflects the concerns and questions held by consumers, too. **Anima Agyeman (@anima.agyeman)**, creator and model is part of this group, and brings valid arguments to the table: "I'm apprehensive about the prospect of virtual reality and the unknown long-term effects it may have on us socially, physically and psychologically."

The metaverse's full potential and effect is not yet known. At the helm, it requires a diverse group of makers to ensure equal representation, and that offers creators the opportunity to ensure it truly is a democratised space with shared ownership for all.
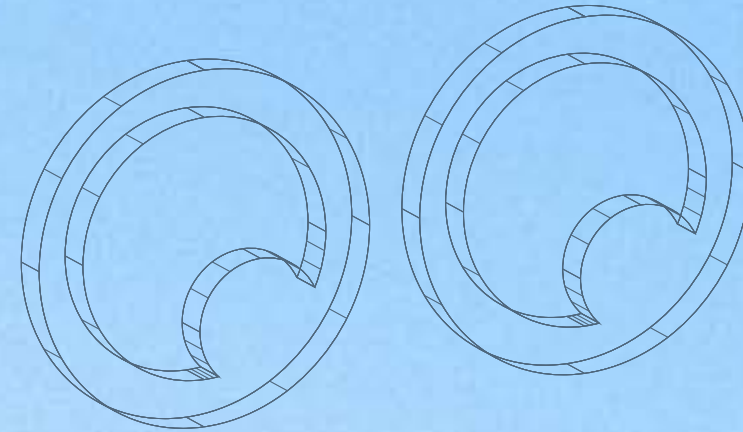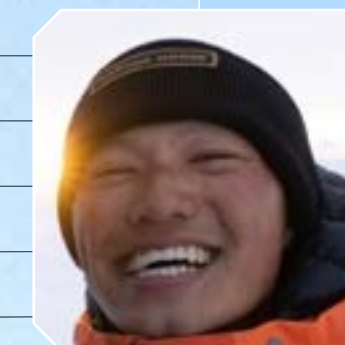
"I'm not very familiar with the metaverse yet and I feel a bit intimidated. At the same time, if people like me become educated on this matter, the metaverse could take over a big market."

VICTOR
@hisOOTD
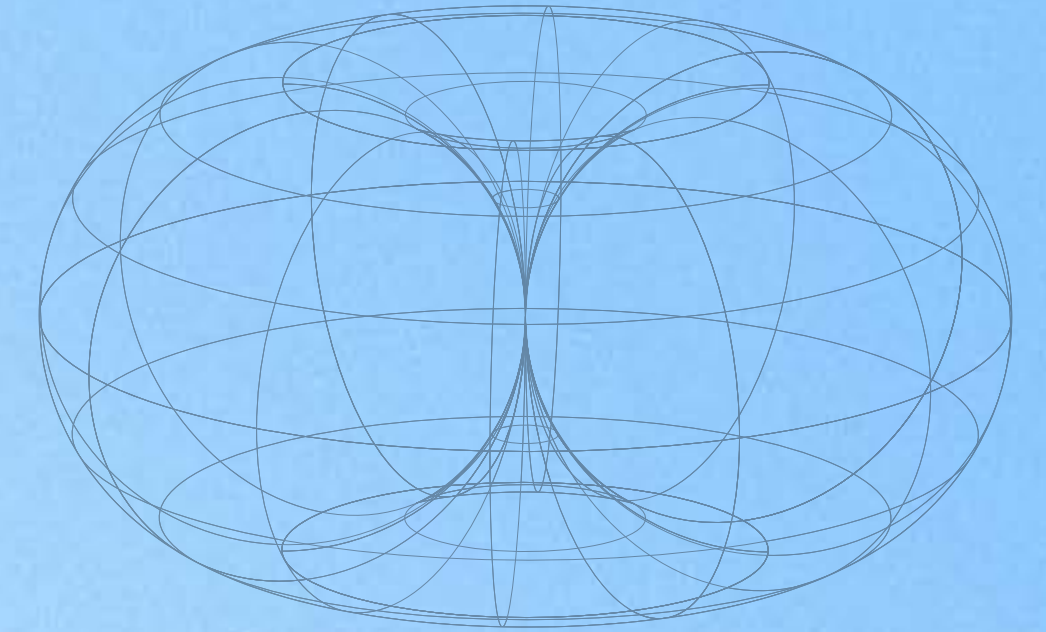
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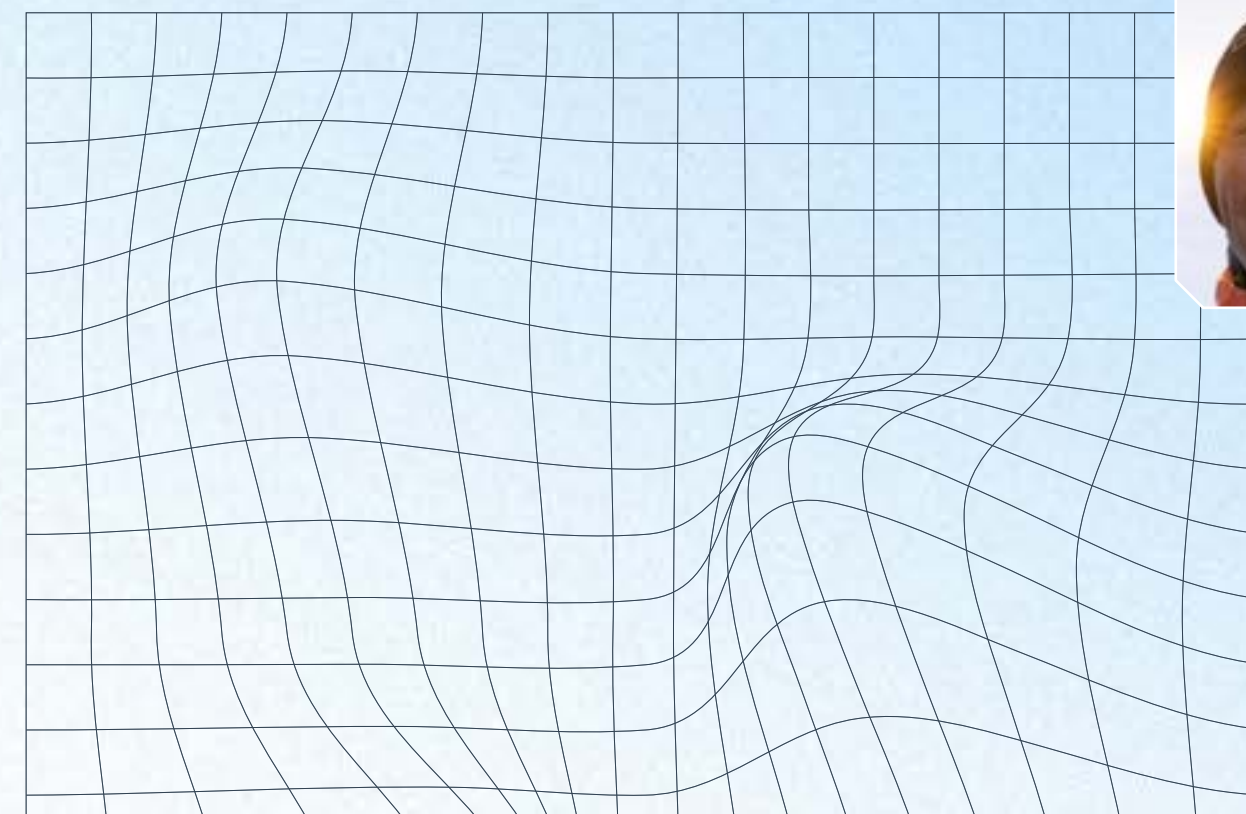
"I spend tons of time in [the metaverse] already and am looking forward to more! We live in such a digital world that is only becoming more digital-focused every day. It's the future."

ANDREW LING
@andrewling

CREATORS AT THE CORE

CREATORS AT THE CORE

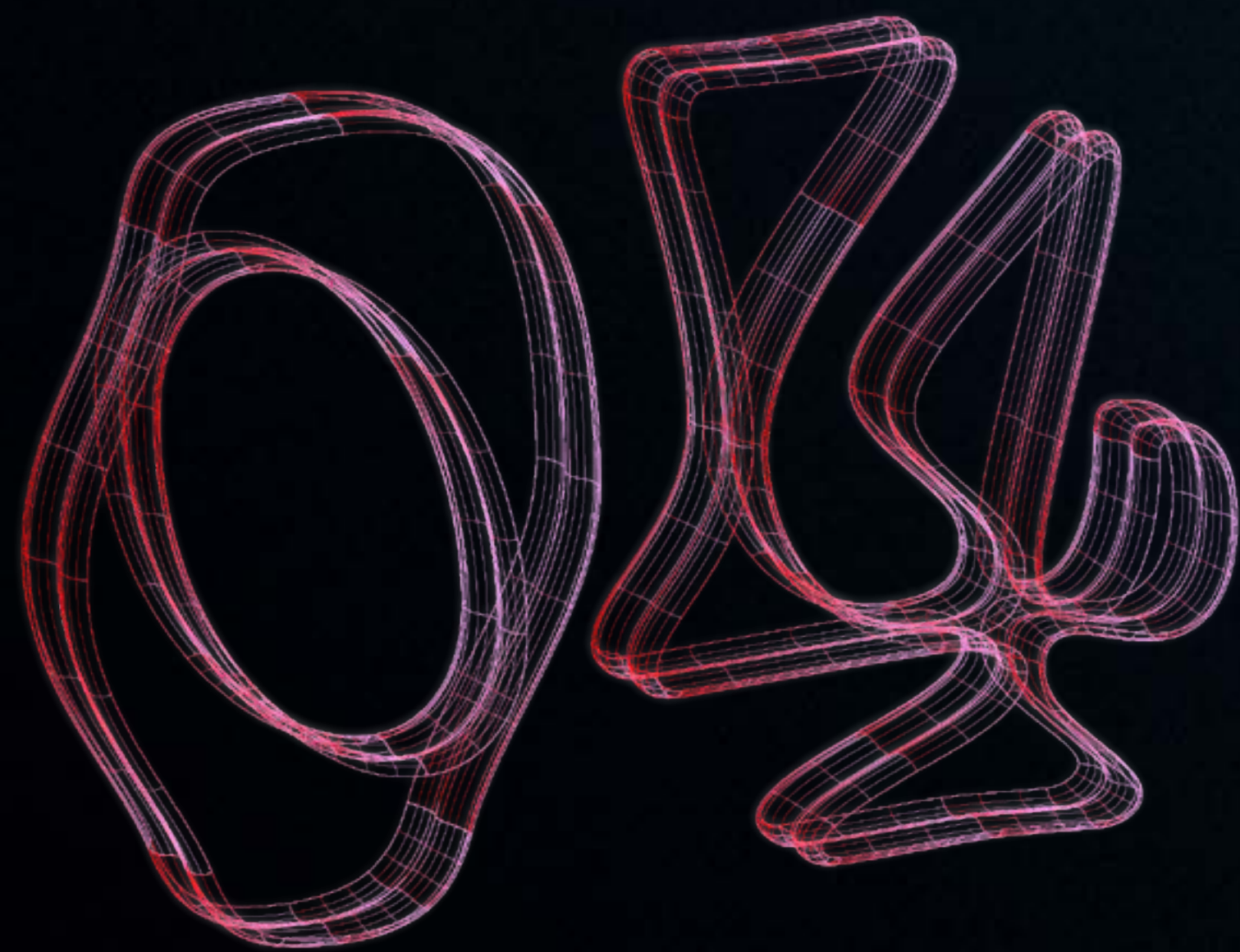As an industry, we've been battling negative 'influencer' stereotypes for a long time. The best way to look at creators is to compare them to traditional media avenues.

Public and media perception of creators (more commonly referred to as 'influencers') often refers to a small group of reality TV stars and celebrities who are not wholly representative of the creative, innovative and technically-skilled creators we see today. This select group can be likened to the tabloids of traditional media. But just as we have tabloids (reality TV stars), we have cookery or gardening programmes (food or sustainability creators) and home and interior magazines (lifestyle creators).

Anecdotally, we saw hesitancy in the early days from brands to adopt then 'influencers' into their marketing plans. However, when the pandemic hit and professional shoots were cancelled, creators stepped up and proved themselves by creating quality content from the comfort of their own homes. Brands began to centralise the role of creators and trust was fostered – and marketers must rely upon that trust as we move into this new era of the web.

Whenever a new space appears, those who spend the most time exploring and experimenting understand its power best

and go on to share their expertise more widely. Creators at the core of the metaverse co-creation process and those who are working within it understand the space better than any of us, having spent time honing their skills and building loyal communities.

As **Remi Akande (@remiakande)**, digital creator testifies: "Change is inevitable. The metaverse is evolving by nature [and] will be far more pervasive and powerful than anything else before it."

Brands that are hesitant to employ creators generally, and from the early stages of their metaverse marketing campaigns are likely to miss out. **Scott Guthrie, Director, Influencer Marketing Trade Body** agrees, "It's communities not companies who hold power on Web3. And, it's creators who can mobilise those communities."

"It's communities not companies who hold power on Web3. And, it's creators who can mobilise those communities"

SCOTT GUTHRIE
Director, Influencer Marketing Trade Body

NEW ERA OF CREATOR COLLABORATION

Promisingly, our research found **81% of US brand marketers say they would collaborate with a creator on campaign briefs and ideas** – indicating an openness to involve creators from the beginning of the campaign process, rather than using them solely as an execution tool later down the line. A similar proportion (79%) of UK brand marketers agree.

Sara McCorquodale, acclaimed author, and CEO and founder of CORQ – the influencer intelligence, influencer discovery and digital trend forecasting service expands: "The metaverse allows creators to create immersive experiences for their community, using the many years of data and knowledge they have about what their audience wants and enjoys. When it comes to the metaverse, […] creators will produce metaverse projects which directly serve their followers, led by intuition and data, and marketed through their own platforms. This focus on community rather than a demographic is significant. Brands that want to succeed in the metaverse in the next three years should be striking deals with creators now."

These partnerships should overlap brand values with what the community craves. **Jonathan O'Lone** says, "The reality today is that consumers are wise to marketing so for a collaboration to truly resonate it at least has to show that there is a connection beyond simply a financial one."

"This focus on community rather than a demographic is significant. Brands that want to succeed in the metaverse in the next three years should be striking deals with creators now."

SARA MCCORQUODALE
CEO and founder of CORQ

When it comes to metaverse-specific activity for brand marketers, given the choice between working with a creator with experience in the metaverse, an independent consultant with industry expertise and a company claiming to specialise in the metaverse, creators come out on top as preferred advisors.

Additionally, 60% of UK and 59% of US marketers say they would be willing to give up creative control for a metaverse campaign to work with a creator who understands the metaverse better than they do. And, with oversight, 68% of UK and 67% of US brand marketers say they would feel comfortable handing over campaign briefs and ideas for a creator to strategise and execute.

These figures are astounding and show a real shift in marketer mentality, especially considering trust has previously been a real sticking point within the industry. For brands in this new era of the internet, working with agencies and teams who understand creator marketing inside-out and relinquishing control could be a direct portal to success.

So, why is it that 69% of UK brand marketers and 66% of US brand marketers feel most comfortable having complete control over campaign briefs and ideas within non metaverse-specific marketing avenues? Creators have proven time and time again to have a positive impact on campaign concept, messaging, and ROI, so shouldn't only be trusted to input on metaverse-specific activity. Moving forward, brands must adopt the metaverse as part of a multi-channel and trans-media approach, allowing creators to flex their muscles as outsourced creative directors.
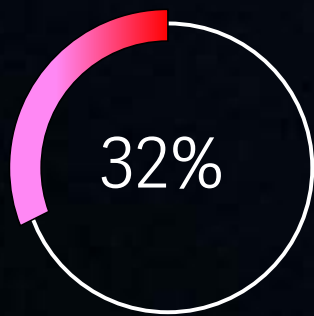
Who would brand marketers most like to work with on their metaverse specific activity?
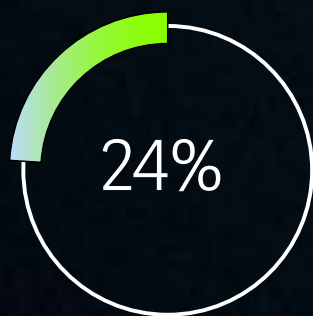
Creators with metaverse experience

41%   40%
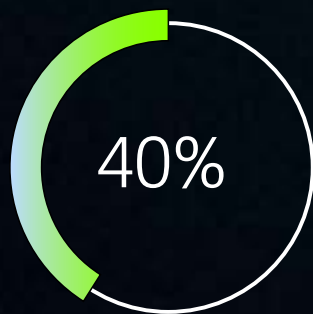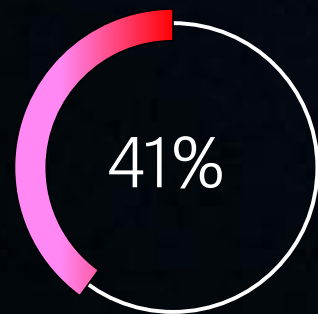
Independent consultants with industry expertise

32%   30%

A company claiming to specialise in the metaverse

24%   24%

■ US   ■ UK

The Sandbox is a platform championing creators for their role in the co-creation of the metaverse. **Sébastien Borget** highlights: "Creative activity is the primary force behind our metaverse and that's what is driving user interest most at the top level. The Sandbox is […] a user-generated content ecosystem that rewards creators with 95% of their proceeds, and a decentralised virtual economy where players and creators have full ownership of anything they create or buy, and full authorship of everything they create."

With any new space, Web3 and the metaverse isn't without its challenges. There has recently been criticism around platforms unfairly compensating creators. The fundamental essence of the metaverse is a proposed egalitarian space with shared and transparent ownership. Creators must be rewarded not only reputationally but also financially.

"Creative activity is the primary force behind our metaverse and that's what is driving user interest most at the top level."

SÉBASTIEN BORGET
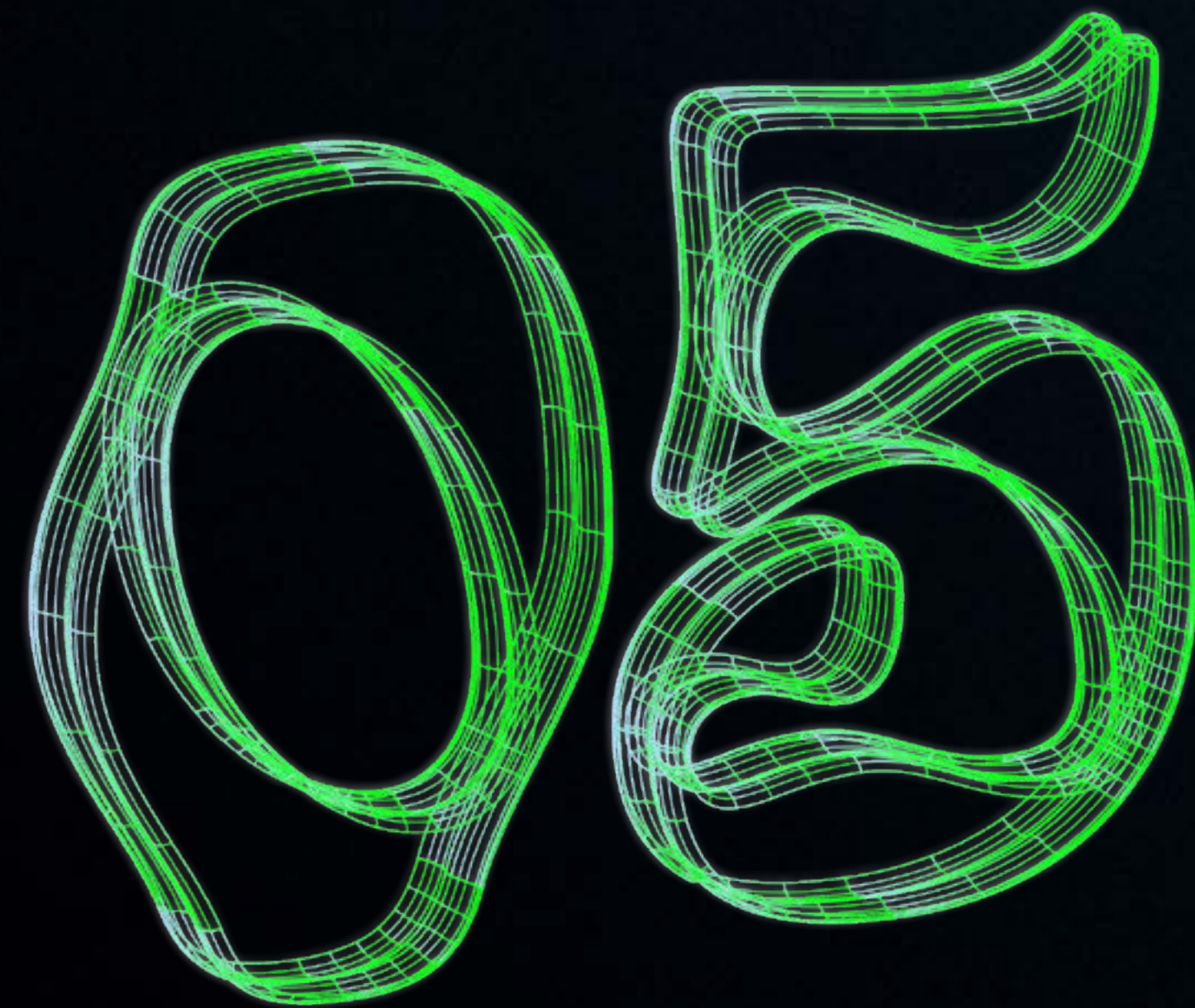Co-founder and COO of The Sandbox

Courtesy of The Sandbox

05

ACTIVATION AND DISTRIBUTION

ACTIVATION AND DISTRIBUTION

There are a plethora of reasons to justify working within the metaverse, or utilising elements of it to reach communities. Highlighting the importance of creators to do this is one thing, but how does this actually play out in reality, and how can brands use this new technology to create memorable and immersive experiences for their audiences?

Ultimately, activating within the metaverse today involves applying already existing marketing tactics to new technologies. At the foundation of these campaigns should be a mapped out strategy with a focus on education.

When it comes to us all, cost is at the forefront of our minds, and every penny has to work harder than ever before. Many of the brand activations we've seen so far have been big budget and typically bespoke. However, brands should consider using elements of the metaverse at all stages of the marketing funnel. This champions the inclusivity embodied by the principles of the metaverse and could be considered a more accessible approach to consumer outreach.

Brands can start small and work their way up to a more fully-fledged strategy as the metaverse develops. There are two ways we predict metaverse technology will be used by successful brands in the space. They can employ creators (and virtual influencers, but we'll come onto them later) for both approaches.

IMAGERY L-R: Courtesy of Louis Vuitton, Verizon/Fortnite, Vans/Roblox

METAVERSE ACTIVATION, IRL DISTRIBUTION

One route brands could take is to create an experience or activation that takes place within the metaverse, which could be signposted through pre-existing mainstream channels.

Brands might decide to collaborate with makers who are familiar with virtual worlds to co-create virtual experiences within the likes of Decentraland, Sandbox, DXSH or Roblox, which could then be promoted through a creator's more traditional social channels.

Last year, fashion house Balenciaga became the **first luxury brand** to partner with Epic Games' Fortnite, blending the physical and virtual worlds and offering its fans something new. Four bespoke skins were created, alongside Balenciaga-themed accessories and cosmetics, which could be bought from a virtual store within the metaverse. Above the virtual store was an animated billboard – this showed up in the real world as well, alongside a real-world clothing line. Fans who bought real-life clothing and accessories had the opportunity to unlock the Balenciaga outfits on the Fortnite platform.
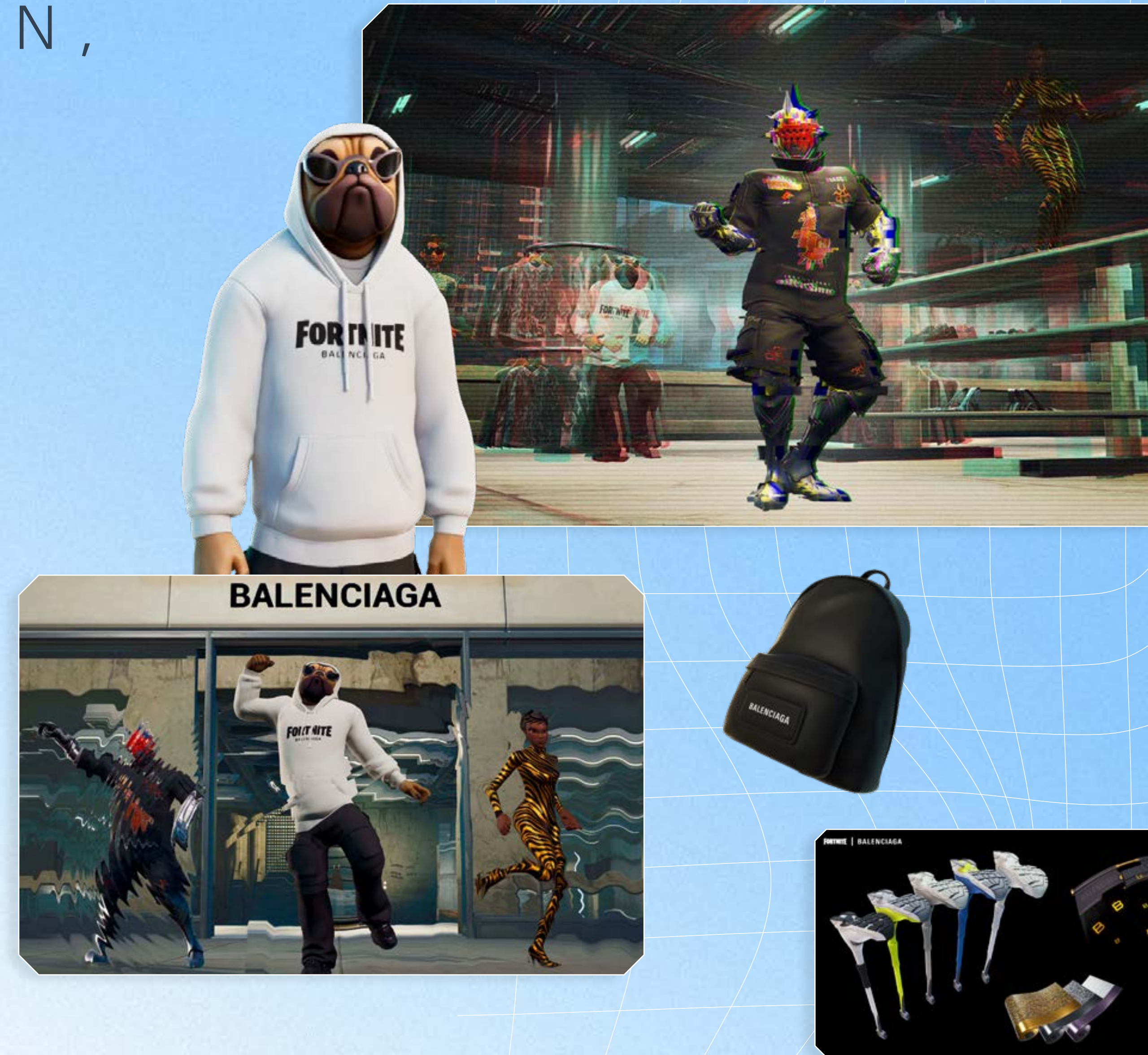
Courtesy of Epic Games

REAL WORLD EXPERIENCES USING ELEMENTS OF THE METAVERSE

Engaging with communities in the metaverse can also be used to promote real-world experiences. For example, brands might choose to work with a creator on an exclusive, real-world brand launch, but have the creator's avatar wear virtual clothing in the metaverse.

Another way brands can elevate consumer experiences is by implementing metaverse technology to create immersion, rather than something purely screen-centric. Google has taken advantage of technological developments successfully as the web has evolved to improve its services – specifically Google Maps. Recently, the tech giant **announced** the introduction of an 'immersive view', where users will be able to scope out an area before they even get there, and make informed decisions before they set off.

Nike has taken a similar approach with its **CryptoKicks launch**, where it plans to enable 'Sneaker Breeding'. The idea suggests that two NFT trainers are bred to create a new, one of a kind, 'genetically engineered' trainer that could be made into a custom shoe in the real world. While the idea of mutating NFTs is nothing new, the fact they can be used as the blueprint for a real world shoe is entirely novel. And of course, by matching each physical pair of shoes with an NFT, the trainer's entire origin and evolution will forever be traceable on the blockchain, no matter how many mutations have taken place along the way. This offers an entirely new approach to design – something creators can run with as this new technology increases in popularity.

IMAGERY L-R: Courtesy of Rtfkt x Nike, Google

BRIDGING THE PHYSICAL AND THE VIRTUAL

The metaverse provides the opportunity to blend physical and virtual worlds, and where the two collide is the sweet spot of community building and shared encounters.

Scott Keeney summarises nicely: "Those who figure how to effectively connect the dots between IRL and digital experiences will be massive winners. My favourite thing about the metaverse is that it allows scale for physical experiences in a way never seen before. These digital environments may not be able to tap into the energy that exists physically, but they also aren't hampered by capacity and location limits, gravity, or other physical limitations from the real world, thus opening an entirely new way to engage with consumers."

Places in the metaverse are rapidly becoming an additional part of a brand's ecosystem, just like social media did. Focusing on marketing strategy specifically, brands can make use of assets spanning their entire media plan. Brand ambassadors or virtual personas, for example, can transition seamlessly across platforms, which is hugely advantageous. It means they can show up anywhere, from Instagram to Decentraland, and remain recognisable.
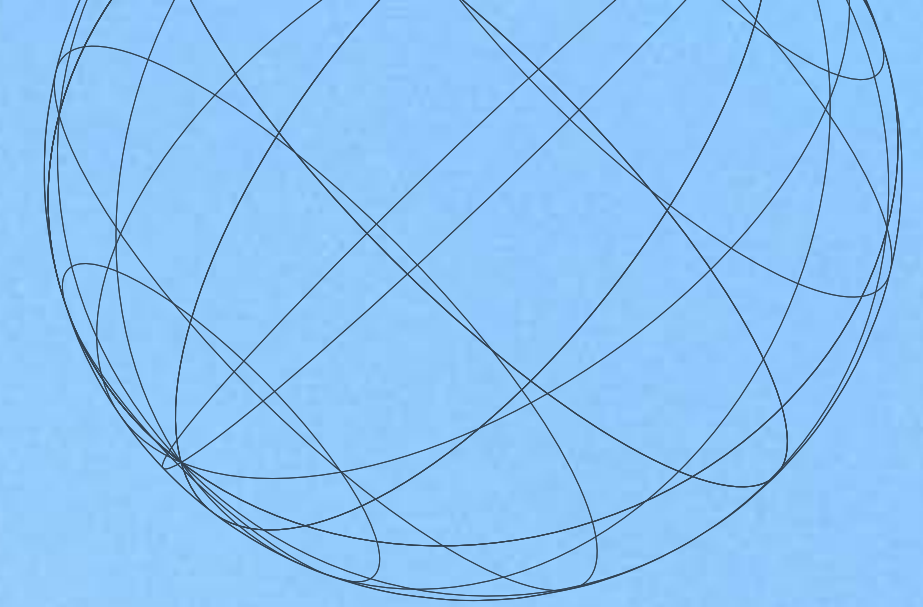
Courtesy of Nike/Roblox
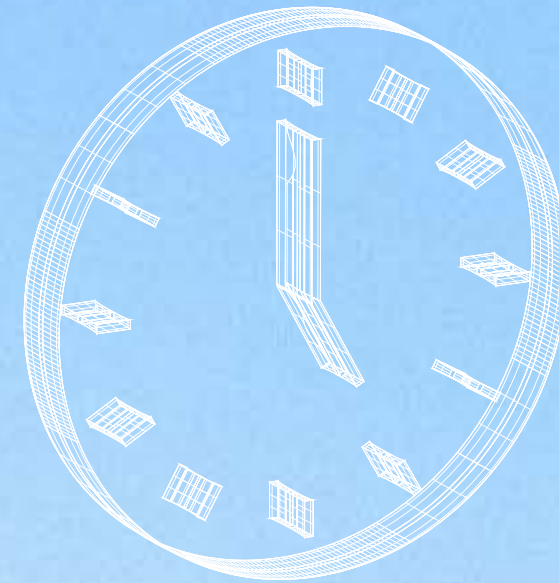
"These advancements in recreating the proximal senses in the digital world are set to make our time in the metaverse more personal, rewarding and enjoyable [...] letting us feel like we're sharing a space together."

BECKY OWEN
Meta Head of Creator Innovation
& Solutions Creative Shop EMEA

Criticism of the metaverse has been as widespread as the excitement for its potential. A number of commentators have questioned whether the metaverse will have an adverse effect on real-life relationships and our ability to socialise.

Post-pandemic, our professional and personal lives have become a hybrid of the virtual and physical worlds, and it's likely this trend will continue – with the metaverse providing a springboard for enhancing those connections and offering new forms of communication.

Interestingly, a number of respondents across the UK and US actively offered 'social aspect' as one of the elements of the metaverse that attracts them to spend time there.

Focusing on senses is a really interesting way we can start to think about how metaverse-enabled relationships and connections might play out. As **Becky Owen** explains: "When dynamic and carefully crafted sound experiences are added to augmented reality, the response [on user enjoyment and experience] is astounding. Many futurists predict sound to be the primary sense of the metaverse. Then we have haptics – technology that recreates the complete experience of touch – which is a totally fascinating space. These advancements in recreating the proximal senses in the digital world are set to make our time in the metaverse more personal, rewarding and enjoyable [...] letting us feel like we're sharing a space together."

We predict that focusing on totally immersing consumers in an experience and on all elements of sensory engagement is the key to how marketers an succeed during the metaverse era.

FROM TRANSACTIONAL TO IMMERSIVE MARKETING

We're already seeing a shift away from transactional content on social media, placing heightened value on transparent brand-creator-consumer relationships. This could reshape commerce, and further encourage brands to move away from transactional marketing in favour of more immersive marketing strategies.

The secret lies with consumer and creator appetite. For example – are consumers viewing the metaverse as a vehicle to enhance day-to-day activities and 'life-admin' as opposed to a new way of spending their leisure time? Brand campaigns we've seen so far have a heavy focus on entertainment. However, our research shows consumer preference skews towards virtual shopping experiences, **especially US where it's the most popular element of the metaverse (25% selected). 20% of UK respondents agree.**

Interestingly, US consumer interest in virtual gaming is higher than in the UK. **Almost a third (29%) of respondents confirmed this was the element of the metaverse they took most interest in** – so brand marketers stateside should consider whether decentralised gaming platforms fit with their brand purpose, and if so – use them to connect with their audiences.

While gaming has seen a surge in media attention in the UK, it appears only a dedicated group have shown interest in it. Consumer appetite for virtual gaming experiences isn't as high as brands might expect, with only 17% of UK respondents rating it as the element of the metaverse that interests them most. Brands must decide if virtual gaming is the most relevant space in the metaverse for their consumers. Creative agencies with creator-specific experience can facilitate brand-creator synergy, devising strategy for the most appropriate path of action, and work collaboratively to execute campaigns.

It's a similar story where NFTs are concerned. According to our survey, consumer appetite at this stage is very low. Only 8% of UK and US respondents selected NFT fashion as the element of the metaverse that interests them the most. This could be down to a general lack of understanding – supporting a need to not bombard and overwhelm consumers too early. The results show signs of curiosity which is yet to convert to any specific action.

NFTs aside, it seems consumers are happy to put their money where their mouths are.

CONSUMER CASH – AND WHERE THEY WANT TO SPEND IT

Unsurprisingly, younger generations are more likely to consider spending money within the metaverse. 54% of 16-24-year-olds in the UK and 49% in the US say they are willing to spend between £101-£500 ($122-$604) within the metaverse over the next year.

Consumer spending interest among older demographics, while lower than Gen Z, is still present. In the US, 24% of 25-34 year olds, 29% of 35-44 year olds and 28% of 45-54 year olds say they will spend between £1-£100 ($1.21-$121) within the metaverse over the next year. In the UK, 26% of 25-34 year olds, 27% of 35-44 year olds and 23% of 45-54 year olds say they anticipate spending between £1-£100 within the metaverse over the next year.

Our research suggests consumer purchase intent will be directed towards virtual shopping experiences, virtual events and elements of online gaming, such as customising virtual avatars.

As potential spending figures increase (up to £5,000), appetite decreases across all demographics and markets.

The findings appear to correlate with consumer sentiment towards the metaverse. Understandably, there is still a way to go until consumers feel confident enough to spend a large proportion of their earnings within the metaverse.

As it stands, virtual experiences and events are piquing consumer interest. As are virtual avatars and personalities. And this is just the beginning. Anecdotally, it appears children nowadays are shunning pocket money for virtual currency in order to customise their Roblox avatars. Fast-forward 10-15 years, we predict 'Gen Alpha's' interest will be translated into purchase intent as they start to earn their own disposable incomes.

54%
of 16-24-year-olds in the UK say they are willing to spend between £101-£500 ($122-$604) within the metaverse over the next year.

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06

VIRTUAL PERSONAS AND TECHNOLOGY

VIRTUAL 'INFLUENCERS'

Virtual influencers are defined as digital, computer-generated characters with realistic personalities, characteristics, and features defined by a first-person view of the world.

While the idea of a virtual influencer holding influence is nothing new (take 1980s fictional AI Max Headroom who, despite being fictional, starred in commercials for Coca Cola and appeared on the David Letterman show, as an example), consumers have been quick to adopt them as metaverse momentum has picked up.

They are made accessible on media platforms for the sake of influence.

IMAGERY L-R: Courtesy of Totino's, Casas Bahia, Superplastic, Dapper Labs

Almost all virtual influencers fall into one of three categories:

INDEPENDENT

These virtual avatars operate in a similar way to traditional 'influencers', leveraging their online presence to endorse products and brands.

BRAND-BUILT

A marketing tool used to maintain authority over digital narratives. Brands have the freedom to customise an avatar's look and personality to reflect their products and brand values.

CELEBRITY-ENDORSED

These virtual characters combine existing high-profile talent with VI technology to develop, debut and popularise original IP across social platforms.

IMAGERY L-R: Courtesy of CC Studios, KFC, Invisible Universe

VIRTUAL INFLUENCER AUDIENCES

Across both markets, as you may expect, interest in virtual influencers mainly sits with Gen Z. Our research shows that 50% of UK and 48% of US respondents aged between 16-24 years old have come across a virtual influencer on their social media channels, with 47% and 42% respectively admitting to following a virtual influencer.
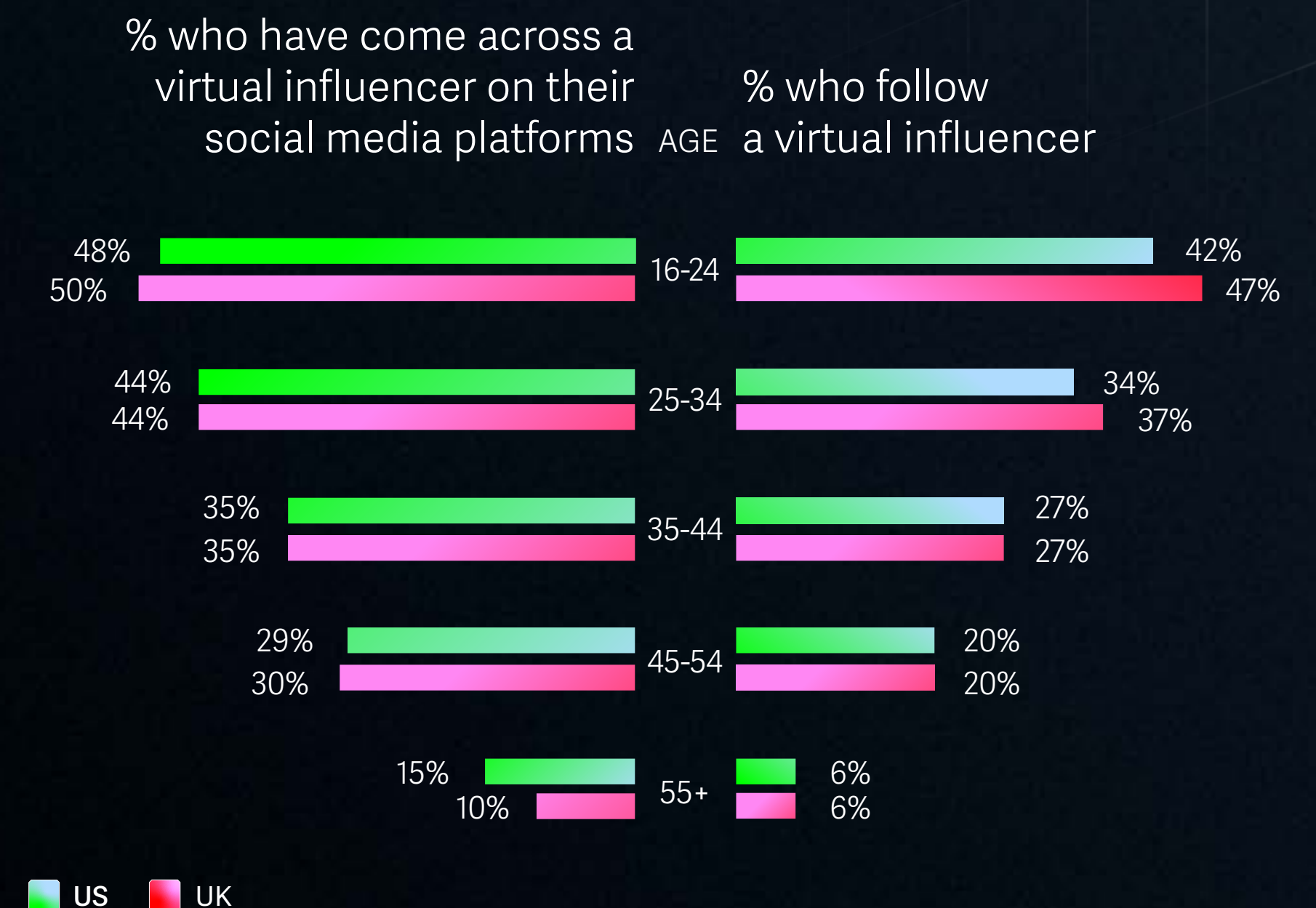
Interestingly though, the millennial age group isn't that far behind. **44% of UK and US respondents in the 25-34 age group have come across a virtual influencer, with 37% (UK) and 34% (US) agreeing they follow a virtual influencer.**

Interest decreases slightly as the age groups mature, but still almost a quarter (24%) of respondents in the UK and US between the ages of 35-54 admit to following a virtual influencer on social media.

For many brands, involving a virtual influencer in their projects could be a fitting first foray or stepping stone into the metaverse, as the figures suggest consumer interest is already piqued.

Speaking of her experience of virtual talent across Meta platforms, **Becky Owen** says: "Virtual influencers are unique in how they connect to audiences. They blend the fantasy of fiction with the comments and engagement we typically see generated by human influencers. This mash-up appears to be creating a new type of engagement model we are only just beginning to unpick."

A <u>large proportion</u> of pre-existing virtual talent has been created in the US. Our research demonstrates that a greater proportion of UK Gen Zers and millennials follow virtual influencers compared to their US counterparts. If interest is already prevalent among virtual American talent, there is massive potential for UK creators and brands to work together on developing the best virtual British talent to engage consumers and support campaign objectives.

% who have come across a virtual influencer on their social media platforms   AGE   % who follow a virtual influencer

| AGE	% who have come across a virtual influencer (US)	% who have come across a virtual influencer (UK)	% who follow a virtual influencer (US)	% who follow a virtual influencer (UK)
16-24	48%	50%	42%	47%
25-34	44%	44%	34%	37%
35-44	35%	35%	27%	27%
45-54	29%	30%	20%	20%
55+	15%	10%	6%	6%

US   UK

VIRTUAL INFLUENCERS AS A SALES TOOL

If brands are concerned about whether partnerships with virtual influencers affect purchase intent, they need not be. There are promising early signs that consumers across both markets are willing to purchase products promoted by virtual personalities. Over a quarter of UK (26%) and US (29%) respondents admit they would buy a product or service promoted by a virtual influencer.

This indicates a consumer preference for bringing elements of the metaverse to the real world – something for brands to take note of when considering activation or distribution – and reinforces the importance of blending physical and virtual spaces.

Conversely, purchase intent for products and services promoted by virtual influencers within older demographics is more prevalent in the US. **35% of 35-44 year olds, 28% of 45-54 year olds and 15% of 55+ year olds are open to purchasing what virtual influencers are promoting.** In the UK, less so, with **29% of 35-44 year olds, 23% of 45-54 year olds and only 10% of 55+ year olds agreeing.**

Analysing where consumers intend to spend their money provides some striking results, too. Across both markets, the appetite to purchase clothing, food and drink, beauty, automotive products, financial products and even holidays from virtual influencers is higher than originally predicted.

54%
UK

44%
US

40%
UK

16-24 year olds

42%
US

25-34 year olds
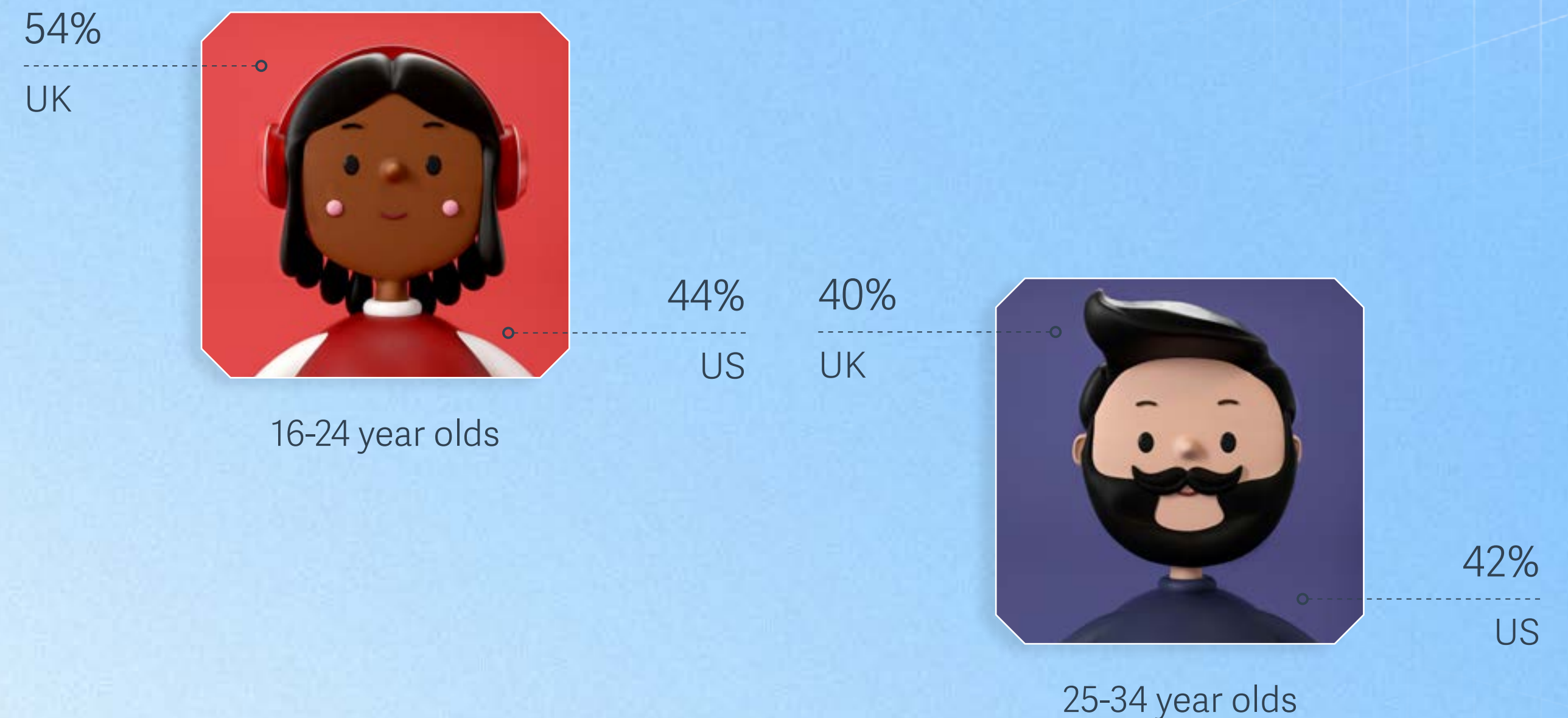
Percentage of consumers who would consider buying a product or service promoted by a virtual influencer
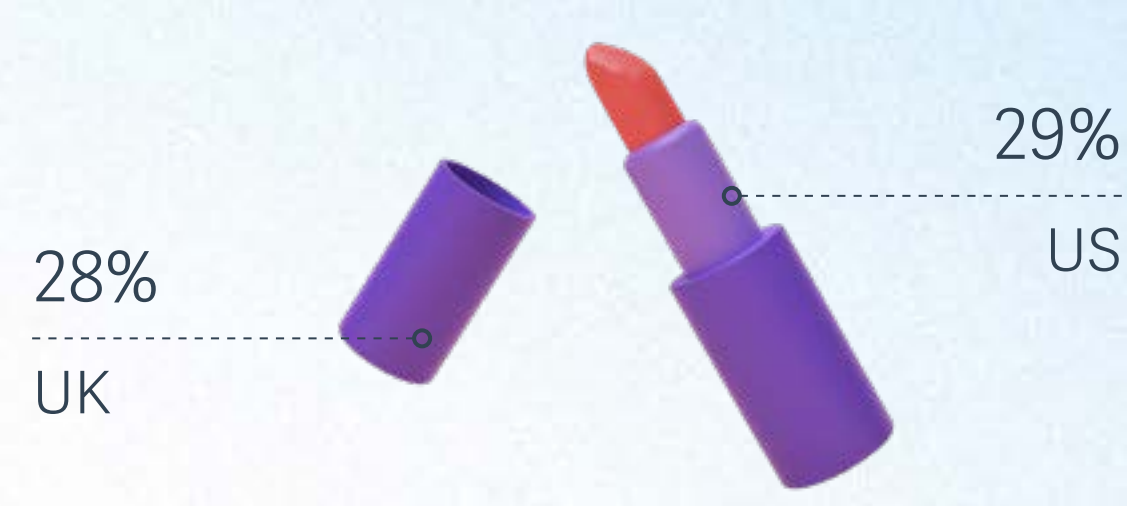
34%
US

30%
UK

Percentage of respondents that would consider buying a piece of clothing recommended by a virtual influencer

29%
UK

33%
US

Percentage of respondents that would consider buying a food or drink product recommended by a virtual influencer

20%
UK

26%
US

Percentage of respondents that would consider buying a financial product recommended by a virtual influencer

29%
US

28%
UK

Percentage of respondents that would consider buying a beauty product recommended by a virtual influencer

21%
UK

26%
US

Percentage of respondents that would consider buying an automotive product recommended by a virtual influencer

29%
US

24%
UK

Percentage of respondents that would consider buying a holiday or trip recommended by a virtual influencer

60%

of UK respondents said
they would consider
working with a
virtual influencer

"On the branded side there are a lot of 'avatar' attempts that feel more like jumping on the bandwagon but there are also few genuine examples we've seen from international brands that have nailed the execution, as well as ideation."

NARY BEHNAMKHAH
Director at CC Studios/ BumBailey Team

64%

of US respondents said
they would consider
working with a
virtual influencer

Our research shows brand marketers already see overwhelming value in virtual personalities. 64% of US respondents and 60% of UK respondents said they would consider working with a virtual influencer.

However, they need to consider whether this fits with their purpose. What are these virtual characters adding? Beyond talkability, virtual influencers are just like real-world creators. They have personalities, interests, and enviable social lives. From rappers to artists, designers to gamers, virtual influencers are most effective when brands tap into a talent's niche, leveraging their unique perspective to offer audiences a fantastical and alternative point-of-view that aligns with their campaign messaging.

Nary Behnamkhah, Director at CC Studios and the BumBailey team agrees: "On the branded side there are a lot of 'avatar' attempts that feel more like jumping on the bandwagon but there are also few genuine examples we've seen from international brands that have nailed the execution, as well as ideation."

As the world of virtual influence evolves, the creation of digital avatars is moving away from hyper-realism and embracing the creative freedom virtual avatars offer - meaning brands and creators can build avatars that resemble anyone and anything.

VIRTUAL AVATARS

With the introduction of the social revolution came an overhaul in the virtual avatar stakes – you only have to look back at Snapchat's Bitmojis to see. With an increase in conversation around metaverse technology, virtual avatars have become more widespread, notably across pre-existing social media platforms. TikTok has **announced** its own avatars which can be video-recorded, and Meta has **opened a dedicated store**, partnering with major fashion brands to kit out users' avatars.

Real life examples include ABBA's Voyage concert, where virtual band members take to the stage – the latter a great example of how blending physical and virtual worlds can create an enhanced experience for consumers.

Virtual avatars have hooked consumer interest – what's levelling about them is that you can be anyone you want to be in the metaverse, expressing any form of self-identity.

Like any innovative avenue and new offering, potential can be exploited for negative gain. Despite the majority of virtual humans being highly stylised and character-like, rather than presenting as authentic humans, there are rising concerns about body image perception when it comes to their use.

So, how do we ensure these issues experienced in the Web2 era are overcome in this next iteration of the internet?

IMAGERY L-R: Courtesy of Meta, Abba Voyage, Apple

02
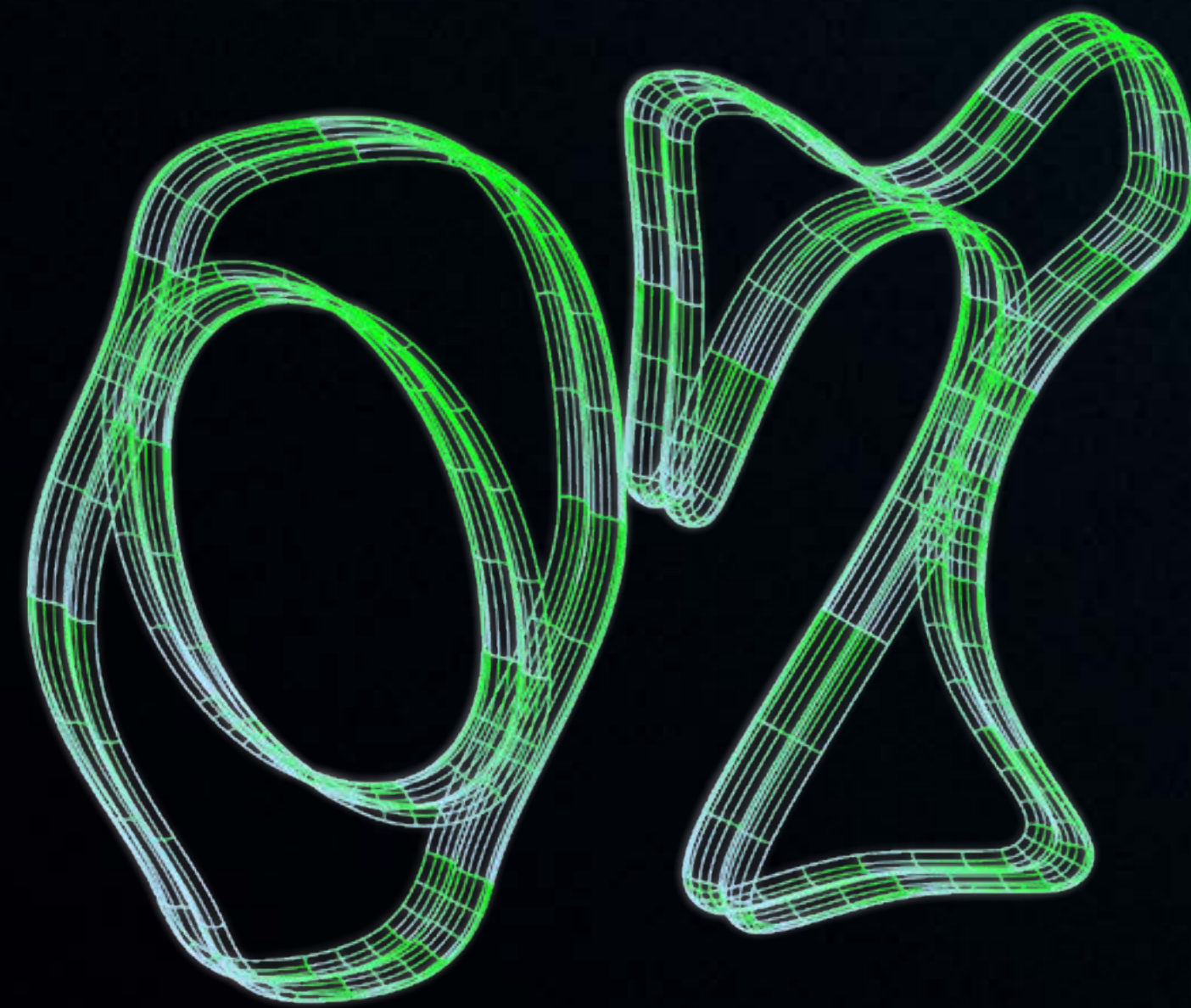
THE META FORECAST

REALITY OF WIDESPREAD ADOPTION

For metaverse uptake to gain momentum, usability and likeability must be front of mind alongside accessibility to ensure consumer engagement.

As **Scott Guthrie** suggests: "The metaverse's success depends on quickly building scale. Scale demands widespread consumer awareness plus likability and usability."

Identifying some of the blockers as to why a large proportion of respondents aren't yet active within the metaverse may help to answer how they can get there.

When it comes to the UK specifically, **Sara McCorquodale** highlights a few potential hurdles: "The most problematic thing is how much of this is going to be truly decentralised and linked to cryptocurrencies. We're in a cost of living crisis and most people do not have the means to [...] take a gamble on a volatile economic system. With this in mind, you can see how parts of the internet suddenly become a walled garden, only accessible for those who have disposable wealth. This is completely at odds with the theory behind Web3 and the internet as a whole."

DIVERSITY, REPRESENTATION, AND ACCESSIBILITY

As marketers, we have a part to play in how we utilise the metaverse to connect with consumers. In replicating existing inequalities, we risk never fulfilling the metaverse's true potential and attracting mainstream users. For too long we have seen a lack of representation within the advertising, entertainment and technology sectors, creating worlds that neglect to serve a large number of diverse communities.

Diversity must be woven into the fabric of the metaverse, and its various constructors must recognise the importance of accessibility, user experience and widespread representation.

One vital approach is to ensure those behind the scenes are a diverse group of people that represent and attract audiences of all ages, abilities, ethnicities, gender identities, sexual orientations and cultures – to avoid bias and as a result, the perpetuation of stereotypes.

The team behind virtual personality Bum Bailey has already seen the impact this mindset of championing diversity in the process of co-creation can have.

Nary Behnamkhah highlights: "Whenever we showcase a new character with our signature catwalk, we see incredible support and engagement from the community; all team members put their personal touches [...] and that's usually when we create our most popular and magical content."

"There's so much room to innovate and bring in new voices, aesthetics and values into the gaming space and community [in the metaverse], and that's what the new generation of fans and creators want."

The metaverse should be a place where self-expression is championed, from the makers co-creating it, right the way through to the avatars representing the people behind them.

IMAGERY L-R: Courtesy of Kami, CC Studios

THE CREATOR LANDSCAPE

While our research has shown piqued creator interest in the metaverse, it's important to consider the other side – those who show ambivalence or a lack of willingness to engage.

We believe the creator landscape is set to shift with this new technology – it's likely some will thrive, while others may struggle to find their feet straight away.

Sara McCorquodale elaborates: "There are demographics of influencers who will not adopt the metaverse or make this a focus of their conversation… Creators who can lead their audiences to more experiential metaverse-style platforms will be incredibly valuable but not everyone will be able to. In fact, a handful of creators will be immediately compelling in the context of the metaverse. In short, Web3 and the metaverse stand to polarise the creator landscape into two groups: those that can operate effectively in this new era and command impressive fees for doing so, and those who cannot. The latter may find the value of their work stagnates over the next ten years or so."

Advice for creators is the same as brands: Use this time to figure out what your intentions are, and learn how these new technologies can work for you to create meaningful, immersive experiences for you and your communities.

IMAGERY L-R: Courtesy of @ ill_lawi, @ines.alpha, @ thisoutfitdoesnotexist

08

SUMMARY

SUMMARY

01

Take advantage of emerging creative opportunities

The space is not yet fully built. In these early stages, we need to embrace imagination, experiment, and proactively push creative boundaries in order to explore everything these new digital places have to offer.

02

Pick your purpose within the metaverse

Consumer interest is present but brands and creators have work to do – educating themselves and consumers, guiding them into the metaverse in a way that is beneficial, fulfilling, and adds value to consumers. Brand marketers must be sure not to replicate the past to create the future, and be open minded about where this may take them.

03

Centralise creators

Creators are key to successful brand presence in the metaverse. They have years of experience in establishing communities and spearheading innovation. They will lead the way in this next era of the web and advertising, bringing their followers into the metaverse, creating dedicated and engaged communities.

Now more than ever, we advise brands to put creators at the forefront of their marketing strategies. Gone are the days where creators are solely used for execution purposes – now is the time for inclusion and involvement. In this new era of the internet brands must consider relinquishing a percentage of creative control to creators in order to ensure these experiences add value to consumers.

SUMMARY

04

Lean on industry expertise

In order to do so, brands must lean on creator-focused agencies with in-house expertise in creator marketing and new media, whose skills are well-suited for the technological requisites of the metaverse. This will also be vital for cementing the most collaborative brand-creator partnerships for the most rewarding results.

### 05

Think about how the virtual can enhance the physical

The metaverse should eventually be considered as part of a multi-channel marketing plan, which shifts away from a transactional approach in favour of a more immersive one. Blending the physical and the virtual and bridging the divide between the two, rather than solely bringing the physical world into the virtual world, will be instrumental to enhancing experiences and relationships. It's a careful distinction that must be made.
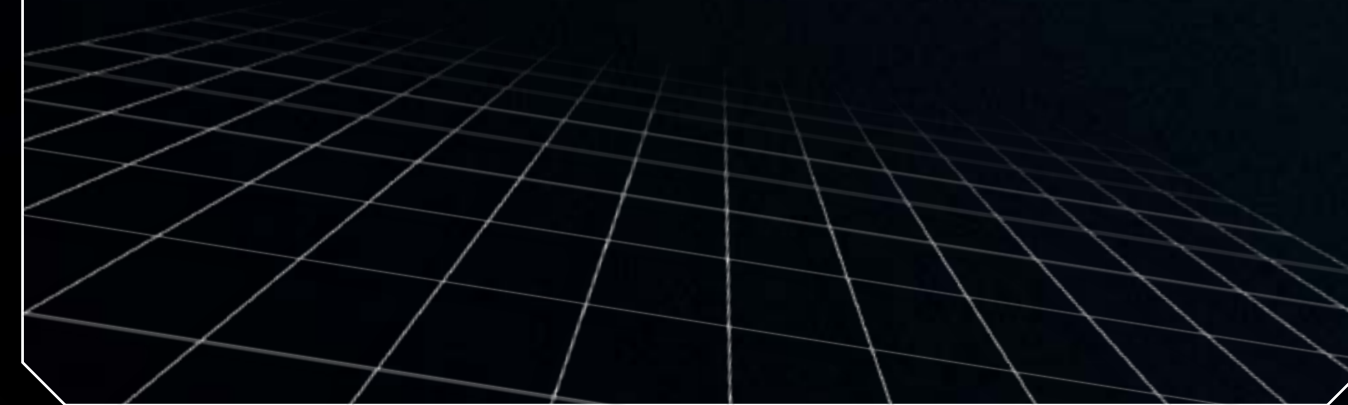
06

Accessibility, diversity and representation must be front of mind

By unofficial definition, the metaverse is a shared and decentralised space. One that should be fully representative of the communities it houses – and so, as the makers of the metaverse work to create this new reality, we must ensure diversity and accessibility are front of mind. For widespread adoption, everyone must have the opportunity to journey where they haven't journeyed before.
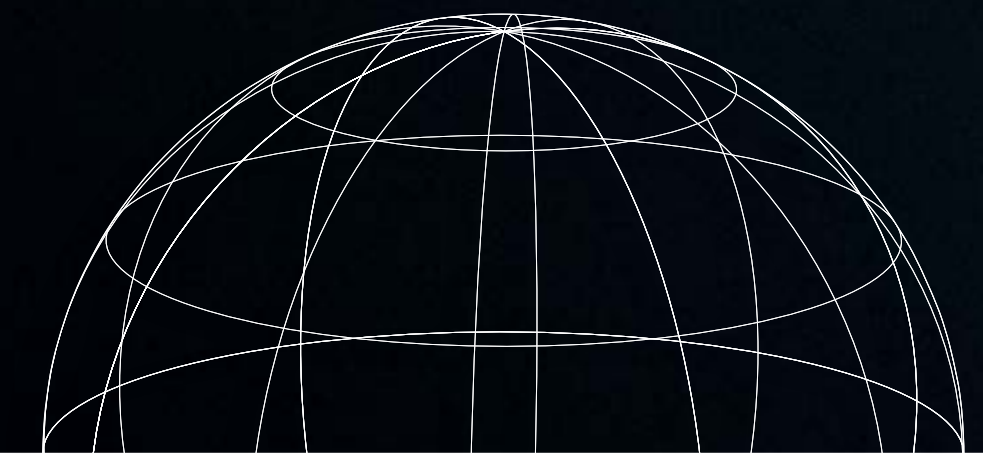
Creator marketing in the metaverse era is set to shape the framework of how brands connect with consumers for the future to come. And we are ready for it.

CONTRIBUTOR
ACKNOWLEDGEMENTS

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Thank you to all of our contributors who took the time to provide their insights on creator marketing in the metaverse era.

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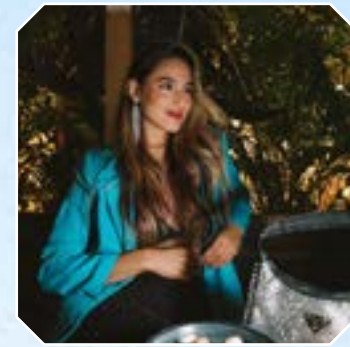@Bitesofbryy

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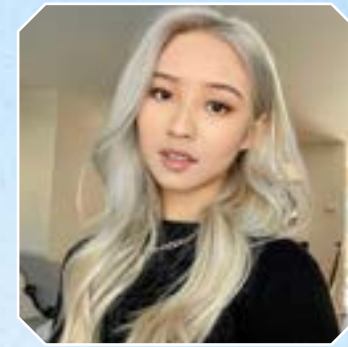@cara.elle

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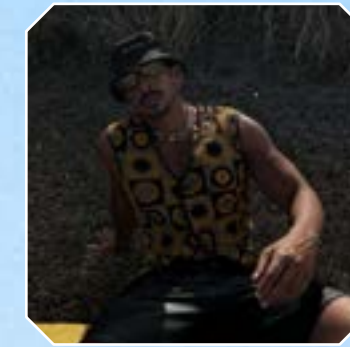@daniduqued

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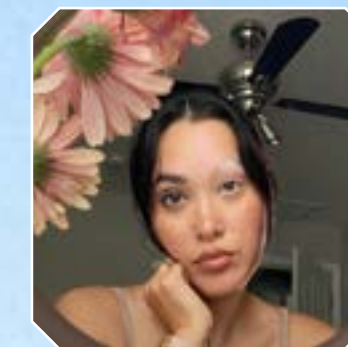Max La Manna
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*Those who were happy for us to credit them.

METHODOLOGY

METHODOLOGY

In June 2022, Billion Dollar Boy commissioned and executed this research based on 4,560 consumers, marketers and creators.

BDB gathered research via online surveys, interviews and focus groups.

Censuswide was commissioned to carry out a nationally representative study of consumers and brand marketers in the UK and US. Censuswide abides by and employs members of the Market Research Society which is based on the ESOMAR principles.

CENSUSWIDE
THE SURVEY CONSULTANTS

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Billion Dollar Boy is a global creator marketing agency delivering integrated, creator-led advertising and harnessing the power of global creators through our technology. Founded in 2014, BDB was among the first global influencer agencies and we specialise in and view creator marketing as a discipline, not an add-on – we bring this perspective into all of our agency offerings, proving the true value of creator marketing and influencer integration. Our services range from strategy and production to long-term ambassador programs and experiential.

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