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MONETIZING THE METAVERSE:

IMMEDIATE WAYS FOR BRANDS AND BUSINESSES IN CONSUMER
GOODS, REAL ESTATE, AND MANUFACTURING TO GENERATE REVENUE

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PART 1

THE THREE-PRONGED APPROACH

Over 40 million people move through the metaverse every month, and this is growing at a rate that is catching the attention of major global companies. Facebook, for example, has committed to hiring 10,000 people to develop the metaverse, going so far as to rebrand their company under the new name Meta.¹ Even without accounting for future payment and networking companies, Bloomberg estimates the metaverse will be valued at \$800 billion by 2024.² For brands and businesses looking to capture market share in this virtual ecosystem, now's the time to put a plan in place.

CREATE AN IMMERSIVE AND LIFELIKE METAVERSE APPLICATION USING A GAME ENGINE

These days, purely interruptive marketing has little to no impact on consumers, which is why digital-first experiences that are playful and curiosity-inducing have gained traction. This desire for interaction can translate to both increased brand affinity and revenue, with consumers saying they consider the experiences companies deliver just as important as the products and services they provide.³ For brands, metaverse experiences enable engagement beyond anything that is possible in real life. Game engines such as Unreal Engine and Unity, which allow for the creation of completely custom, immersive, photorealistic environments, have changed the game (no pun intended) on what is possible. Beyond being the platform by which these interactive experiences are built, game engines also provide open APIs that can integrate with external systems such as payment-processing platforms, customer relationship management (CRM) systems, e-commerce platforms, enterprise resource planning (ERP) systems, and more to help create a seamless operational workflow for companies.

MONETIZE THE EXPERIENCE WITH THE INTEGRATION OF PAYMENT PROCESSORS

Rather than being a completely separate reality, the metaverse blurs the line between the virtual and real worlds. Through integrations, brands can use the metaverse as one additional sales channel by integrating systems that allow customers to buy, invest, and sell in the metaverse, whether using fiat currency (government-issued money) or cryptocurrency. Through integrating with payment processors, shipping companies, customer relationship management tools, and more, a consumer could enter a virtual mall with a friend, speak to an avatar of a sales representative, browse beautifully arranged shelves of lifelike 3D models, buy a pair of Nike shoes or a Cartier watch, and have the physical item delivered to them in real life. They could even do a walkthrough of a photorealistic presale property, choose the finishing package they like (e.g., hardwood floors, bathroom tilework, etc.), and purchase.

DELIVER GLOBAL, RELIABLE DISTRIBUTION OF THE INTERACTIVE EXPERIENCE

Once a brand has created its metaverse application – a virtual mall, a showroom, an open house – how does it ensure anyone in the world can enter the experience as easily as possible? The answer is a cloud-distribution platform specifically designed to stream large 3D files to any device anywhere in the world. This global accessibility provides a secure, easy way for people to exchange personal information and process payments within the metaverse, either with companies or with each other.



THE METAVERSE EXPERIENCES HITTING THE THREE MARKS

These three companies are teeing themselves up for greater market share in the metaverse with interactive 3D experiences online.

3D CITYSCAPES

3D CityScapes builds immersive and interactive 3D experiences. They are currently helping the City of Toronto develop a digital twin that would provide a visual representation of Toronto for property developers and bring the metropolis to anyone, anywhere in the world. This experience is:

WINNING THE ATTENTION ECONOMY

This interactive and portable version of the City of Toronto provides a novel way to market tourism and foreign direct investment opportunities to people around the world. Instead of examining a photo on a website, people can virtually jump into an immersive environment where they can plan future developments and explore neighbourhoods (by themselves or with others) as if they were there in person.

LEVERAGING INTEGRATIONS

Over time, data integrations will support the monetization of the metaverse by allowing visitors to choose how much data they want to share. A consumer could log into the virtual city of Toronto through their Facebook account, allow the data from their social media profile to inform their tour, and be greeted by stores, billboards, and other experiences that align to their personal interests and preferences.

PRIORITIZING IMMEDIATE REVENUE GENERATION

In a future release, this digital twin will include integrations that enable the City of Toronto to make money. This includes marketing opportunities for companies that want to advertise on virtual billboards. Anybody who wants to have a virtual representation within this virtual Toronto can pay an upfront fee as well as an ongoing fee. They can also sell merchandise, either as a digital asset or as a physical product delivered to a real-world address.

BALENCIAGA

Balenciaga is a luxury fashion brand that's been pushing the boundaries of what it can accomplish in the metaverse where it is:

WINNING THE ATTENTION ECONOMY

After introducing its Fall 2021 collection through a video game, *Afterworld: The Age of Tomorrow*, Balenciaga recently collaborated with Fortnite so players could express themselves by wearing Balenciaga's silhouettes.⁴ It's incorporated itself into the gaming experience by organizing quests that gamers can use to unlock specific Balenciaga items.⁵

LEVERAGING INTEGRATIONS

This Balenciaga experience is integrated into Fortnite's in-game storefront. The payment integration ensures gamers can purchase Balenciaga merchandise from directly within the experience, ensuring a seamless metaverse experience after buying the in-game currency.

PRIORITIZING IMMEDIATE REVENUE GENERATION

Balenciaga's introduction to Fortnite is not a pure advertising or branding play – it's a revenue play as well. Within the game, players can:

- buy "skins" for their avatar to wear⁶
- buy real-world versions of in-game skins, such as T-shirts and hats, as part of a real-world Fortnite-themed collection⁷
- buy an exclusive real-world hoodie that unlocks the same virtual outfit in the game⁸

Consumers are spending around \$54 billion U.S. on in-game purchases, and they'll spend \$74 billion on them by 2025.⁹

A NEW DEFINITION OF CUSTOMER EXPERIENCE

Sixty-three percent of consumers say they'd share more information with brands that offer a great customer experience.¹⁰ Brands can also demand an up to 16 percent price premium on products and services that come with a great customer experience.¹¹ This growing consumer desire underscores the importance of brands thinking through what makes a customer experience great. These days, it's about more than just speed, convenience, and friendliness. There is a desire for consumers to feel a sense of agency in how they explore a brand and its offerings.

The metaverse makes this possible.



PART 2

MONETIZING THE METAVERSE — TODAY

For companies looking to take their first step into the metaverse, where do they start?

There are easy access points available in multiple industries as well as a few popular business models leaders can apply.

In many cases, companies in the consumer goods, real estate, and manufacturing space likely already have existing 3D renderings from their design phase that can be reused and repurposed for their virtual experiences. For each of these industries, there are key applications to consider that will serve to further elevate customer engagement.

TOP INDUSTRIES FOR IMMEDIATE METAVERSE MONETIZATION

RETAIL CONSUMER GOODS

Many companies in the consumer goods industry, such as automakers and furniture manufacturers, already create 3D renderings for the purposes of design and manufacturing. They have the assets on hand that can be repurposed for customer-facing experiences, allowing them to achieve greater name recognition and differentiation by:

- offering consumers a way to try out and visualize different items within interactive 3D environments, such as inspecting the details of a piece of clothing or trying it on in a virtual boutique, “test driving” a virtual car while simulating the experience of driving it on different landscapes, or customizing a piece of furniture and being able to visualize how it looks in a room.
- giving consumers a way to customize products and place an order for their personalized items.
- giving consumers a way to interact with other people in the same metaverse environment (friends, salespeople, etc.) at the same time, a key point of differentiation from existing e-commerce stores that struggle to replicate the human interaction element that shopping in real life provides.

Retail experiences in the metaverse do not have to be exclusive to either the physical world or the virtual world. A customer can:

- begin their customer journey in an immersive experience in the metaverse.
- save their customized car or running shoe to their customer profile and then purchase it from their chosen virtual or real-world channel whenever they’re ready to buy.





REAL ESTATE

Almost 50 percent of all prospective home buyers start their research online.¹² In fact, many consumers won't book an in-person viewing unless they've flipped through some visuals online. Online searches fill the top of the funnel for pre-construction and pre-owned homes, but the real estate industry can sometimes be inefficient about converting these leads. An online lead that leads to an appointment is up to three times more likely to become a sale than an appointment that came from a walk in, yet only one to three percent of online visitors become leads.¹³ This is often because the leads don't receive enough engagement or nurturing to take them through the sales funnel. Truly immersive real estate experiences online can help address this gap. Property developers can create a steady stream of business by:

- offering interactive 3D viewings of pre-construction homes so prospects can easily visualize them better compared to 3D renderings, see what a space looks like at different times of day, or customize the space with different interior design options by digitally dropping furniture into the experience
- streamlining viewings of pre-owned homes to fill the pipeline while reserving in-person showings for highly motivated buyers
- upselling custom features for pre-construction homes such as hardwood floors or premium bathroom tilework

As such, pre-construction home sales can achieve fuller pipelines and accelerated sales using interactive 3D experiences. Most lenders won't finance a builder's project until they've sold at least 70 percent of the units in order to minimize risk.¹⁴ Immersive 3D walkthroughs in the metaverse can reassure buyers who are hesitant to purchase a big-ticket item like a home that doesn't yet exist by allowing them to see the home as it will be.

MANUFACTURING

The most immediate commercialization opportunities in manufacturing relate to personalization of consumer goods or streamlining direct-to-consumer (D2C) business models. Thirty-six percent of consumers are interested in buying personalized products¹⁵ and the metaverse makes it easier to enable mass customization and just-in-time manufacturing for consumers. Brands can:

- offer 3D product configurators for everything from running shoes to cars and encourage customers to make a purchase directly within the experience
- update product lines with data from customer interactions within the metaverse experience (e.g., if customers frequently customize shoes to use a specific colour they can send out special offers or campaigns that highlight those features)

The metaverse can help brands develop more streamlined product development, manufacturing, as well as supply chain processes, while meeting customer demand.

BUSINESS MODELS FOR MONETIZATION IN THE METAVERSE

A few business models for metaverse monetization are emerging, and they can be applied across different industries.

SELLING PRODUCTS TO CONSUMERS IN THE REAL WORLD

The metaverse offers a novel and heightened way for brands to deliver an e-commerce experience to customers. They can create photorealistic virtual stores where customers can explore and make purchases. They can also save an item and access it through their account on different platforms such as a mobile app. The real-world and virtual world experiences become integrated rather than two separate realms of shopping.

FILLING PIPELINES FOR HIGH TICKET ITEMS WITH LONG SALES CYCLES

Walkthroughs in the metaverse can help brands fill up their sales pipelines by making it easy for consumers to get familiar with what they're selling. There's also opportunity for online-only sales cycles. For example, worldwide, there is a 59 percent interest in buying cars online.¹⁶ With real estate, immersive experiences make selling properties to foreign investors far easier.

Perhaps one of the most immediate ways the metaverse can help brands is by helping them move real-world inventory faster and practice lean manufacturing by using data from customer interactions within the metaverse to inform their planning. Recent challenges have led to strained supply chains that call for innovative ways to meet customer demand while also keeping operations streamlined.

PART 3

EXECUTING ON A METAVERSE MONETIZATION STRATEGY

HOW THEN SHOULD BRANDS AND BUSINESSES GET STARTED WITH THEIR METAVERSE MONETIZATION STRATEGY?

TAKE INVENTORY OF THE SYSTEMS THAT CONTRIBUTE TO REVENUE GENERATION

Creative technology makes a metaverse experience enjoyable, but integrations make them sustainable. Note down which systems currently allow your business to connect with and understand your brand audience, track and nurture leads, manage inventory, process customer transactions, and receive payments.

OUTLINE METAVERSE EXPERIENCES THAT ENHANCE THE CUSTOMER EXPERIENCE AND LEAD TO REVENUE

How can the metaverse help you create experiences that combine the immediate gratification of digital with the interactivity and perceived trustworthiness of real-world experiences? BODS, a company that helps online shoppers find the perfect fit, solves a common problem in the e-commerce world: simulating lifelike fit in a virtual environment. Today, this is typically solved by offering customers free and flexible return policies. With BODS, users can upload photos of their body to generate a photorealistic avatar, allowing them to get a lifelike representation of how the clothes they select will fit using garment-fitting technology.¹⁷

MAKE A LIST OF NECESSARY INTEGRATIONS FOR YOUR METAVERSE EXPERIENCE

Before you design your immersive experience with a creative partner, make a list of all its necessary integrations. Consider integrations for:

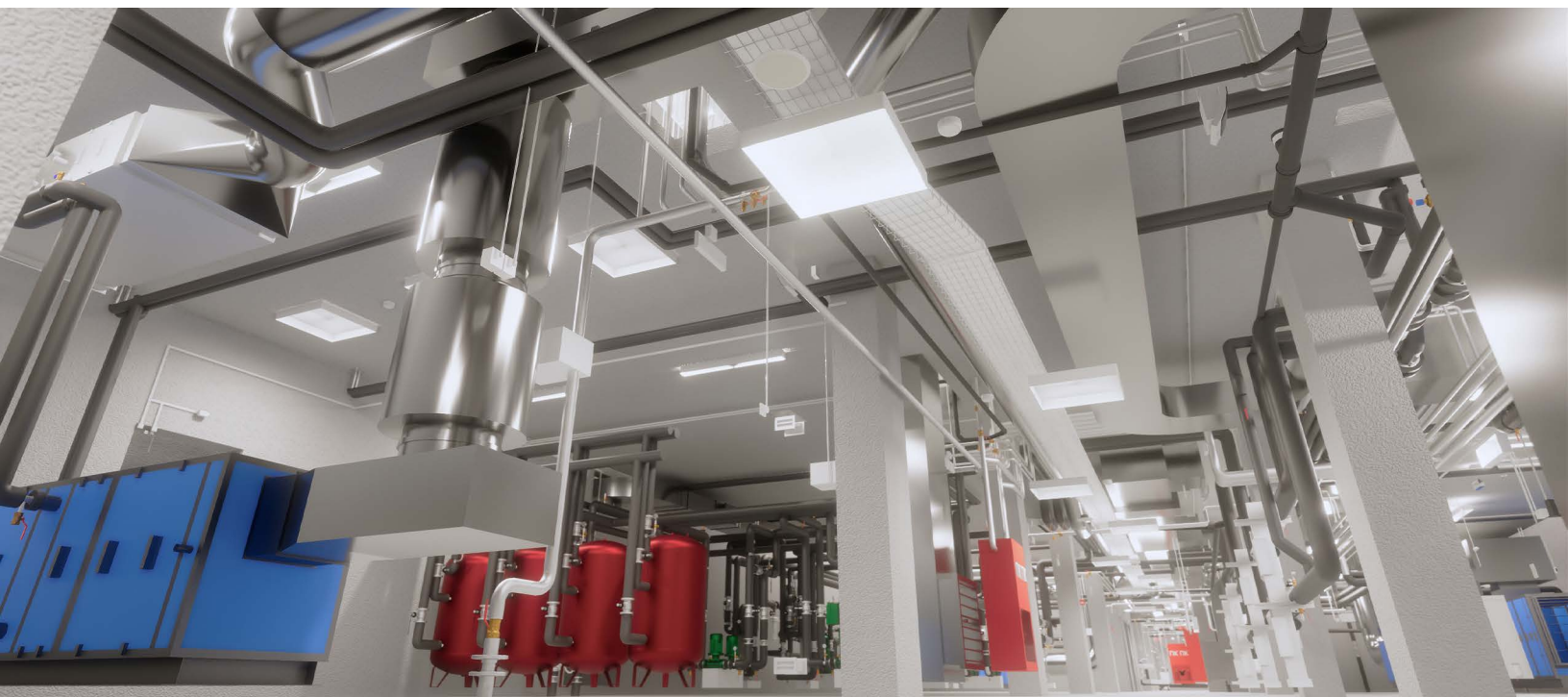
- payment gateways
- payment processors
- inventory management
- user accounts
- websites
- customer relationship management (CRM) tools
- sales automation tools
- marketing automation tools
- email automation tools
- data analytics / business intelligence platforms
- videoconferencing apps
- calendar/scheduling apps

PureWeb can help you determine which integrations are needed based on your goals, and work with your content creator or developer to ensure those integrations are hooked into the game file.

WORK WITH AN EXPERIENCED PARTNER TO SEAMLESSLY DISTRIBUTE YOUR METAVERSE EXPERIENCE

An experienced partner will facilitate the distribution of metaverse experiences that are:

- **ACCESSIBLE:** Consumers want to easily access the metaverse the way they easily access the internet – through their smartphone, tablet, or laptop
- **PHOTOREALISTIC:** To be immersive, a metaverse experience requires lifelike or pixel-perfect 3D renderings that are not diminished during the distribution process
- **INTEGRATED:** Our platform allows the experiences to integrate to a host of 3rd party systems and services
- **FULLY MANAGED:** Brands and their creative agencies can focus on what they do best – designing excellent experiences for customers – while PureWeb's white-glove service manages everything from cloud configuration to scheduling to capacity in a cost-efficient way
- **SECURE:** All data and files are safely secured at the server level and only renderings are streamed to the end user.





PUREWEB

PureWeb's Reality platform enables an easy, direct point of entry for customers anywhere in the world to enter the metaverse from their smartphone, tablet, or computer using a simple URL. It also allows key integrations for businesses to connect their metaverse experience to existing real-life systems and processes.

The result is seamlessly distributed metaverse experiences accessible to any user, anywhere in the world, and on any device.

Not sure where to start? Contact us and our team of experts can help you develop and enable your strategic entry into the metaverse.



CONTACT US

Have an interactive 3D project you want to distribute from the cloud?
Curious about Pixel Streaming or Render Streaming?
Contact us to learn more about PureWeb and get a complimentary consultation with one of our specialists.

www.pureweb.com/request-demo



FOOTNOTES

¹ Facebook Changes Its Name to Meta

² Roundhill Investments And Matthew Ball Launch Metaverse ETF (NYSE:META)

³ What Are Customer Expectations, and How Have They Changed?

⁴ Balenciaga blurs real with Unreal in Fortnite

⁵ How to unlock Fortnite Balenciaga cosmetics: Outfits, back blings, pickaxes & more

⁶ Epic's high-fashion collaboration with Balenciaga in Fortnite includes a hoodie for a walking dog

⁷ Epic's high-fashion collaboration with Balenciaga in Fortnite includes a hoodie for a walking dog

⁸ Balenciaga blurs real with Unreal in Fortnite

⁹ Consumer spending on in-game purchases worldwide from 2020 to 2025

¹⁰ Experience is everything: Here's how to get it right

¹¹ Experience is everything: Here's how to get it right

¹² Interactive 3D streaming in real estate: How Virtual Show Homes Help Buyers Play House

¹³ Interactive 3D streaming in real estate: How Virtual Show Homes Help Buyers Play House

¹⁴ Interactive 3D streaming in real estate: How Virtual Show Homes Help Buyers Play House

¹⁵ The Deloitte Consumer Review: Made to order: The rise of mass personalization

¹⁶ Car buying is on again, and mobility is picking up

¹⁷ Real-time technology is a perfect fit at BODS