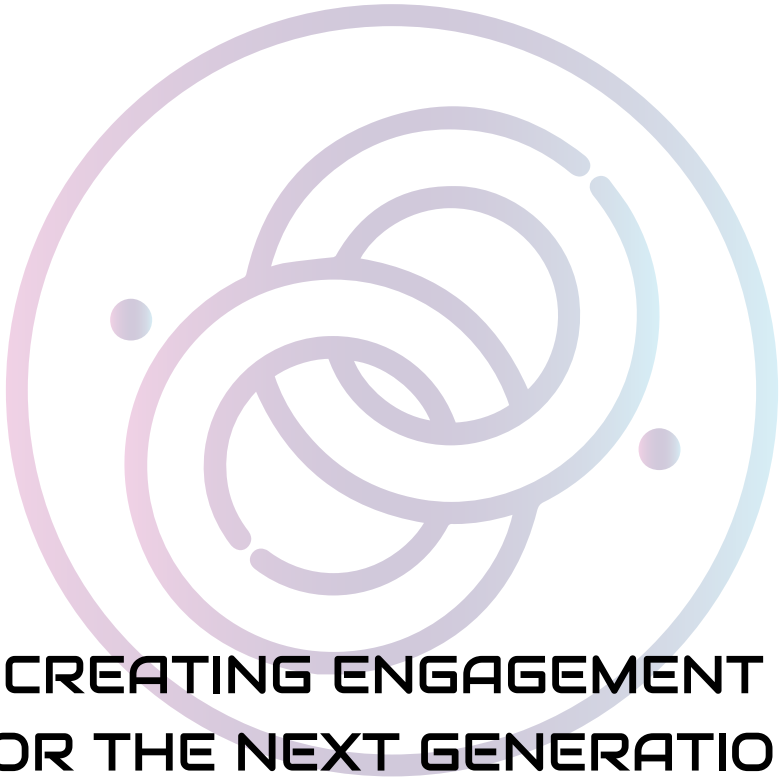


REALM 2



**CREATING ENGAGEMENT
FOR THE NEXT GENERATION**





The future of marketing and engagement is all about immersive experiences. Gone are the days of simple text-based websites and social media platforms.

In the future, users will engage with businesses in virtual worlds that allow for a much more interactive and engaging experience. There are already several companies working on this technology, and we can expect to see many more in the near future.

So, what makes these 3D metaverses so different from Web 2.0 platforms like Facebook and Instagram? Let us take a closer look!



Types of Modern-Day User Engagements

Before we explore what the future holds for next-generation engagement, let us explain the most popular options modern-day marketers have at their disposal. User engagement comes in many forms but can be generally grouped into two categories:

1. Digital
2. Physical

Digital user engagement includes anything that happens online, such as website visits, social media interactions, email campaigns, and digital ads. Physical user engagement, on the other hand, refers to face-to-face interactions, events, and other offline activities.

While both digital and physical user engagement are important, each has its disadvantages that next-generation engagement seeks to address.

The Problem with Web-Based Engagement

Digital user engagement is not a new concept. In fact, businesses have been using the internet to reach their target audiences for over two decades now. So, what is the problem?

The issue is that user engagement on the web is becoming less and less effective. Take, for example, the decline of organic reach on Facebook.



In 2014, organic reach dropped from 16% to 6.5% of a page's fans seeing each post in their News Feed. Even large pages are not subject to special treatment. This means that if a business has a Facebook page with 100,000 fans, only about 6,500 of them will see each post unless the business pays to boost it.

Digital user engagement is often hampered by a lack of personalisation and human connection. It is also easy to get lost in an ocean of data without context or guidance. This means sponsored posts and digital ads can easily be ignored if they are not well-targeted. It is also not very engaging as visual and audio are the only senses being used. So, what is the next evolutionary step for web-based marketing?

The next generation of user engagement will come from metaverses: three-dimensional virtual spaces that are user-generated and user-owned. Metaverses provide a more immersive and personalised experience for users, as well as a way for businesses to connect with their audiences in a more human way.

The Problem with Physical User Engagement

Live events and user engagement have always been synonymous. User engagements are a key part of any brand strategy, and for good reason - they are one of the most effective ways to connect with an audience. There is nothing quite like being in the same room as someone, after all.

But there are some serious drawbacks to physical user engagements that limit their effectiveness - and in some cases, make them downright dangerous.

The first is the cost. Physical meetups can be expensive to put on, especially if they are large-scale events that require travel and

accommodation for attendees. And as anyone who has ever tried to plan an event will know, the bigger the event, the greater the chance something will go wrong.

The second problem is the logistics. User engagements are often complex affairs, with a lot of moving parts. There is a lot that can go wrong, and when things do go wrong, it can be difficult to recover.

Finally, there is the safety issue. In today's world, user engagement comes with a certain amount of risk. From pandemics to terrorist attacks to mass shootings, there is always the possibility that something will happen to prevent user engagements from taking place - or worse, that something will happen during an event.

For all these reasons, user engagement is becoming increasingly difficult - and in some cases, impossible to justify. But there is another way. The answer lies in the metaverse. A digital world that exists parallel to our own.

In the Metaverse, user engagement can take place without the cost, logistics, or safety issues of physical user engagement. This concept is quickly becoming a reality and modern-day Web 2.0 platforms are going to struggle to keep up.



Current Day Web 2.0 Platforms For Users

To understand the future, it is helpful to explain where we are today. The majority of people reading this will be familiar with Web 2.0 platforms (Facebook, Instagram, Twitter, etc.).

These platforms allow users to connect and share content. However, user engagement is relatively low for the amount of time spent on these platforms. Studies show that the average user spends 147 minutes on social media per day. Imagine if these platforms were able to engage users more effectively for even a fraction of that time.

Users will likely continue to move towards metaverses where user engagement is probing to be higher with each use. For first-time users, the average session length was 16.1 minutes, whilst returning customers averaged 20.4 minutes. This trend shows that user engagement will continue to grow as the metaverse matures.

One of the main reasons for this is that Web 2.0 platforms are simply not designed for user engagement. They are designed to be a one-way broadcast medium where businesses can reach their target audience.

Interoperability is also a big issue. There is no easy way to move data between different web platforms, which makes it difficult for businesses to get a 360-degree view of their customers. For

example, a customer might interact with a business on Facebook, Twitter, and Instagram, but each platform will have its own data silo.

In contrast, metaverses are designed from the ground up for user engagement. They are built on open standards that allow different platforms to interoperate with each other. This makes it easy for businesses to get a complete view of their customers and to engage with them more holistically.

Another key issue is that web platforms are designed around user profiles, not user experiences. This means that businesses are constantly having to create new content and campaigns that are tailored to each individual user.

In contrast, metaverses are designed around user experiences. This means that businesses can create immersive experiences that are tailored to their target audience. For example, instead of marketing based on data points of a profile, brands can focus on telling stories and creating memories that users will want to share with their friends.

The final issue is that web platforms are designed for a linear user journey. A user goes from being a stranger to becoming a lead, to becoming a customer.

On the contrary, metaverses are designed for non-linear user journeys. It is designed to create more meaning rather than just transactions. This is because metaverses are designed to be more like the real world, where people can move around freely and explore different experiences.



Brands can host events in-world that users can attend, no matter where they are in the world. Marketers that focus on creating communities rather than just customers will thrive in this new environment. This creates a more seamless and engaging user experience that can lead to better user retention and brand loyalty.

User Engagement Is Low on Web 2.0 Platforms

The problem with Web 2.0 is that user engagement is essential for any business that wants to succeed online. If you are not engaging with your audience, then you are not going to build a strong relationship with them. And without a strong relationship, it is very difficult to sell anything.

So, what is user engagement? User engagement is the process of interacting with your audience to create a connection with them. This can be done in many different ways, but some of the most common methods include:

- Commenting on other people's blog posts
- Social media interaction
- Creating video content
- Forum participation
- Blogging

All of these methods are designed to create a two-way conversation between you and your audience. It is all about building relationships. And that is something that Web 2.0 simply is not designed for. That is because humans need a more immersive experience to really connect.

For example, how many times has a text been misconstrued? How often have you argued with someone because of a misunderstanding in a comment thread?

It is all too easy for things to get lost in translation on web platforms, and that's why user engagement is so low – because we are not able to connect on a deeper level.

Facial expressions are lost, tone of voice is lost, and body language is lost. Sure, you can get some of this via facetime but it is not the same as being in the same room as someone. Touch, smell, and other senses are also lost. Video chats are also rarely conducted between strangers and businesses. It is simply not an effective way to build relationships.

So, if user engagement is essential for businesses to succeed online, and web platforms are not designed for user engagement, what is the solution?

Why Web 2.0 Social Media Users Are No Longer Engaging

It is no secret that user engagement on social media platforms like Facebook and Instagram is waning. There are many reasons why users are no longer engaging with social media platforms.

One reason is that these platforms are designed to be addictive and keep users coming back for more. This can be harmful to users because it can cause them to neglect other important aspects of their life. Eventually, people realise the problems that social media addiction can cause, and they start to disengage.

Another reason why user engagement is waning is that social media platforms are not private. Users are constantly being



bombarded with ads and their data is being sold to the highest bidder. This can be intrusive and cause users to feel like they are being watched all the time. As a result, users are no longer trusting social media platforms and they are disengaging.

User engagement is also declining because of the increasing amount of fake news and misinformation on these platforms. Social media platform algorithms also play a role in the spread of misinformation by amplifying content that is popular, regardless of whether or not it is true. This can cause users to feel overwhelmed and confused, leading them to disengage from social media platforms.

The last reason user engagement is down is because social media platforms are not offering anything new. Users are tired of the same old platform with the same old features. Web 2.0 has its limitations and users are craving something new and fresh.

Data + facts to support: You might be thinking, “Are Web 3.0 and metaverse experiences really on the rise?”

The truth is in the numbers. For example, 19% of US consumers have used VR in 2020. That is 3% more than the previous year. The majority of users are also pleased with the metaverse experience. This means user engagement on these 3D metaverses is becoming more and more popular and the general public is beginning to understand and accept this new technology.

The Future of User Engagement Is in the Metaverse

The solution to this problem is the metaverse. The metaverse is a user-created, user-owned, user-operated virtual world that is not owned or operated by any company. The metaverse will be the next generation of user engagement, and it is already being built.

Platforms such as Sandbox and Decentraland are already being created and are user-owned. These platforms allow users to create their own experiences and engage with other users.

The metaverse will allow businesses to create their own virtual spaces and engage with their customers in a more immersive way. Businesses will be able to create virtual stores, product demonstrations, and user experiences.

In fact, popular brands such as Adidas, CareBears, The Smurfs, and even personal brands such as Snoop Dogg and DeadMau5 have bought virtual land in the Sandbox. You can see how businesses are developing new ways to innovate user engagement by looking at these examples.

Another example of user engagement through the metaverse is Sandbox's recent partnership with *Captain Tsubasa*. This character is intellectual property from the popular manga and it allows for next-generation user engagement because of its user-owned virtual world.



Animoca brands are funding many of these developments and the gaming industry is leading the way in metaverse experiences. Make sure to keep reading because we will explore the growing potential of these virtual worlds in more detail. We will explain what it means for economies, user engagement, and the future of business.

This is just the beginning of user engagement in the metaverse. The possibilities are endless and businesses need to start thinking about how they can use the metaverse to engage with their customers.

Maximising the Human Experience

What exactly is possible with the metaverse? Well, to start, businesses will be able to create user experiences that are far more immersive than what is possible on web platforms today.

The user experience will be more realistic, and therefore more engaging. This will have a profound effect on how brands interact with their customers and audiences. With new technology such as haptic feedback gloves, users will be able to interact with digital objects in a way that feels natural and realistic.

Imagine being able to feel the fabric of a dress as you are browsing an online store or being able to test drive a car before you buy it. These are just some of the possibilities that will be available in the metaverse.

In addition to this, businesses will also be able to track user data far more effectively than they can on web platforms today. This data will be used to create more targeted and personalised user experiences.

For example, if a user is interested in a particular product, they may be served ads for that product the next time they log into the metaverse. This data-driven approach to the user experience will be a major selling point for businesses.

Meta (formally Facebook) has been working on a project called Facebook Horizon which is set to bring many of these features to the metaverse. This social media giant planned to invest \$10 billion into its metaverse technologies back in 2021. It's clear that they see the potential for user engagement in the metaverse.

Meta's (Facebook) Ray-Ban Stories are another addition to the user experience that will be another step towards a complete immersion into the metaverse. It is only a matter of time until these technologies become mainstream and brands need to start developing a strategy to utilise the metaverse for user engagement.



Engagements Between Users and Businesses

As mentioned earlier, the possibilities are endless. But let us explore some ideas on how a business professional or marketing director can use the metaverse for user engagement.

One idea is to create a virtual showroom. This would be an immersive space where users can explore your products and learn about your brand. You could also use the metaverse to host events or webinars. These events could be anything from product demonstrations to Q&As with industry experts.

Another idea is to create a virtual store where users can purchase your products. This would be a great way to increase sales and reach a wider audience. You could also use the metaverse to create loyalty programs or VIP experiences for your best customers.

If a flower shop created a virtual showroom, they could allow users to walk through a field of flowers and learn about the different types of flowers. They could also have a virtual store where users can purchase bouquets or arrangements.

Boxing coaches can also franchise themselves by setting up a virtual gym where users can come to train. This would be a great way to reach a wider audience and generate income through user subscriptions. They can even clone their digital identity to be in multiple places at once to provide one on one coaching.

Similarly, singers can offer voice lessons in the metaverse and charge users for one on one sessions or they can perform in concerts within the metaverse. *Fortnite* has already done this by hosting virtual concerts within their game. Imagine being able to party with your favourite musical artists from the comfort of your home!

You can ski in the alps one day and a few hours later, you can scuba dive with sharks without having to physically travel. You can even visit space through a Starlink, Virgin Galactic, or Blue Origin space tourism metaverse program. These are just speculations of what is possible but with metaverses becoming more viable each day, it shows great promise for user engagement in the future.

The possibilities are endless and it is up to businesses to start exploring how they can use the metaverse for user engagement. The metaverse is the future of user engagement and businesses need to start thinking about how they can utilise this new technology.

The future of marketing and engagement lies in three-dimensional metaverses. These digital spaces offer a far more immersive and interactive experience than traditional social media platforms like Facebook and Instagram. In a metaverse, users can engage with brands in a variety of ways that maximise the human experience.

For example, user engagements with brands can include exploring a virtual world that is designed specifically for the product or service being promoted. Users may be able to try out a new product before it is released to the public. Additionally, metaverses offer opportunities for brands to create unique experiences that are not possible in the physical world.



Metaverses also offer a more personal way to connect with users. In a metaverse, brands can create avatars that represent their company and interact with users on a one-to-one basis. This type of interaction allows for a more personal connection between the user and the brand.

As a marketer, it is important to note that the adoption of metaverses is still in its early stages. However, it is important to keep an eye on this emerging trend as it has the potential to revolutionise the way we engage with users. Those that claimed Web 3.0 applications are just a phase and will not last are in for a rude awakening.

The next generation of user engagement is demanding something more immersive, something more engaging, and something that only metaverses can provide.

How Do Immersive Experiences Affect Audiences of the Future?



As a review, marketing and user engagement are always a challenge, but it is especially difficult when you are trying to reach the next generation of consumers.

They are used to interacting with the world in a very different way than their parents or grandparents did. To truly connect with them, you need to understand how they interact and what platforms they use.

Metaverses offer several advantages over traditional social media platforms. First, they are more immersive and allow for a greater degree of personalisation. Second, metaverses are user-generated



and user-owned, which gives users a greater sense of control over their digital experiences.

Finally, metaverses offer a more human way of connecting with others, which can lead to deeper and more meaningful relationships. As a business owner, marketing manager, or product developer, user engagement should be one of your top priorities. By understanding how metaverses work and how to create engaging experiences within them, you can reach the next generation of internet users.

Case Study: Metaverse Games and Axie Infinity



When it comes to the gaming industry, there are a lot of different aspects to it that can be talked about. However, one thing that is for sure is that the industry is always changing. It seems like every few years there is a new console or a new game that comes out and changes everything.

One particular case study we can look at is the rise in popularity of Axie Infinity. Axie Infinity is a game that was released in 2018 and it allows players to collect, train, and battle pet monsters. The game has since become one of the most popular games on Ethereum network because of how engaging and unique it is.



A small disclaimer before we move on with this subject. In this coming section, the focus is not about glorifying the play-to-earn game, but more of a knowledge and learning session of the project. At the time of writing, Axie Infinity used to be one of the most successful metaverse with GameFi play-to-earn elements within the space.

As time progresses, there has been drops of players and activities which lead to the popularity to dwindle which was affected by various market conditions within the Web 3.0 space too.

Even though so, it is still interesting to learn what they have done and obtain knowledge with the strategies they used for their huge growth to be applied to your metaverse where relevant.

What is interesting about Axie Infinity is that it is one of the first games to successfully integrate blockchain technology in a way that is user-friendly and enjoyable. The game uses Ethereum smart contracts to track ownership of in-game items and creatures. This allows players to have true ownership of their in-game assets.

The game also features unique gameplay that is unlike any other game on the market. The game is constantly evolving and changing, which keeps players coming back for more. Although it does not have a completely immersive metaverse, the NFT ownership and economy mimic some aspects of a metaverse. Players can breed, trade, and battle their Axies in a variety of different ways.



The reason why Axie becomes so popular in such a short amount of time is that it offers something that other games on the market do not. It is a perfect example of how user engagement can be improved by bringing even just a few aspects of a metaverse into the game.

As the technology improves and more games are developed with blockchain technology, we will start to see even more games that offer unique and immersive user experiences. The future of user engagement is in metaverses, and the gaming industry is leading the way.

Play-To-Earn: The New Business Model for the Metaverse

As the metaverse continues to develop, we will see more and more businesses adopt this new model. And there are already a few businesses that are ahead of the curve. With Axie Infinity as a case study, we can see how successful this type of business model can be.

By gamifying the user experience and offering rewards for user engagement, Axie Infinity has been able to create an interesting



way for users to interact with the brand. Not only does this type of engagement create loyalty among users, but it also generates revenue for the business.

In the Web 3.0 pack, the gaming ecosystem is taking the lead. It is ahead because of its avatar features and being the third place for digital socialisation. In addition, the computers used in gaming have the best processors available. Their processor speed and specifications make them the best for getting into the digital space.

The gamers in the Web 3.0 ecosystem are above average: here are details of the audience demography looking at Fortnite and Roblox.

Fortnite

- More than 30 million users
- 72% male and 27% female gamers
- 62% of gamers are between the ages of 18 - 24.
- The userbase is expanding into different countries with their translation into various languages.

Roblox

- More than 43 million users
- 51% male and 44% female gamers
- 67% of gamers are below six years, and 14% are above 25 years old.
- 28% of daily active users are in the United States and Canada

Looking at these two Web 3.0 metaverse games as a case study, it is obvious that the Web 3.0 gaming ecosystem will attract more males below 35 years old.

Community Driven: Value Can Be Created by the Community

The community of Axie Infinity is one of its most valuable assets. The community has contributed to the development of the game in a variety of ways. They have created user-generated content, such as tutorials and guides. They have also created a market for user-created items.

The community has also been instrumental in the development of the game's economy. They have created a system to trade and exchange items within the game. This has allowed for the creation of a virtual economy that is user-driven.

Axie Infinities' engaging community has been vital to the growth of the game. They have helped to promote and market the game to a wider audience. And they continue to do so.

This is a great example of how businesses can create value for their users. And it is also a great way to engage with your community. By giving them the ability to create and trade virtual assets, you are giving them a reason to stay engaged with your brand.



Scarcity & Networks: The Metaverse as a New Battlefield

As the metaverse continues to develop, attention will be focused on two key areas that will shape its evolution:

1. User engagement
2. Business opportunities

User engagement in the metaverse will be driven by social interactions, gaming, and other activities that immerse users in a three-dimensional environment. Business opportunities will come from the development of new services and applications that take advantage of the metaverse's unique capabilities.

Word-of-mouth and network marketing will be especially impactful as users share their experiences with friends and family. The metaverse will present a new battlefield for user engagement and business opportunities. Those who can develop attention arbitrage strategies will be well-positioned to succeed.

In the case of Axie Infinity, word-of-mouth marketing worked like magic because it allowed people to earn money while they played the game.

This was especially popular in Asian regions such as the Philippines because it allowed people to earn a stable income. When economic opportunities are scarce, any opportunity to earn money is welcomed with open arms. For some, it was an economic opportunity that they would not have otherwise had.

The game also generated a lot of buzz on social media, which led to even more users signing up to play. With over 130,000 followers on Instagram, they can provide social proof and create a network of desire over their scarce NFTs.

If business owners can find the network effects on scarce user attention in the metaverse before their competitors, they will have a leg up on the competition.

As you can see, the metaverse is starting to have a big impact on user engagement and the way businesses operate. And this is just the beginning. The metaverse is still in its early stages of development. Games are just one of the many ways that businesses can utilise the metaverse to engage with users.

In the future, we will see more businesses utilising the metaverse for user engagement. For example, work environments will become more immersive and interactive. This can help reduce logistics costs and help businesses to be more efficient. If you are a B2B marketer, you should start to think about how you can use the metaverse to engage with your target audience.

Metaverse Post-Mortem Report:

How did your exploration went in this chapter?

What did you learn in this exploration?

Any new ideas formed through this exploration?