

2023

Unveiling Next-Gen  
Marketing Strategies

# Web3 & Customer engagement

## 02

WHITE  
PAPER



SIAXPERIENCE



METAVRS

zealy

# Summary

<b>Editorial</b>	<b>3</b>
<b>Executive Summary</b>	<b>4</b>
<b>I . WEB3 AND COMMUNITY: A PARADIGM SHIFT FOR BRANDS</b>	<b>7</b>
1 / The new customer: understanding Gen-Z and Millennials' expectations	9
2 / The rise of Web3 and its impact on customer engagement	16
3 / Building a thriving Web3 community and keeping users engaged	22
4 / Reimagining loyalty and rewards: NFTs & Web3 experiences	30
5 / Future Perspectives: challenges, opportunities and the Evolution of Web 3.0 customer experiences	41
<b>II . UNLOCKING THE BENEFITS OF WEB3 FOR BRAND ENGAGEMENT</b>	<b>46</b>
1 / Web3, the future of CRM and customer experience management	47
2/ Boosting customer lifetime value and retention with innovative Web3 strategies	49
3/ Transforming your customers into brand ambassadors.	52
4/ Leveraging Web3 for brand equity and differentiation.	54
<b>III . KEY QUESTIONS YOU SHOULD ANSWER BEFORE LAUNCHING A WEB3 COMMUNITY-LED STRATEGY</b>	<b>56</b>
1/ What are your key objectives?	57
2/ Who is the target audience and what are their habits?	58
3/ What is the storytelling behind your Web3 journey?	60
4/ How to establish a communication strategy enabling you to build a lasting relationship with your community?	61
5/ What concrete value do you want to provide to the users?	63
6/ What technologies will better serve your use case?	64
<b>Final Thoughts</b>	<b>66</b>
<b>About Us</b>	<b>68</b>
<b>Contacts</b>	<b>71</b>

# Editorial

BY CAROL HILSUM

## **Web3 is technology** **Web3 is ideology**

*These core beliefs have always served as our guiding light as we have explored the intricacies of the Web3 space, recognising its parallel yet interconnected elements.*

In the world of Web3, we are witnessing rapid changes and gaining clarity as we navigate through its ever-evolving landscape. Each day brings new tools and strategies that emerge from the fertile grounds of the space.

The ecosystem surrounding Web3 is a captivating blend of interests and collaborations united by a shared purpose. *It connects diverse individuals and organizations, creating collective opportunities and fostering interconnectedness.*

From this, a core element has emerged: **the power and new dynamics of community**. This has been the driving force behind the sector's growth, shaping and evolving through deep-rooted value exchanges within connected communities. It is within this context that we have discovered innovative approaches to discussions, connections, and value exchange. It incorporates not just behaviour but technology, which has emerged from the ecosystem to shape and manage the experience they envisage and empower.

This is creating a significant influence over the future of engagement across sectors such as Luxury, offering fresh avenues to construct conversations, experiences, and brands. Our work within Dream Assembly Base Camp has exposed us to a dynamic and ever-changing ecosystem, equipped with tools to enhance engagement and community. These tools facilitate meaningful experiences between brands and their communities, fostering stronger connections.

Building upon this foundation, *we embark on a journey to explore loyalty, connection, and improved experiences*. Our exploration goes beyond technology and infrastructure, delving into value exchange methodologies, future prospects, and guiding principles. It gives us a path to delve deeper, seeking a profound understanding of this space. Equipped with knowledge and insight, we aim to traverse this path, exploring the realms of communication, connection, and value exchange within the ever-evolving world of Web3.

### by Carol Hilsum

*Carol Hilsum is the Senior Director of Open Innovation and New Venture at FARFETCH. With over 20 years of experience in the fashion-tech sector, she has held senior roles at companies including FARFETCH, NET-A-PORTER, and Topshop. Carol manages open innovation, including Dream Assembly Base Camp, and leads new business development strategies for the FARFETCH Group. Carol has been actively involved in the Web3 realm since 2018 and she also serves as an advisor and mentor to fashion-tech startups.*

# Executive Summary

## **Web 3, the perfect tool for brands to reach Gen Z and millennials**

Web 3 is revolutionizing community engagement for brands.

With a market capitalization of **\$27.5 billion** and a projected growth to **\$925 billion by 2030**, Web3 is an amazing opportunity for pioneers willing to take the leap.

So what is fueling this revolution? Well it's Gen Z and Millennials, who will make up **75% of the global workforce by 2025**.

The best way to attract them? It's all about personalized experiences, authenticity, shared values, and Web3 enables all of this.

Anyone can now become an owner of digital assets thanks to blockchain technology. Brands can leverage this tool to nurture loyalty and better engage with their users. And what's great about it is that **this engagement works both ways**. NFTs, tokens and quests offer new possibilities for creators, collectors, and enthusiasts to interact with their favorite brands.

Web3 communities are no longer a static consumer basis, they are morphing into actual creators, with the ability **to provide concrete value** for the projects close to their hearts.

## **Engagement and retention in Web3 communities**

**Gamification** is the way to go to improve engagement with users and increase retention in digital communities. Quests allow users to earn experience points by completing specific tasks. And users love it, completing an average of **1.9 million quests per month** across all communities. Communities can now be leveraged for concrete value, as each Quest is a useful task accomplished to make the project grow.

Brands can also directly reward users through NFTs or tokens, for financial benefits and access to exclusive opportunities. New mechanisms, such as token gating or soulbound tokens put the limelight on enhanced verification, privacy and security. By incorporating these strategies, brands can **reimagine loyalty**, enhance customer engagement and build lasting collections.



## **High rewards, but not without risk**

However, Web3 is still a maturing industry, with a lot of room for progress. The biggest pain point lies of course in the high friction users have to go through to fully access Web3 services, and ***designing an intuitive user experience will become crucial for brands to address the limited understanding of these new technologies.***

But that's not all. Decentralized networks also face scalability issues and remain quite siloed. Leveraging decentralized identity (DID) solutions, standardized APIs, and interchain networks should help brands overcome scalability limitations and seamlessly integrate with partners.

It's also important to keep in mind that data exploits, security breaches, and scams remain a big threat in the Web3 space. ***Brands can mitigate these risks by educating themselves and their users about Web3 security and working with trusted partners.***

## **Unlocking the benefits of Web3 for brand engagement**

Web3 technologies bring a constant flow of innovation: the way CRMs are designed, as an example, is already disrupting through Web3's unparalleled data accessibility and respect for user privacy. Salesforce has understood it, and acts as a bridge for Web2 companies willing to better understand Web3 communities.

In this decentralized space, ***Customer Lifetime Value skyrockets proportionally to the levels of personalisation accessible to the brands.*** Community-centric companies, like Reddit, are already reinventing loyalty programs through digital assets and massively benefitting from it.

Web3 marketing strategies are a thing of their own. Brands can now create immersive hybrid events, with NFT's acting as a fashion tool to turn customers into brand ambassadors. This new corridor for customer experience ultimately diversifies product offerings and brand equity.



This Whitepaper is also about supporting you operationally to help you tackle the best angle for your future campaigns. We've summed up the **key questions you should ask yourself as a brand manager before launching a Web 3 marketing campaign** at the end of the document - please refer to section 3 for more details on this.

The marketing landscape is undergoing a profound revolution as Web3 technologies, NFTs and virtual universes redefine customer engagement. The dynamic of the market will gradually move towards owning communities on decentralized platforms, offering personalized experiences that resonate deeply with the audience. As a brand, this innovation empowers you to cultivate lasting relationships and create immersive brand experiences across multiple touchpoints. The future of marketing lies in harnessing the potential of Web3 to create meaningful connections, and it's likely that **brands that pioneered efficient marketing strategies in this new digital age will be the ones reaping the benefits.**

Part 1

*Web3 and Community:  
a paradigm shift for brands*







The latest frontier in the digital landscape, Web3, is transforming the way brands engage with their communities. Web3 is a game-changing paradigm shift that promises a real digital revolution. Its rapid growth and market capitalization of \$27.5 billion signifies its immense potential. The digital assets market is projected to skyrocket to \$925 billion by 2030.

**Web3's power lies in fostering decentralized communities through blockchain technology.**

Brands can build trust, transparency, and active participation, ensuring data integrity and can address privacy concerns. Web3 facilitates symbiotic relationships between brands and their communities.

Brands are reimagining customer engagement through Web3, cultivating vibrant communities and brand loyalty. Michelin, Lacoste, H3NSY, Nissan or Gucci have all created their own communities of users to help them develop new and innovative products. Michelin has already onboarded more than 4000 members in their community, the 3xplorer Club. Embracing this community-centric approach could propel organizations that have taken the plunge to new success heights.

# 1/ The new customer: understanding Gen-Z and Millennials' expectations

Gen Z are defying stereotypes and shaping their own future. They embrace their emotions, and individuality, and fight for their beliefs. With a digital upbringing, Gen Z is poised for a socially conscious and technology-driven future.

They see Web3 as an integral part of their lives, not just a passing trend. **This blending of technology and social engagement makes Web3 a powerful force for these "kids of the 21st century".**

Brands have a unique opportunity to connect with Gen Z, but also with Millennials, by tapping into their affinity for Web3. Gen Z seeks out personalized experiences that go beyond traditional marketing. They want authenticity, interactivity, and a genuine connection aligned with their values.

Understanding Gen Z's characteristics, expectations, and needs is crucial for brands to thrive in the new Web3 era. By recognizing their digital identity and purpose-driven worldview, brands can effectively engage with the new generations and reshape brand-consumer relationships.

## 5 Gen Z and Millennials: characteristics and demographics

Individuals born between 1996 and 2010 are generally considered to be Gen Z, or 'Zoomers'. Despite their young age, Gen Z's economic influence should not be underestimated. Furthermore, they will soon represent a significant share of the workforce, as the number of Gen Z individuals entering the job market is expected to triple by 2030.

This generation brings fresh perspectives, innovative ideas, and valuable skills that will shape various industries. With their digital proficiency, ability to adapt to new technologies, and drive for success, Gen Z has the potential to revolutionize business operations.

Growing up with the internet and social media, Gen Z is deeply connected to technology. They are known for their diversity, activism, and entrepreneurial spirit. Additionally, they constitute an estimated 30% of the global population.

There are approximately 1.8 billion Millennials in the world in 2023. Also known as Generation Y, these are people born between 1981 and 1996. Millennials are the largest generation in the workforce, and will make up 75% of the global workforce by 2025. They are also the most educated generation in history, with over 60% of millennials having a college degree.

This generation is also more likely than others to be interested in crypto and Web3. According to a recent study by Bitget, 46% of millennials across major global economies own cryptocurrencies. This demonstrates a growing adoption of digital assets among this generation, reflecting a growing interest in new financial technologies.



## Digital Native Generations

The digital native generation, encompassing Millennials, Gen Z has grown up in the era of information and technology. They effortlessly navigate the digital landscape and engage with various platforms and devices. **Gen Z constitutes around 60% of users in the metaverse, with a significant presence on platforms like Roblox.**

Having grown up in a technology-saturated environment, digital natives **have an average of 8.7 accounts on different social media platforms** and are skilled in managing multiple virtual identities and avatars. Their adaptability and rapid adoption of digital innovations set them apart in the information age.

In a digital landscape where self-expression and showcasing achievements prevail, **Gen Z and Millennials find value in sharing their luxury purchases on social media platforms,** indicating a desire for direct purchasing options on these platforms.

Brands must therefore adapt their strategies to effectively engage with these evolutions. Loyalty programs infused with Web3 principles encourage personalized interactions and capture the attention of these tech-savvy generations.

By embracing their affinity for digital platforms, virtual experiences, and decentralized technologies, **brands can redefine traditional brand-consumer relationships and foster innovation and collaboration.** The digital native generation holds significant power and potential in shaping the future of brand engagement.

## A purpose-driven worldview: values and new expectations

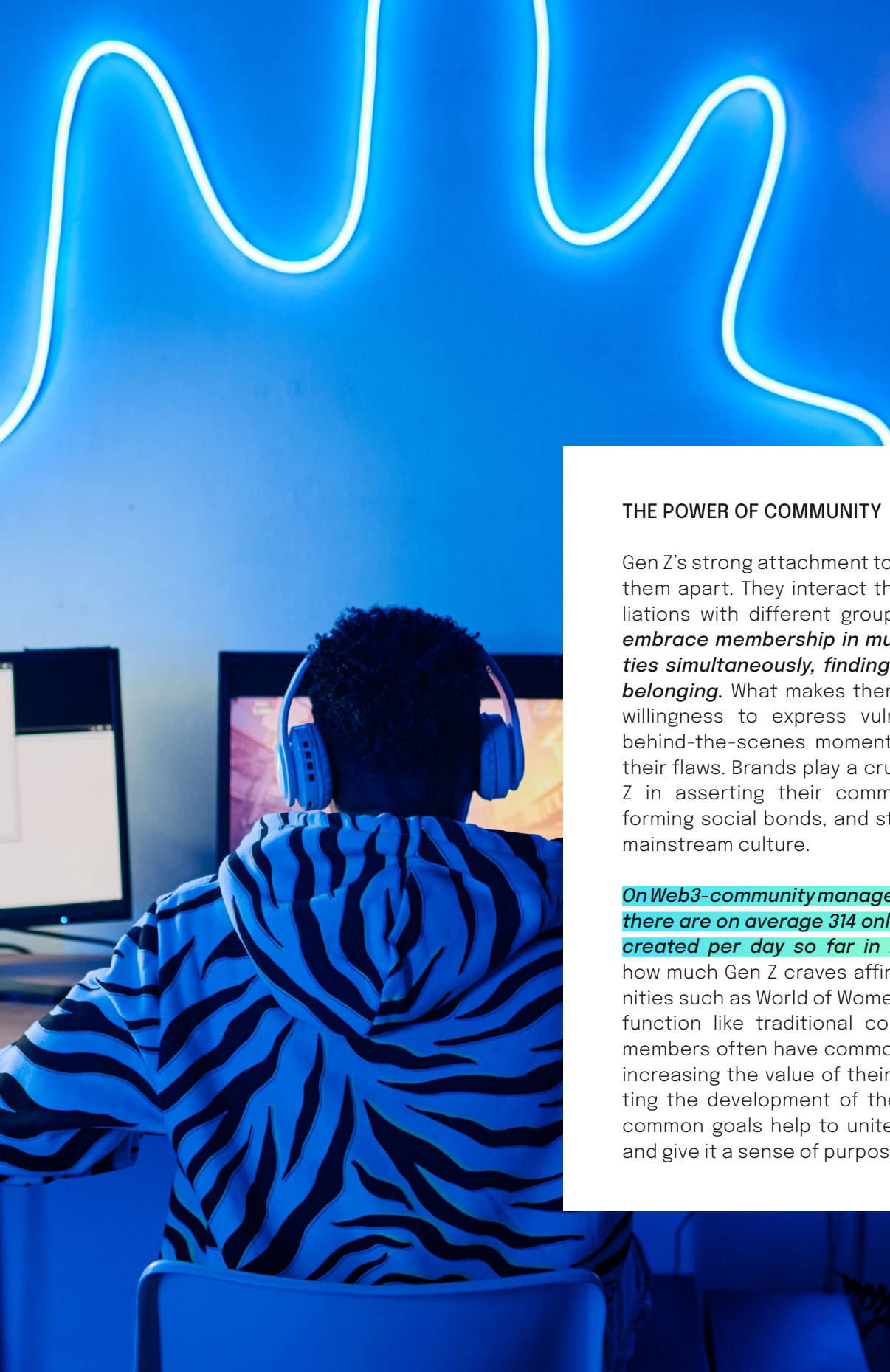
Gen Z and Millennials are driving a monumental shift by actively seeking value and purpose. Unlike previous generations, they reject passive consumption and instead participate actively to shape the transformations they dream about. **The progressive decentralization of the web has reshaped user behavior,** leading to a new economic model where digital ownership of indivisible assets is enabled (NFTs), users have voting rights (Dao's), and players are rewarded (Play and Earn (P&E), or Play to Own (P2O)).

These generations are at the forefront of this shift, fully aware of their pivotal role and determined to construct a future built on solid foundations.

This generation understands the need to develop a purpose-driven worldview, amplifying individual voices and making collective decisions through consensus. They champion a paradigm where intellectual property is democratized, enabling ideas and creativity to thrive. **Empowered by the decentralized web, they collaborate, co-create, and challenge the status quo.**

### AUTHENTIC ENGAGEMENT AND SOCIAL VALUES

One of the key characteristics of Generation Z is the desire for brands to engage with them authentically, and align with their worldview. They of course expect actions from companies to tackle climate change. But they also place a strong emphasis on fighting racial injustice and promoting tolerance, diversity, and inclusion regarding ethnicity, sexual identity, and religion, to name a few. They actively seek brands that are aligned with these values and take tangible actions to support and uplift marginalized communities. **Gen Z appreciates brands that actively listen to their voices, involve them in the decision-making process, and collaborate with them to create meaningful social impact initiatives.**



## THE POWER OF COMMUNITY

Gen Z's strong attachment to community sets them apart. They interact through their affiliations with different groups. ***They proudly embrace membership in multiple communities simultaneously, finding an identity and belonging.*** What makes them unique is their willingness to express vulnerability, share behind-the-scenes moments, and embrace their flaws. Brands play a crucial role for Gen Z in asserting their community affiliation, forming social bonds, and standing out from mainstream culture.

***On Web3-community management platforms, there are on average 314 online communities created per day so far in 2023,*** illustrating how much Gen Z craves affinity. NFT communities such as World of Women, BAYC or Nouns function like traditional communities: their members often have common goals, such as increasing the value of their NFTs or supporting the development of the project. These common goals help to unite the community and give it a sense of purpose.

## THE POWER OF QUESTS

The marketing landscape is undergoing a profound revolution as Web3 technologies, NFTs and virtual universes redefine customer engagement. Gen-Z's love for quests and interactive experiences is what makes them the best contributors to online communities. **By leveraging Web3 community tools and platforms, companies can convert them from passive consumers into active team members,** easily collecting feedback and ideas, and generating hype.

Online Web3 platforms provide quests (i.e. rewarded tasks) to online communities (Web3 or not) where users can earn experience points, levels, titles, or even special rewards. These quests range from the quiz to the detailed user feedback form, from the online promotion to code review. LVMH, Michelin, PMU, Nissan and many more brands have already created their own questboards to embrace the power of decentralized communities.

But that's not all. These platforms allow brands to get to know their users on an individual basis, creating an identity based on the data collected through the quests they accomplished. With online visibility, technical skills, and detailed feedback reviews, brands can now actually tap into the skills of their community members for free to solve pressing matters and create organic growth.

## BREAKING FREE OF RIGID BINARY STRUCTURES

Gen Z is determined to challenge, and break free from, rigid binary structures that have long characterized society. Brands have recognized this shift and are initiating approaches that go beyond the traditional male/female duality. They now offer gender-fluid options, allowing individuals to express their diverse identities and preferences. This inclusivity extends to Metaverse activations, where brands create non-binary avatars and customizable representations that cater to the unique identities of Gen Z. By embracing and celebrating a wide spectrum of gender identities, brands can foster a sense of belonging and make a positive impact on this generation.



*L'Oréal-owned Nyx Professional Makeup in partnership with People of Crypto Lab, a new metaverse-focused diversity lab, is launching a non-binary NFT collection and Pride event to bring more diverse representation to the metaverse.*

*Nyx Professional Makeup NFT collection ©L'Oréal*



## OVER-BRANDING AND SYMBOLIC IDENTITY

Gen Z craves recognizable identity symbols for self-expression, gravitating towards brands with distinctive emblems like Starbucks cups or iconic fashion labels such as Off-White and Balmain. *This generation embraces over-branding and maximalist logos that proudly showcase their affiliation with specific brands or movements.* These symbolic representations serve as badges of identity, playing a vital role in Gen Z's self-expression and sense of belonging. **Engaging in Web3 communities allows Gen Zers to explore a new paradigm of self-expression, where NFTs serve as contemporary badges of identity, reflecting their unique tastes, affiliations, and cultural connections.**

## CREATING COLLECTIVE HUBS IN THE REAL AND DIGITAL WORLD

Brands acknowledge the significance of collective hubs for Gen Z, seen in physical pop-up stores and online events like Gucci x Zepeto. In the metaverse, immersive spaces like Decentraland and The Sandbox cultivate community engagement. These hubs connect Gen Z, enabling collaboration and shared brand experiences, fostering community and loyalty.

Influencers like Lena Mahfouf (Lena Situations) or Mr Beast, much like brands using pop-up stores, have recognized the huge value of engaging their communities in the real world. Their success in creating events and immersive experiences highlights the need for traditional brands to embrace this approach and organize more events for their Web3 communities. By doing so, they can demonstrate the tangible and captivating nature of these experiences, which can be even more compelling than traditional activations.

01 - RTFKT CloneX ©RTFKT



02 - RTFKT Cryptokicks ©RTFKT



*RTFKT has successfully established a powerful Web3 Native Vertical Brand by leveraging hype and collaborations, as demonstrated through their virtual sneakers designs and NFT projects like CloneX and Cryptokicks. This highlights the importance of a strong brand image and sense of belonging, even in the Web3 space. Nike's entry into the Web3 landscape with its swoosh platform also underscores this understanding*

The Lacoste UNDW3 @Lacoste



The Lacoste UNDW3 Web3 project invited NFT holders to an exclusive party and offered limited edition merchandise at the prestigious Lacoste Arena in their flagship Champs-Élysées store. This successful event proves that gathering communities in real-world settings holds immense potential for brands seeking to foster stronger connections with, and generate greater interest among, their audience.

## “ INTERVIEW

**Benjamin Cornut - Global Social Media Lead & Web3 - Lacoste**

**How does Lacoste perceive the concept of token gating and its ability to cultivate a lively and committed community around their brand or project?**

*By implementing web3 ecosystems, we can benefit from the ability to empower « makers » or « meaningful achievers » like René Lacoste in the past - through cultural connection, collaborative creativity, and new technologies by creating an exclusive community where their most dedicated fans and creative contributors can actively engage, co-create, and shape the brand's future, fostering a strong sense of ownership, loyalty, and advocacy.*

**How does Lacoste utilize token gating to provide meaningful rewards to their loyal token holders?**

*In Brand-Experience department, we leverage token gating to offer exciting rewards to their dedicated token holders: our « crocodiles ». By holding the tokens, fans gain access to exclusive collaborations, personalized experiences, early product releases, and special interactions with brand ambassadors and designers. This creates a sense of exclusivity, recognition, and deepens their loyalty and connection to the brand.*

**What is the value proposition of going for a token-gated activation?**

*The token-gated activation represents a significant paradigm shift for Lacoste, as it enables the brand to gather invaluable feedback and comments from our passionate communities, fostering a collaborative approach in shaping the brand and its operational methods. Additionally, it empowers the designers and cool-kids who are at the forefront of fashion's evolution, reinforcing our commitment to « connect cultures and liberate movement »*



## “WEN COLLAB?”

*Gen Z values brand collaborations as mutually beneficial relationships, with brands eager to connect with them and expand their reach.* Examples like Fendi’s partnership with Ledger, turning crypto wallets into fashionable accessories, exemplify the merging of Web3 and luxury branding. Gen Z embraces cross-pollination and unexpected collaborations, seeing brands as storytelling environments and investing in these unique opportunities.

## SEEKING INNOVATIVE EXPERIENCES AND IMPACTFUL CONTENT

Gen Z actively seeks out innovative experiences and creative online content that leave a lasting emotional impact. *They engage with immersive experiences, and their favorite online brands and influencers.* For example, Ibai, a popular Spanish streamer, captivated over 3.3 million viewers on Twitch with his commentary during a boxing event. Gen Z’s preference for inventive, emotionally resonant experiences goes beyond traditional entertainment, making metaverse activations from innovative brands increasingly appealing to them.

## GAMIFIED EXPERIENCES

Digital natives are drawn to branded games, the creation of customizable skins and avatars, and immersive gaming worlds like Roblox, The Sandbox, Decentraland, and Fortnite. One-third of Gen Z gamers would like to see brands develop virtual stores, and 30% are receptive to the idea of brands selling skins and apparel for their avatars.

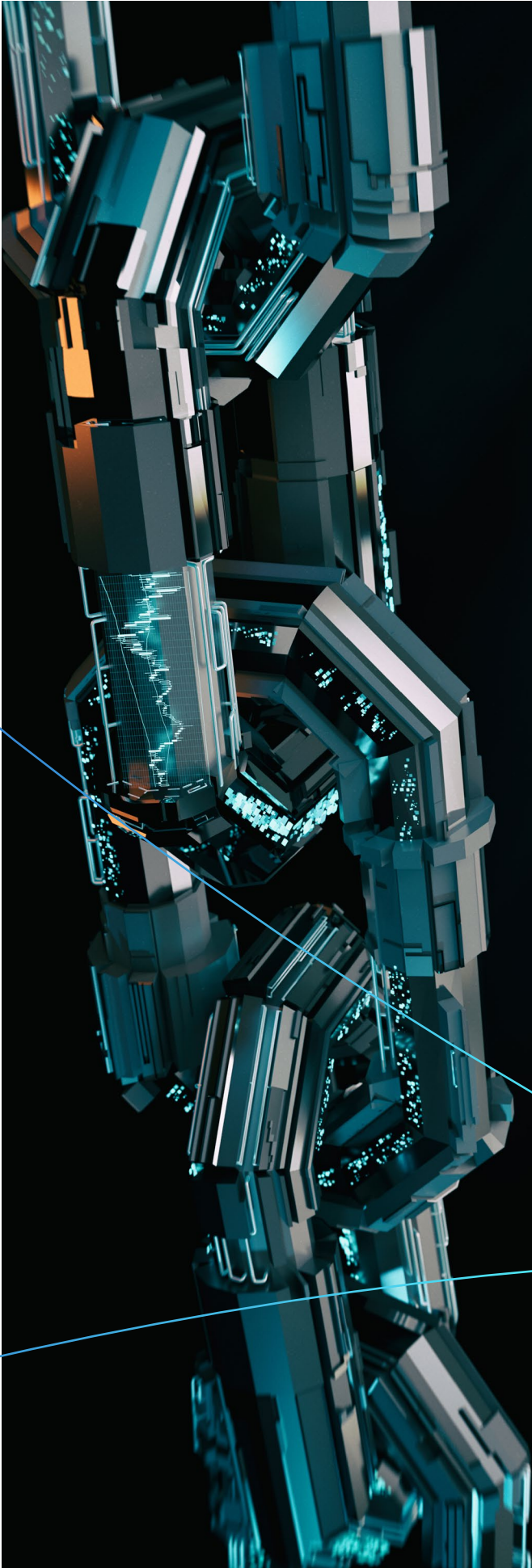
Constantly seeking new immersive playgrounds, they engage with these platforms to discover captivating stories and potentially earn rewards. *Brands can leverage this affinity for gaming by developing branded games and immersive experiences that captivate and engage Gen Z audiences,* further strengthening their connection with the brand.

The collective power of Gen Z and Millennials as consumers cannot be underestimated, driven by their digital upbringing and strong desire for personalized and authentic brand experiences. These generations place a significant emphasis on social engagement, inclusivity, and purpose-driven initiatives that align with their core values. In order to effectively connect with these influential demographics, brands must adapt their strategies by embracing the emerging technologies and platforms of Web3.

To truly engage with a Next-Gen audience, brands must prioritize authenticity, and interactivity, and establish a genuine connection that transcends traditional marketing approaches. This entails leveraging immersive experiences, interactive gamification, and impactful content that captures the attention and resonates with Gen Z and Millennials.

*GAP x Dogami:  
IN 2022, Gap formed a partnership with Dogami, a play-to-earn Petaverse game that revolves around complete ownership of 3D NFT dogs. This initial collaboration enabled collectors to customize and accessorize their virtual companions with in-game wearables.*

*The NFT hoodies serve a practical purpose by allowing players to enhance the unique style of their NFT dogs, influencing in-game statistics that are typically altered by reward acquisition only.*



## 2/ **The rise of Web3** *and its impact on customer engagement*

The emergence of Web3, the next generation of the internet, is set to revolutionize various industries, including customer engagement. Web3 encompasses a range of technologies and concepts, such as blockchain, smart contracts, Non-Fungible Tokens (NFT) and cryptocurrencies. Unlike its predecessor, Web2, which primarily focused on a few centralized platforms (Facebook, Apple, Amazon, Netflix, and Google that make 57% of today's web traffic), Web3 emphasizes decentralization, trust, and user empowerment.

## What makes Web3: Digital assets, Wallet, DAO, DApps, etc

### THE WALLET: A GATEWAY TO CONNECTIVITY AND EMPOWERMENT

The Web3 wallet has transcended its conventional role and assumed the mantle of an essential communication channel. It not only stores valuable resources, but also encapsulates a wealth of user data, making it a powerful hub of information and connectivity. Within its virtual walls, the wallet safeguards an array of assets, ranging from numerical data and recent purchases to tickets and loyalty cards. A notable addition to this repertoire is the Proof of Attendance (POA), a token that enables individuals to validate their participation in events.

**For brands seeking to foster loyalty and expand their reach, POAs offer tremendous opportunities.** By leveraging these certificates, brands can establish and nurture lasting connections with their users, using the wallet as a medium for targeted push messages before and after events. Imagine a scenario where a user, after visiting a site multiple times, receives a collection of 10 POAs in their wallet, unlocking a special voucher as a token of appreciation. This transformative approach to customer relationship management (CRM) shifts the focus from traditional email addresses to the wallet, redefining how brands engage with their audience in Web3.

The utilization of POAPs extends beyond mere proof of event participation, offering participants exclusive access to upcoming releases and important announcements. This integration enriches the overall event experience, fostering a deeper connection between the brand and its audience. As these digital assets gain prominence in the virtual luxury landscape, they have transformed into highly sought-after «status symbols».

### DIGITAL ASSETS: PIONEERING A NEW FRONTIER OF POSSIBILITIES

Central to the Web3 ecosystem are digital assets, and blockchain-based representations of value, ownership, and authenticity. These assets transcend traditional boundaries, offering unprecedented possibilities for creators, collectors, and enthusiasts alike. From unique artwork and virtual real estate, to in-game items and tokenized securities, **digital assets unlock a new frontier of creativity, investment, and expression.**

Empowered by blockchain technology, digital assets offer unparalleled transparency. They enable individuals to truly own their virtual possessions, free from the constraints imposed by intermediaries or centralized platforms. The rise of NFTs has revolutionized the concept of ownership, allowing artists to monetize their creations, collectors to amass unique collections, and enthusiasts to participate in vibrant digital ecosystems.

*Christian Louboutin, the renowned luxury footwear brand, made a groundbreaking move during Paris Fashion Week by releasing its very first NFT. This unique digital asset, accompanied by a Proof Of Attendance token, served as a prestigious digital «badge of honor» for attendees of the exclusive show held atop the iconic Eiffel Tower. Through a QR code presented at the event's conclusion, individuals worldwide had the opportunity to redeem the NFT, which could be accessed and showcased on various social media platforms.*

## DAOS: EMBRACING DECENTRALIZED GOVERNANCE AND COLLABORATION

Decentralized Autonomous Organizations or DAOs embody the principles of collaboration, community, and collective decision-making. Operating on blockchain networks, DAOs facilitate transparent and democratic governance, empowering participants to shape the trajectory of projects, investments, and initiatives. **By eliminating hierarchical structures and central authorities, DAOs enable individuals to have a direct stake and influence in the organization.**

## BLOCKCHAINS: EMPOWERING USER-CENTRIC EXPERIENCES

At the forefront of Web3 innovation are Decentralized Applications (DApps). These applications leverage the power of blockchain technology and smart contracts to create an ecosystem where users have unprecedented control over their data, interactions, and digital experiences. Through Blockchains, individuals can access a number of services and functionalities, spanning various domains such as finance, gaming, social networking, and more. With the removal of intermediaries, and by embracing decentralized protocols, Blockchains foster a trustless environment, enabling peer-to-peer transactions, seamless interactions and transfer of value.

**The advent of Web3 has ushered in a time when digital assets, wallets, DAOs, and Blockchain converge to shape a future built on empowerment, collaboration, and innovation.** This dynamic ecosystem redefines the relationship between individuals and the digital realm, placing the user at the center of their own digital identity and experiences.

*LinksDAO is a virtual golf club where access is granted through the purchase of an NFT. By raising funds through NFT sales, LinksDAO successfully built a community passionate about establishing a golf club. In January 2022, the initial NFT drop attracted 9090 members, raising \$10 million in under 24 hours. LinksDAO then partnered with renowned golf brands, offering exclusive benefits to its members, launching an online store and is now planning to acquire a dedicated golf club for its members.*



©boxmining.com



*Socios.com is a fan-centric DApp that empowers supporters with tokens, rewards, and governance power. The finite digital assets, called fan tokens, are built on the Chiliz Chain, enabling fans to participate in important decisions. Celebrity endorsements have attracted a large community of fans. Alongside governance benefits, fans enjoy exclusive promotions, perks, rewards, and VIP experiences. The platform brings fans together regardless of location. Major clubs like PSG, Barcelona, Juventus, and more have partnered with Socios.com, with new clubs continually joining.*





## A reshuffling of customer relationships

conventional role and assumed the mantle of an essential communication channel. It not

### REINVENTING CUSTOMER RELATIONSHIP MANAGEMENT

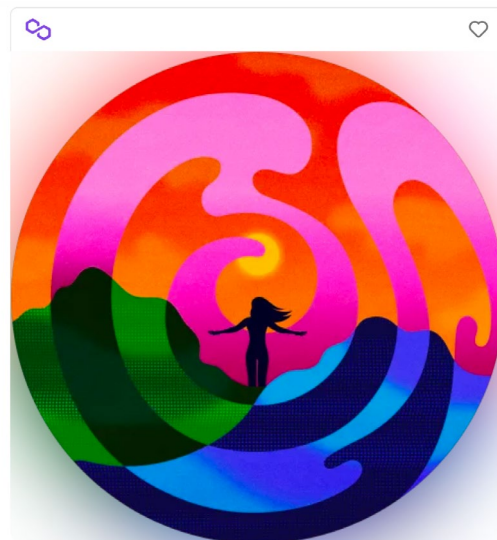
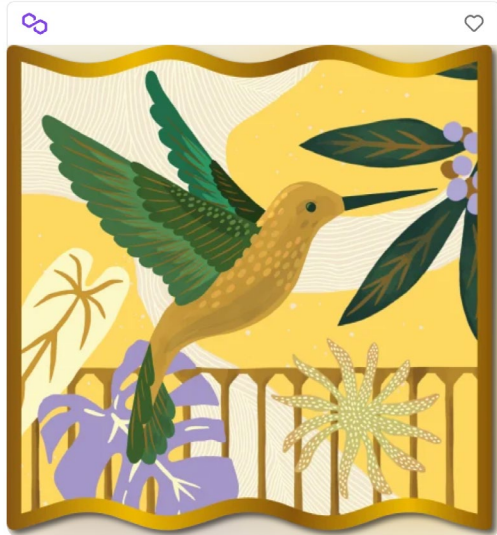
By replacing traditional points-based systems, digital collectibles empower users to redeem their rewards beyond a specific merchant site.

*These versatile tokens can be applied across various domains and exchanged for virtual or physical goods, enhancing customer satisfaction and promoting brand loyalty.*

### STREAMLINING LOYALTY AND AUTOMATION

*NFTs bring remarkable simplicity to reward management.* Automating loyalty operations is now incredibly easy thanks to the interoperability between DApps operation on the blockchain.

*During the Burger King Keep It Real Meal Promotion, customers would scan three NFTs via QR codes that unlock a fourth token, granting users the opportunity to participate in a contest and win exciting surprises. The rewards were seamlessly distributed, relieving brands of the burden of manually overseeing loyalty programs. Smart contracts enable assets to be automatically transferred to the crypto wallets of consumers who scan the NFTs, streamlining the entire process. By scanning the QR codes, customers unlock the NFTs, which grant them access to exclusive rewards.*



©Starbucks odyssey

### BUILDING LONG-TERM CUSTOMER RELATIONSHIPS

A key advantage of NFT-based loyalty programs is the preservation of customer relationships. Users willingly connect their crypto wallet addresses to receive benefits, creating a direct line of communication with the brand. Through the user's wallet, brands can deliver personalized rewards and messages, continually adding value and reinforcing customer loyalty. The wallet becomes the central point of contact. 66% of all Web3 interactions are done through a wallet (Zealy Data Study, 2023), enabling brands to nurture long-term relationships and enhance their loyalty-building capabilities.

Web3 is reshaping customer relationship management, harnessing the power of NFTs and blockchain automation. By leveraging these advancements, brands can establish deeper connections, foster loyalty, and deliver exceptional experiences.

*Starbucks recently conducted an NFT airdrop exclusively for members of its Odyssey rewards program, marking the company's entry into the world of Web3. To qualify, participants must be Odyssey members who have completed two "journeys" and own at least one limited-edition NFT stamp. By analyzing both on-chain (holding stamps) and off-chain (purchasing stamps, completing journeys) behavior, Starbucks can gain valuable insights into user engagement and behavior patterns more effectively.*



*3/ Building a thriving Web3 community and keeping users engaged*

Building a thriving Web3 community is a way for brands to better connect and establish a solid relationship with the digital native generation. Community is the fuel that powers any Web3 adventure and this community can be leveraged to share and promote new projects, creating a ripple effect and increasing awareness.

A Web3 community is not just a conventional gathering of people. ***It is a space where participants can actively contribute, share the value they create, and assert ownership.*** Unlike common Web 2.0 communities, Web3 communities empower each member to become a creator, fostering a sense of collaboration and collective growth. Here, individuals can share digital ownership, earn rewards for their skills, and participate in a blockchain-secured ecosystem that nurtures their development.

The potential that Web3 mechanisms hold for the future of the Internet and brand-customer relationships is immense. With Web3, brands can forge deeply engaged, fiercely loyal, and immensely profitable communities. They have the freedom to shape communities on their terms, attracting digital native members, and token holders, hence creating a community dedicated to the brand's success. There are numerous compelling reasons why brands should venture into the realm of Web3 community building, especially digital native members.

For brands that already have taken the leap such as Michelin and Renault, the return on investment is already palpable:

- ***Michelin's community members fill up 29.86 quests on average per month.***
- ***Renault's community members fill up 17.58 quests on average per month.***

## “ INTERVIEW

**Elliot Colignon, CMO of Stables, a game on-chain developed by the French brand PMU, had this to say about the benefits brought by its Zealy community:**

*Stables is a horse fantasy game developed by PMU, where players can adopt their own virtual racehorse (linked to real-life horses) and compete against others.*

*PMU's goal is to attract new customers with games and digital collectibles. Zealy enables us to leverage our community and scale resources and presence in ways that traditional channels cannot. It helped us to gain visibility.*

*Indeed, our ambition was to onboard our community in a gamified way, and it's done since our whitelist system has been a real success: We have now 4k+ whitelisted people and almost 100k quests completed since January 9th, date of the launch of our communication.*

*Later, we believe it will help to build better products and improve user retention by being closer to our community.*

Brand loyalty is undoubtedly the cornerstone of sustainable revenue streams. A robust community fosters brand loyalty by creating an ecosystem that unites partners, affiliates, and stakeholders who share common interests and values. Through this interconnected network, brand loyalty thrives, driving recurring revenue and long-term success. ***In Web3, where loyalty levels define what success looks like, on average 10% of users come back to the same protocol every 5 days to achieve a quest (Zealy Data Study, 2023).***

## The Web3 creator economy fosters engagement

A flourishing creator economy is the next logical step that stems from a thriving, Digital Native/Web3 ecosystem, fostering new levels of engagement. With decentralized technologies at its core, this burgeoning creator economy empowers users to seize control over their creations, distribution, and monetization. **Brands, in turn, establish a climate of trust with users, forging stronger brand loyalty and heightened engagement among their existing customer base.** Users complete on average 1.9M quests (or tasks) per month across all communities and this number is growing (Zealy Data Study, 2023). It's easy to imagine how brands could benefit from such an increase in engagement of their customer base.

### A SYSTEM THAT BENEFITS BRANDS AND DIGITAL NATIVE USERS

What does the Web3 creator economy bring to the table for users and brands? Stepping away from the current Web2 model structured around centralized groups and incentivizing creators to promote brands, the new Web3 economy works as a decentralized ecosystem, which means:

- Eliminating intermediaries between creators and their admirers, and enabling direct interactions and transactions.
- Granting users and creators full control over their data, identity, and creative output.
- Establishing transparent and accessible financial systems and ensuring clarity in monetary transactions.
- Fostering a culture that values originality and steering away from heavy reliance on traditional advertising models.

***In the Web3 paradigm, value exchange between parties is enhanced, as creators benefit more from their creations.***

Moreover, the perception of value is shifting from regular currencies to tokenized assets of various types. ***This leads to extremely qualitative communities, with a high rate of power users. In Web3 communities, administrators ban on average less than 0.58% of their members, indicating high quality.***

### SHIFTING FROM CONVENTIONAL METHODS OF GENERATING INCOME

On traditional creative platforms, creators often feature advertisements, disrupting the flow of their content. Sponsored content can compromise authenticity, as creators feel compelled to promote products or services that may not resonate with their audience. However, Web3 disrupts this paradigm, as users in the Web3 creator economy can directly support creators and brands they appreciate.

Gone are the days when creators must rely solely on advertisements to generate income on platforms such as YouTube. The Web3 creator economy enables audiences to reward creators directly for their work, fostering a more organic and authentic creative process while eliminating the need for intermediaries.

Web3 communities are often organized around governance tokens, acting as a voting tool. This structure creates a secondary market for digital collectables within the community, allowing the exchange of assets between individuals, and early access to exclusive creations.



## FROM TRANSACTIONAL SUBSCRIPTIONS TO MUTUAL BENEFITS

These new user interactions drive the interest of digital natives towards the decentralized economy, drifting away from the previous subscription model. Audiences are now valued members of the community, offering creators various means to engage with them. Creators can make their fans co-owners of their content, sharing the rewards and profits with them. **They can incentivize audience participation and investment by leveraging reward tokens, and by staking their creations, they provide exclusive experiences to their dedicated fans.**

*The collaboration between Maison Hennessy and Friends With Benefits DAO gave rise to Café 11. This cultural social club seamlessly blends a decentralized autonomous organization with a luxurious experience. To become a member, individuals must acquire an NFT, unlocking a world of exclusive cultural events hosted in exceptional locations. Café 11 represents the epitome of luxury and innovation, as Maison Hennessy and Friends With Benefits DAO join forces to redefine the concept of membership and elevate cultural experiences.*

A significant advancement in the Web3 creator economy is the use of royalties. In the current Web2 monetary system, monetizing creative work is often limited and challenging to navigate. The traditional model fails to account for the long-term value and resale potential of creative pieces. Royalties in the Web3 creator economy address this issue by enabling creators to retain ownership and receive a percentage of earnings after each resale. Smart contracts automate the collection of additional revenue, ensuring creators benefit from the ongoing value of their work.

## OWNERSHIP TAKING A WHOLE NEW DIMENSION

The Web3 creator economy propels us into an era of owners, empowering users, brands and communities alike. Ownership of digital assets opens the way for collaborative work, secondary market compensations, yield-bearing assets, and a feeling of belonging in the community that increases the brands' appeal to users.

In the current Web2 landscape, social media platforms retain authority over user-generated content. However, the Web3 creator economy empowers users to not only own their content on existing platforms but also stake a claim in the platforms themselves.

Each tweet about a new community launching in Web3 leads to 412 quests achieved on average (Zealy Data Study, 2023), illustrating how social media posts can now lead to concrete actions in Web3 communities.

In this innovative ecosystem, players can unleash their imagination, customizing and constructing their very own digital assets. The early creators are at the forefront of this revolution, holding the key to a thriving marketplace. They not only appreciate the masterpieces they've crafted but also engage in frequent exchanges and sales, all while retaining control and reaping the rewards of their creative endeavors.

**Ownership implies membership, and this dynamic is the cornerstone of this transformative landscape, igniting a sense of pride and belonging to a community.** Becoming more than just a label, membership turns out as an investment in the digital community, offering a tangible stake and a sense of shared ownership. economy, drifting away from the previous subscription model. Audiences are now valued



Le Bristol / L'H3ritage ©Claire Cocano - FMM7

*Talking about Membership, Le Bristol NFT activation speaks volumes. This Parisian Palace has launched L'H3ritage, an NFT activation offering 11 unique experiences never seen before at the Palace. These Utility NFTs redefine the guest journey, granting access to exclusive "money can't buy" perks such as a private rooftop pool, Le Bristol events, secret cocktails, signature dishes by a renowned Chef, personalized merchandising, and future collaborations. Behind the scenes, these NFT holders will immerse themselves in the heart of Le Bristol, and join the digital native Web3 community in shaping the future of luxury hospitality.*

**Thomas Mattei, Global Marketing & E-commerce Manager, Le Bristol Paris**

**What motivated Le Bristol to explore NFT activation and create L'H3ritage?**

- *Reach a new connected audience*
- *Be a Web3 precursor in the hotel industry and keep showing Le Bristol as a disrupter (1st Palace to enter the Web3).*
- *Generate “money can't buy” experiences, to create new ways to interact with the hotel and increase loyalty (CRM)*
- *Gain Web3 experience to go further in this ecosystem and position Le Bristol as a player in the game*

**Can you share any insights into the reception and feedback from guests who have participated in this activation?**

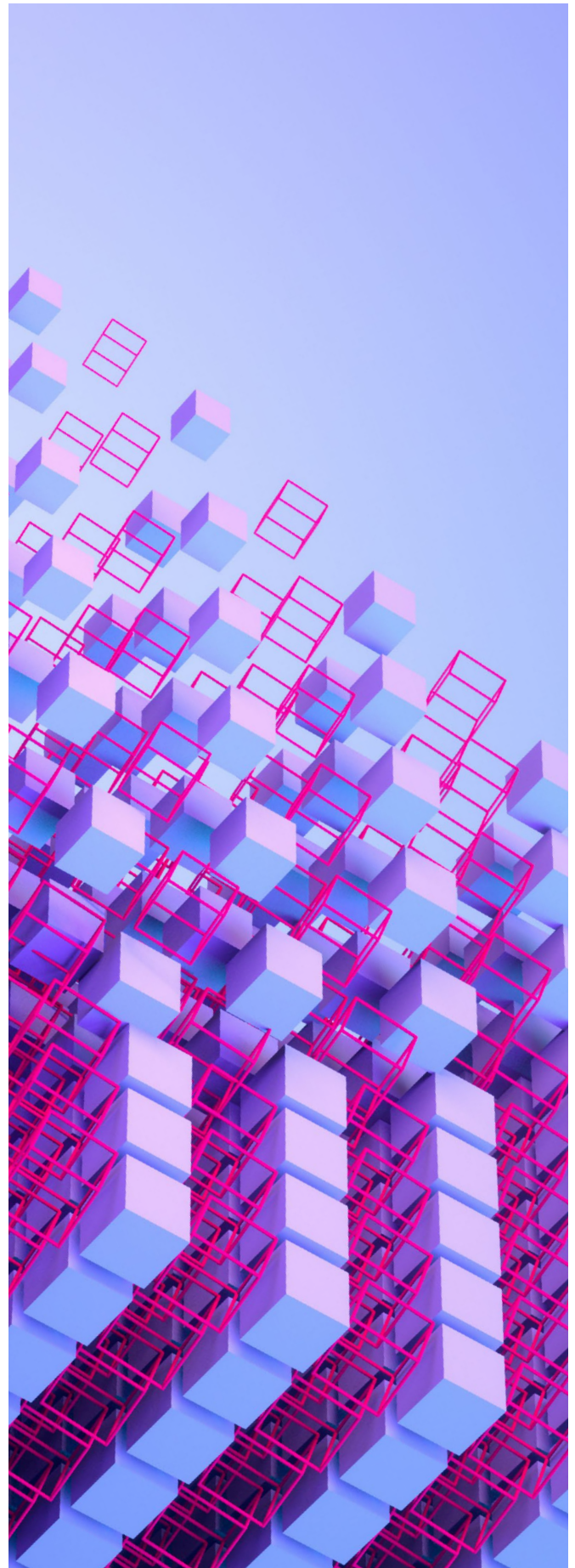
*The public had welcome very well this new journey, and praises the big step forward the hotel is taking.*

*Feedbacks were quite positive on how the hotel managed to adopt the Web3 codes and ways of, while keeping its DNA. The mix was subtle and well balanced.*

**How does Le Bristol envision the integration of NFTs and Web3 technology shaping the future of luxury hospitality?**

*This is a new way to interact with a new crowd. The technology offers endless possibilities in terms of booking, CRM and guest relations. It eases partnership possibilities as it gathers likeminded brands in the same ecosystem, around the same problematics.*

**Flexibility** is the last key element that makes Web3 strictly superior to the previous model. Within communities, administrators can now design as many membership tiers as their imagination allows them, to fit every persona represented by their members. This versatility opens up exciting avenues for revenue generation, from enticing one-time bundle purchases to subscription models. The community thrives, fueled by a sustainable ecosystem where innovation knows no bounds.





## Interoperability will extend customer experiences through diverse infrastructures

Applications built on blockchains are all operating on one common net, allowing for easy connections. An NFT created by a brand can be used in another protocol to give access to specific features, similarly, a token emitted by a DAO can be staked in another DApp.

Curve.fi \$CRV token is used by Convex's protocol to emit higher yields for their token, \$CVX. This token is used in turn by other protocols such as Votium or Conic with the same goal in mind, creating a constant demand loop for the base layer token of this ecosystem, \$CRV. These synergies between protocols building on top of each other, ultimately creating proper ecosystems, are referred to as *interoperability*.

Brands that manage to design such demand loops will ultimately become the winners of their space, creating a continuous and organic demand flow for their products.

Interoperability is the key to Web3's future adoption. Unlike the current internet landscape where applications are isolated, Web3 allows applications to be built freely and empowers users to carry their information across platforms.

This fosters a digital economy that thrives on innovation, adaptability, and durability. Web3 interoperability connects multiple virtual realms, platforms, and applications, offering users the freedom to navigate between diverse environments.

©Otherside - BAYC



*The Otherside, a collaborative project between Yuga Labs and Improbable, is forging cross-chain solutions that will lead to partnerships with various Web2 brands, such as the one with Gucci provided below.*

*Otherdeed holders, known as Voyagers, are actively involved in the development of the Otherside platform. The goal is to establish a metaverse platform that is collaboratively constructed and serves the interests of the community. It is an open platform for development and interoperability with other metaverses where user-driven development is prioritized, as such, user feedback will play a central role in shaping the direction of the Otherside.*

*Interoperability in the Otherside Metaverse extends to the ability to import objects, worlds, and experiences from other metaverses, facilitating their trade within the Otherside. This means that players can use their Otherdeeds, Kudas, meaning celestial beings that reside in the Otherside, or other NFTs across different games and platforms. Each NFT in the game is dynamic, composed of various elements and capable of evolving during gameplay.*





*The luxury brand Gucci collaborated with the Otherside metaverse. This partnership involved the launch of a collection of 3,333 silver pendants called Otherside Relics. These KodaPendants are accompanied by an exclusive Gucci silver necklace and additional digital benefits such as NFTs. This collaboration signifies Gucci venturing into the Otherside metaverse and blurring the boundaries between physical and digital realms.*

Gucci x Otherside ©Otherside

# 4/ Reimagining loyalty and rewards: NFTs & Web3 experiences

Creating experiences that captivate and drive customer purchases is a constant pursuit. From virtual asset sales to brand-owned lands that enhance virtual shopping experiences, brands are embracing new avenues to connect with their audiences.

The first one to mention is experience. When users achieve specific tasks on platforms, they earn experience, which helps them gain levels, ultimately unlocking access to more exclusive rewards. **Users complete 1.9m tasks per day on average, 82% of which are paid with experience** (Zealy Data Study, 2023), showing that free engagement is possible for brands.

On the other hand, rewards such as NFTs tokens offer a tangible way for brands to interact with and reward their customers,

creating a win-win scenario. The key lies in exploring the number of possibilities that reward tokens present in building customer loyalty and driving brand engagement.

*Those collectables, linked to utilities, empower users and creators to reap financial benefits from their products and services through digital ownership.* As tradable assets, they have the potential to appreciate over time. Brands can grant reward tokens to customers, enabling access to exclusive brand events or unlocking special benefits. The blockchain technology underpinning reward tokens provides a unique model of ownership, reminiscent of non-fungible tokens.

Owning a utility token grants users the right to sell it, and buyers can enjoy the associated perks. Tokens can be resold, and the original user is entitled to a portion of the proceeds. If the brand associated with the token thrives, the value of the social and reward NFT can soar.

*These utility tokens go beyond mere loyalty points. They create a deeper connection between customers and brands.* By offering exclusive experiences or product discounts to token holders, brands reward customer loyalty and forge a lasting bond. Encouraging active engagement with the company, NFTs become a catalyst for customers to become brand advocates.

*Bacardi Rum is launching global marketing activation under its "Do What Moves You" brand platform. Starting with a New York pop-up event in partnership with Stadium Goods, attendees can claim a Dancing Shoes NFT and trade it for physical shoes. Bacardi's custom Snapchat AR lens and music festival appearances add to the excitement for October 2023, with the campaign concluding at an Amsterdam festival. Attendees will receive a customizable NFT that can be turned into customized sneakers. Bacardi is also releasing a custom lens on Snapchat for consumers to enjoy at home.*

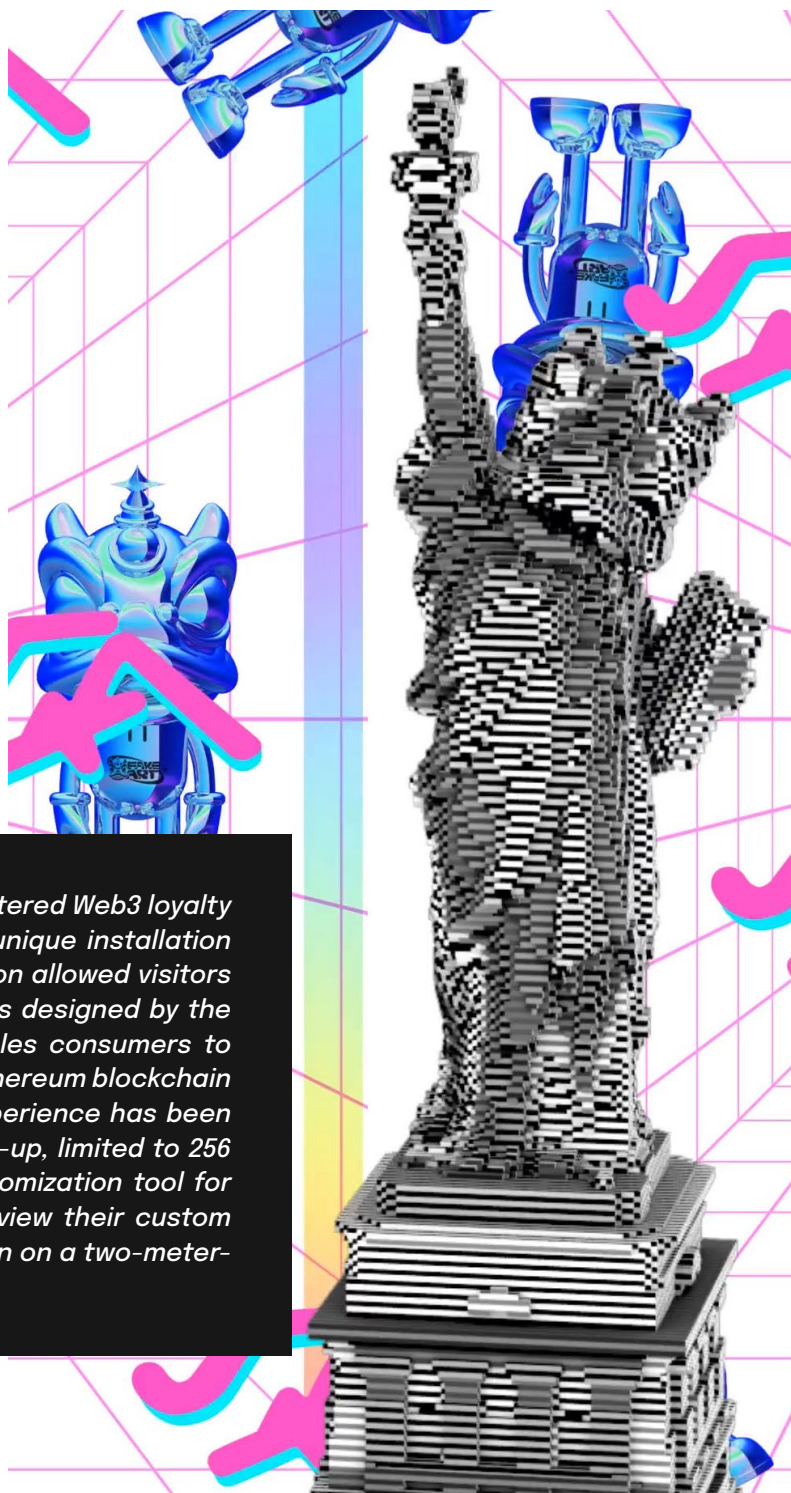
## THE POWER OF REWARDS TOKENS: BUILDING LASTING BRAND LOYALTY

Rewarding customer loyalty is a powerful strategy for driving repeat purchases. Brands can incentivize customers by offering reward tokens for each transaction, encouraging them to continue doing business. The effectiveness is amplified when these tokens can be redeemed for discounts or other valuable rewards, further reinforcing the customer's commitment to the brand.

## FOSTERING A SENSE OF COMMUNITY AND EXCLUSIVITY: ENTER THE LOYALTY PROGRAM

To foster a vibrant community and foster a sense of exclusivity, brands can leverage NFTs as rewards within a loyalty program. By offering special perks and benefits to their most loyal customers, brands create a genuine sense of belonging. This strengthens the emotional bond between the customer and the brand, enhancing customer loyalty and overall engagement.

*Salvatore Ferragamo, the Italian luxury brand, entered Web3 loyalty activations by offering reward NFTs through a unique installation at its new store in Soho, New York. The installation allowed visitors to co-create NFTs by selecting digital backdrops designed by the artist Shxpir. Once chosen, the backdrop enables consumers to create a unique NFT artwork and mint it on the Ethereum blockchain using the OpenSea platform. This immersive experience has been available for approximately one month as a pop-up, limited to 256 NFTs. Additionally, Ferragamo introduced a customization tool for the 6R3ENE sneaker, allowing customers to preview their custom sneaker version through a holographic projection on a two-meter-high wall.*



©Salvatore Ferragamo - Shxpir

*Referring back to the previously mentioned Starbucks use case on page 13, we can highlight the exceptional value of the brand's loyalty program by emphasizing the tangible advantages it provides to consumers. The brand offers a gamified experience where members can collect or purchase stamps, thereby increasing their points along the way. This engaging journey allows users to actively participate and unlock access to exclusive benefits and experiences. From virtual cocktail classes to trips to Starbucks' Hacienda Alsacia coffee farm in Costa Rica, a world of unique opportunities awaits. Starbucks has ingeniously crafted this Web3 loyalty program to foster an inclusive Web3 community. It showcases the remarkable potential of Web3 in enhancing customer engagement and reimagining loyalty experiences.*





## UNLOCKING NEW POSSIBILITIES

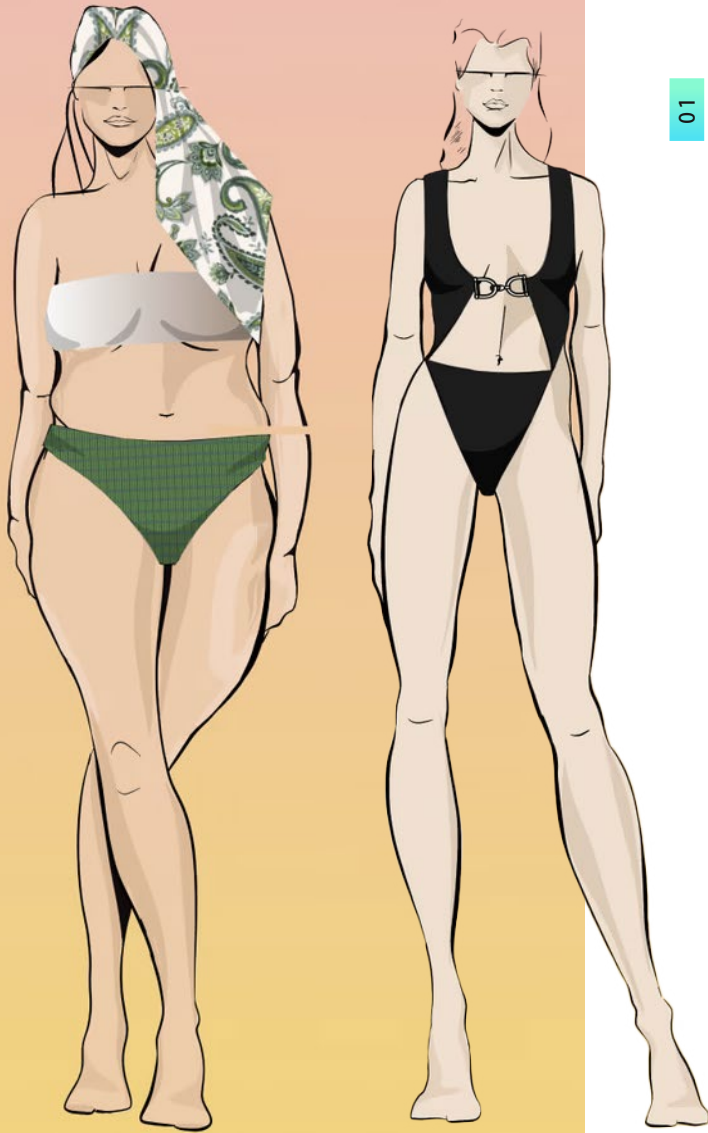
NFTs used as rewards offer endless possibilities for building brand loyalty. Imagine a limited supply of assets granting access to highly anticipated presales or limited-edition products. Alternatively, a membership NFT that unlocks an exclusive community, with the ability to trade or transfer ownership. Brands can also integrate NFTs into loyalty programs, providing customers with exclusive access to events, products, or other enticing perks. **Such NFTs not only make the customer experience more desirable but also generate a sense of intrigue and anticipation.**

Introducing reward NFTs can revolutionize a brand's business, ensuring that everyone involved is duly rewarded. By visibly recognizing and rewarding customer loyalty, brands build trust and show appreciation for their customers' contributions. This, in turn, enhances customer engagement and elevates brand recognition.

*Wow Bao, in partnership with Brightloom, brought an innovative NFT-based membership program. Customers can enjoy exclusive benefits by purchasing membership using traditional payment methods. With three tiers to choose from, each offering a range of digital and physical rewards, members can indulge in monthly giveaways, discounts, and point multipliers. The top two tiers secure automatic entries for a chance to win a coveted Wow Bao-branded car in the thrilling virtual racing game, Riot Racers.*

©Wow Bao





*For creators, token gating brings forth a multitude of benefits, empowering them to regulate access to their goods and curate unparalleled offerings. Simultaneously, users gain the opportunity to acquire coveted assets that extend beyond conventional benefits. An exemplary illustration of this is the recent launch by Etam of the "Silhouette Signature" collection, featuring 40 NFTs that grant holders VIP access to the brand's forthcoming Live Show and a 30% discount for one year. Similarly, Yves Saint Laurent has unveiled its token-gated Web3 hub, exemplifying the potential of this approach.*

## 1 Token-gated features

Token-gating has emerged as a powerful strategy for engaging the digital native community. From media outlets to e-commerce sites, the concept of conditioning access to specific sections of a website or exclusive benefits to holders of a specific NFT has gained traction.

***There are two approaches: either the publisher restricts access solely to holders of an existing NFT collection, or they offer temporary NFTs for sale to anybody.*** In this model, the subscription is based on the NFT, where users initiate their subscription by accepting a smart contract transaction that repeats periodically throughout the NFT's validity period. Token gating leverages NFTs but can also involve other types of tokens.

Token gating can grant access to exclusive communities, content, clubs, events, tickets, software, merchandise, crypto airdrops, and more. Virtually anything within the realm of Web3 can be configured to require cryptocurrency-based transactions.

***Prioritizing wallet security is of utmost importance when embarking on token-gated experiences.*** Given prevailing concerns regarding cybersecurity in the crypto industry, it is prudent to verify the authenticity and safety of links and offerings.

Distinguishing itself from content gating in the Web2 era, token-gated content in Web3 does not always necessitate direct financial transactions. In certain instances, users can provide proof of holding specific NFTs or tokens to access exclusive content.

In the quest to attract and captivate digital native consumers, brands are increasingly turning to the power of token gating. It offers a variety of benefits that make it a compelling strategy for brands:

**Enhanced Security:** Token gating provides a robust and secure method of verification, ensuring that only legitimate token holders can access gated content or experiences. This eliminates the risk of counterfeit ownership and creates a trusted environment for users to engage with exclusive offerings.

**Exclusivity Redefined:** Imagine having a limited collection of 10,000 NFTs. With token gating, brands can curate exclusive experiences tailored to a select group of 100 token holders. By granting access to coveted content or experiences, brands cultivate a sense of exclusivity and prestige among the chosen few. This perception of exclusivity not only drives up the value of the NFTs but also fuels anticipation and desire within the digital native community.

*Dolce & Gabbana has created DG Family Boxes with NFTs acting as membership cards. They are divided into three categories: black, gold, and platinum, and grant access to online and physical events, drops, and exclusive content according to your membership level.*

**Rewarding Loyalty:** Token gating allows brands to reward their loyal token holders in meaningful ways. By providing access to gated content or experiences, brands can offer special perks and privileges exclusive to token holders. This creates a sense of appreciation and recognition for their ongoing support, fostering a deeper connection between the brand and its dedicated community. Whether it's exclusive merchandise, VIP events, or early access to new releases, token gating enables brands to incentivize and acknowledge their most loyal customers, driving long-term loyalty and advocacy.

DGNFT Family Boxes ©Dolce Gabbana



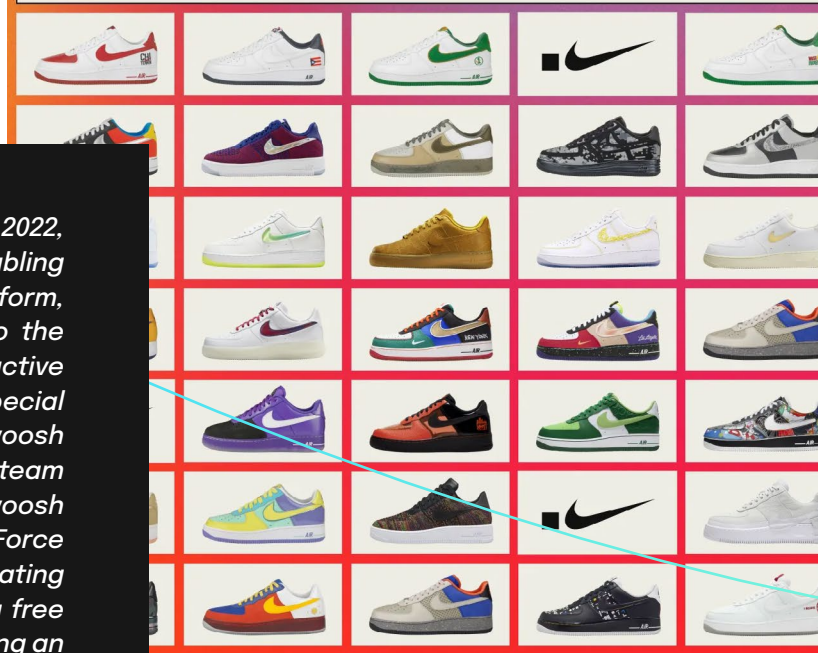


**Monetization Opportunities:** This process opens up new avenues for brands to monetize their offerings. By implementing token gating mechanisms, brands can sell exclusive content, products, and experiences directly to their token holders. This not only generates additional revenue streams but also creates a sense of value and scarcity around the brand's offerings. Token gating transforms digital assets into valuable commodities, driving demand and attracting Next Gen consumers who value unique and limited-edition experiences.

**Cultivating Community Engagement:** Token gating fosters a vibrant and engaged community around a brand or project. By providing exclusive access to gated content or experiences, brands create a shared sense of belonging among token holders. This community-building aspect strengthens brand loyalty, encourages active participation, and drives organic word-of-mouth marketing within the digital native demographic. Token gating becomes a trigger for building an enthusiastic and supportive community that amplifies the brand's reach and influence.



**OUR FORCE 1**



*The .Swoosh platform, launched in November 2022, serves as Nike's digital hub in the Web3 space, enabling customer co-creation. To access the platform, users need a .Swoosh ID and their passport to the .Swoosh experience. Obtaining the ID requires active participation in the .Swoosh ecosystem and a special code from the team. Currently, over 365,564 .Swoosh IDs have been minted. In April 2023, the .Swoosh team airdropped 106,453 free OF1 posters to random .Swoosh ID holders, serving as a ticket to the launch of Our Force 1 Boxes. This resulted in a 15% conversion rate, indicating the proportion of users who transitioned from a free service (holding a .Swoosh ID) to a paid one (minting an OF1 box). (Dune.com)*

©.swoosh



## Dynamic and soulbound token

Soulbound tokens transform digital native user retention and consolidate their digital *identity* in unprecedented ways. NFTs have gained prominence in fields like art, real estate, gaming, and collectibles, as their primary focus has been on transferability and virality to reach the highest valuations possible.

**Soulbound tokens, on the other hand, introduce a game-changing concept of non-transferable tokens.** Once minted, SBTs are linked forever to the holder, without the possibility to exchange it later on. These tokens can also be obtained after the completion of specific actions. Soulbound tokens can therefore be collected by users to showcase their achievements and help them build their online reputation, through active participation in governance or fulfilling financial obligations.

The non-transferable nature of soulbound tokens eliminates the ability to sell them to the highest bidder, thus significantly reducing the monetary incentive for creating multiple accounts. Soulbound tokens (or SBTs) provide a transformative solution for building an online reputation.

Owners of the token have complete control over who can access the data it contains, and revoke access at any time. This empowers individuals seeking maximum control over their personal data, enabling them to manage their data in token form instead of relying on centralized databases.

The soulbound token lies in the calculation of the number of soulbound tokens held by an account, also known as a 'soul.' While users still have the option to create multiple accounts for different soulbound tokens, it becomes impractical to accumulate sufficient reputation and soulbound tokens from reputable issuers across multiple accounts.



*Louis Vuitton launched €39,000 NFTs linked with their digital and physical VIA Treasure Trunks. The NFTs are designed as soulbound tokens, unlocking exclusive creations and granting access to LV's digital collectables portal, VIA. This innovative approach promotes brand loyalty, consumer ownership, and exclusivity.*

©Louis Vuitton

## CONSOLIDATING NEXT-GEN USER DIGITAL IDENTITY

With their inherent characteristics, SBTs present a remarkable opportunity in the realm of digital identity. These tokens enable enhanced verification through their intricate network of connections.

*As debates surrounding digital identity intensify, concerns about privacy and security loom. SBTs, residing on immutable blockchains, possess an inherent resistance to tampering and falsification.*

## INCLUSIVE VOTING SYSTEMS AND ENHANCED GOVERNANCE

One of the profound long-term implications of SBTs lies in their potential to transform voting systems and governance within Web3. *Through the issuance of SBTs, every community member gains governance rights, fostering inclusivity and illustrating their level of involvement.* SBTs become the measure of participation, attendance, and regular voting, empowering more engaged individuals with higher weighted votes.

This revolutionary approach resolves the challenges associated with vote manipulation by influential entities. Financial status no longer dictates power, as SBTs prioritize genuine involvement over financial muscle. Additionally, the effectiveness of bot attacks diminishes, as fake accounts fail to earn contribution or participation SBTs. By harnessing SBTs, Web3 entities and decentralized autonomous organizations (DAOs) pave the way for a fairer and more representative governance framework.

## UNLEASHING THE POWER OF NON-TRANSFERABLE ASSETS IN GAMING

The incredible potential of non-transferable assets comes to the forefront, particularly in the gaming realm. Within the crypto gaming industry, the transferability of high-value in-game assets has caused various issues. Wealthy speculators can easily purchase these assets at a premium, swiftly entering the game at an advanced level and reaping immediate profits. This not only disrupts the game's equilibrium but also creates an unsustainable play-to-earn economy.

## UNLOCKING UNDERCOLLATERALIZED LENDING THROUGH ONLINE REPUTATION

Soulbound tokens are not only earned through positive actions but can also be applied to a user that has had bad behavior on the chain. This means that SBTs are the perfect tools to establish a users reputation, in both positive and negative ways. And a good reputation could unlock a plethora of other use cases, such as *undercollateralized lending*.

Should a user have demonstrated positive behavior in an ecosystem over a long period, brands and protocols could allow the user to borrow digital assets (NFTs or tokens alike) with a deposit inferior to the value of the goods borrowed. Protocols like Aave are currently assessing the possibilities of such a system, similar to what banks are doing in the traditional economy.

By transforming the most valuable and sought-after in-game assets into soulbound items, a more balanced and fair gaming environment can be established. This shift ensures that those who actively engage with the game and contribute their skills and efforts are the ones who reap the greatest rewards. Preventing the dominance of capital-backed "whales" in economic loops fosters a healthier and more sustainable gaming ecosystem.

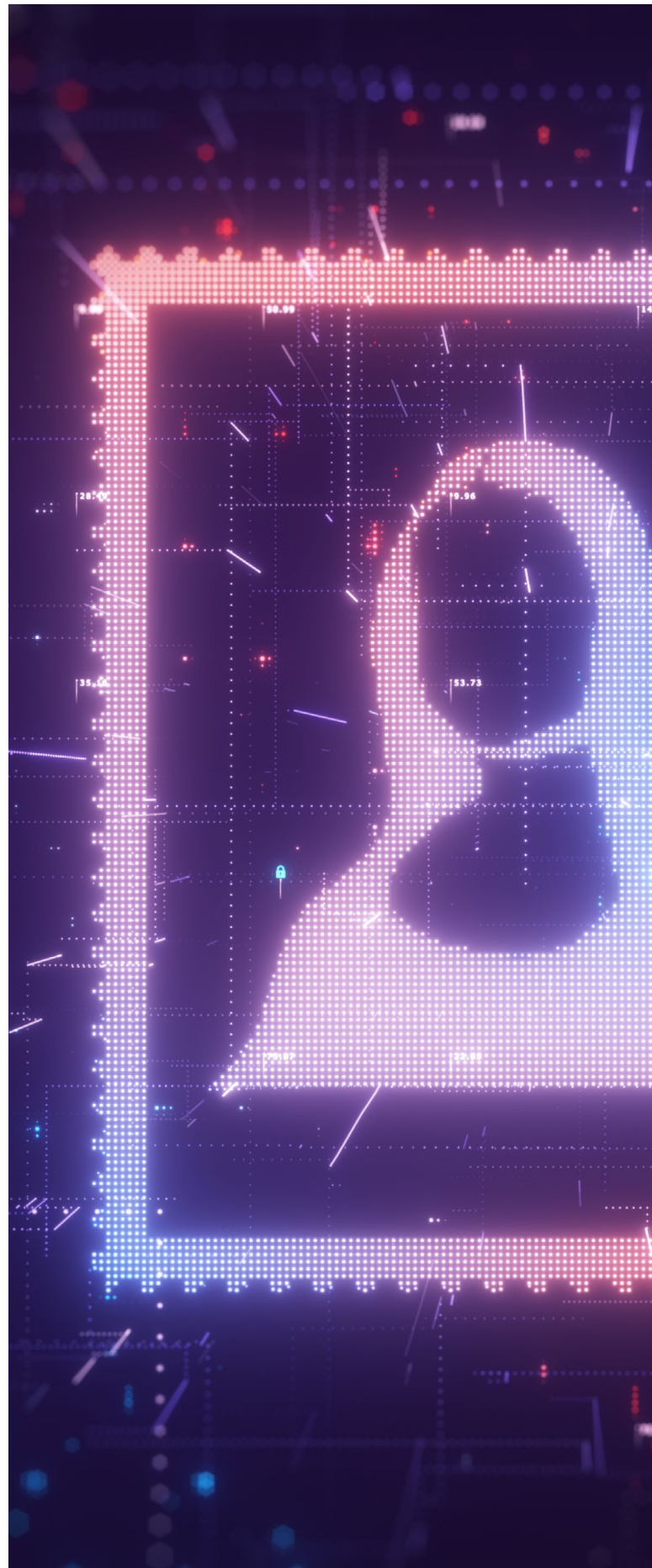


## UNLOCKING INTERACTIVITY: EXPLORING THE POWER OF DYNAMIC NFTS

In addition to traditional NFTs, dynamic NFTs offer a new level of interactivity and customization. They allow for metadata changes through smart contracts after minting, making them more flexible than static NFTs. **By leveraging oracles, dynamic NFTs transcend static digital assets and become interactive and responsive.** Oracles enable external data to trigger changes in the NFTs metadata, updating its appearance and characteristics. Smart contracts govern the buying, selling, and trading of dynamic NFTs, as well as the distribution of royalties to creators. This opens up new possibilities and applications for dynamic NFTs in the blockchain ecosystem.

Dynamic elements besides metadata changes can also exist. Dynamic NFTs can be minted based on certain conditions, such as when a hidden spot is found in an augmented reality application. They can also house “hidden traits” manifested through user interactions instead of within the metadata. For example, NFTiff is a dynamic NFT that serves as a digital key for Tiffany & Co.’s signature blue jewelry box. If redeemed for a physical pendant, a placeholder image will be used until the order goes into production. If not, the NFTiff remains in a wallet as an unredeemed collectible. As fully unique and customizable tokens, NFTs can be programmed in an infinite number of ways. However, most dynamic NFTs must implement some form of metadata change in order for non-technical users to “see” the changes.

Dynamic NFTs unlock a new realm of possibilities for interactivity and customization. With their ability to adapt and respond, they offer brands the opportunity to create engaging experiences and build deeper connections with their audience. By embracing dynamic NFTs, brands can tap into the potential for innovation, storytelling, and data insights, ultimately shaping a unique and captivating presence in the evolving world of digital collectables.







**5/ Future Perspectives:**  
*challenges, opportunities and the Evolution of Web 3.0 customer experiences*

## Accessibility will be key to building Web3 communities

Web3 services have witnessed a surge in popularity, but their widespread adoption is hindered by a common hurdle: the limited understanding among potential users. As Web3 is a relatively recent technological advancement, a considerable portion of the population remains unaware of its capabilities and how to effectively harness them. Astonishingly, 46% of non-users still lack knowledge about Web3 and its potential advantages, while an additional 27% are uncertain about the initial steps required to embark on their Web3 journey.

*Many Web3 interfaces are improving their UX and UI like Rabby Wallet which stands out for its user-friendly design and features. With a simple interface, easy setup process, streamlined asset management with smooth multi-chain experience, QR code integration, enhanced security, and reliable customer support, Rabby Wallet ensures a seamless and intuitive experience for managing cryptocurrencies.*

Improving the user experience of Web3 services can play a pivotal role in driving mass adoption. **When users encounter intuitive interfaces, seamless interactions, and clear instructions, they are more likely to engage with and embrace the potential of Web3 technology.**

For instance, Nike x SWOOSH embarked on a mission to demystify intricate technical concepts. On their website, you won't encounter the conventional jargon of NFTs or cryptocurrencies. Instead, they present their offerings as "virtual creation," forging a connection with users through the notion of vibrant "digital communities." To ensure seamless transactions, purchases can be conveniently made via credit cards, bypassing the complexities of cryptocurrencies. Furthermore, in their pursuit of user-friendly engagement, Nike x SWOOSH opted against setting up a Discord server, recognizing its perceived intricacy and potential deterrent effect on accessibility.

Ultimately, copywriting and being able to step back from using technical vocabulary plays a crucial role in influencing Web3 adoption. The choice of words, tone, and messaging can shape how individuals perceive and understand Web3 technologies and their potential benefits. In a short text, vocabulary and copywriting can capture attention, spark curiosity, and convey complex concepts in a digestible manner, ultimately driving user engagement and adoption. **Clear, concise, and compelling language can bridge the knowledge gap, making Web3 more accessible to a broader audience and encouraging them to explore and embrace its possibilities.**

## Technological infrastructures to bridge and connect Web3 users and integration

A key challenge in Web3 adoption is managing identities in a decentralized manner. Decentralized identity (DID) solutions offer a way to address this challenge. By leveraging frameworks such as Decentralized Identifiers (DIDs) and Verifiable Credentials (VCs), users can have control over their digital identities without relying on centralized authorities. Implementing DID infrastructures ensures the privacy, security, and portability of identities across various Web3 platforms, facilitating seamless integration.

On the other hand, standardized Application Programming Interfaces (APIs) designed specifically for Web3 are vital for promoting integration. These APIs provide developers with a consistent interface to interact with diverse Web3 services, blockchain networks, and decentralized protocols. Adhering to these standards empowers developers to build interoperable applications and services that seamlessly integrate with the broader Web3 ecosystem.

To accommodate increasing user demand and foster integration, scalable and efficient blockchain networks are necessary. Layer 2 solutions such as Polygon Network and Arbitrum, including sidechains and state channels, help overcome the scalability limitations of the underlying blockchain infrastructure. These solutions enable faster and cost-effective transactions, making it easier for users and applications to interact with Web3 services and promoting integration across platforms.

Of course, collaboration and coordination are fundamental to Web3 integration. Establishing open standards and transparent governance models within the Web3 ecosystem fosters compatibility and collective decision-making. Open standards ensure interoperability between Web3 services, while transparent governance models promote cooperation. By embracing these frameworks, Web3 can facilitate seamless integration and connectivity among users.



## Privacy and security concerns entering Web3

Even if the market is maturing slowly, NFT, blockchain, Web3, and the metaverse remain novelties and still need more structuration in the ecosystem. There is a great deal of potential but also many unknowns and a clear lack of regulation.

Some of the key concerns include:

- **Data collection:** Web3 platforms collect a lot of data about users, including their transaction history, wallet addresses, and other personal information. This data could be used to track users, target them with advertising, or even steal their identities.
- **Security breaches:** Web3 platforms are still relatively new and have not yet been fully tested. This means that they are more vulnerable to security breaches than traditional websites. If a Web3 platform is hacked, users' personal information and cryptocurrency could be stolen.
- **Fraud and scams:** There is a lot of fraud and scams in the Web3 space. Some scammers create fake projects or mint fake NFTs in order to steal people's money. Brands need to be careful when interacting with new projects and make sure that they are legitimate.

To mitigate these risks, brands should take the following steps:

- **Educate around Web3 security:** Brands should educate themselves about the risks of Web3 and take steps to mitigate them. This includes using strong passwords, enabling two-factor authentication, and setting up resilient safety protocols for their seed phrases conservation, to prevent them from leaking online at all costs.

- **Work with trusted partners:** Brands should only work with trusted partners who have a good reputation for security. This includes wallet providers, NFT marketplaces, and other Web3 platforms.
- **Rethink data control:** By leveraging Web3 technologies, brands can empower individuals to take control of their own data, granting them the ability to manage and share information on their own terms. This shift towards decentralized data ownership not only aligns with growing concerns about privacy and data security but also builds trust and fosters stronger relationships between brands and their customers. By embracing Web3 principles and enabling users to manage their data, brands can demonstrate their commitment to privacy, transparency, and individual empowerment, ultimately creating a more personalized and engaging customer experience.



## Regulatory and legal issues

The regulatory and legal landscape for Web3 is evolving, especially in Europe with the heat caused by the recently adopted MiCA regulation. This means that brands need to be able to navigate a quickly changing legal environment. Some of the key regulatory and legal issues that brands need to be aware of include:

- **Anti-money laundering (AML) regulations:** AML regulations require businesses to take steps to prevent money laundering. This could include verifying the identity of customers and reporting suspicious activity to authorities. These regulations depend heavily on the country the company is based in.
- **Taxation:** The taxation of Web3 transactions is still unclear depending on the country. This means that brands could be liable for taxes on transactions that they facilitate.
- **Intellectual property (IP) rights:** Brands need to be aware of the IP rights of others when creating and using Web3 products and services. This includes trademarks, copyrights, and patents.

To mitigate these risks, brands should take the following steps:

- **Consult with legal counsel:** Brands should consult with legal counsel to understand the regulatory and legal landscape for Web3. This will help them to develop a risk management plan and avoid potential legal problems.

- **Stay up-to-date on regulations:** Brands should stay up-to-date on the latest regulations that affect Web3. This will help them to comply with the law and avoid penalties.
- **Develop a risk management plan:** Brands should develop a risk management plan to identify and mitigate the risks associated with Web3. This plan should include steps to educate employees about Web3 security, develop policies and procedures for managing customer data, and report suspicious activity to authorities.

Specific to NFTs and Discord Servers

In addition to the general privacy and security concerns that apply to all Web3 activity, brands that are using NFTs or Discord servers should be aware of the following specific risks:

- **NFT theft:** NFTs can be stolen through phishing attacks, malware, or other scams. Brands should take steps to educate their users about how to protect their NFTs from theft.
- **Discord server abuse:** Discord servers can be abused by scammers, trolls, and other malicious actors. Brands should take steps to moderate their Discord servers and prevent abuse.

By taking these steps, brands can mitigate the risks associated with entering Web3 and protect themselves from potential problems.

Part 2

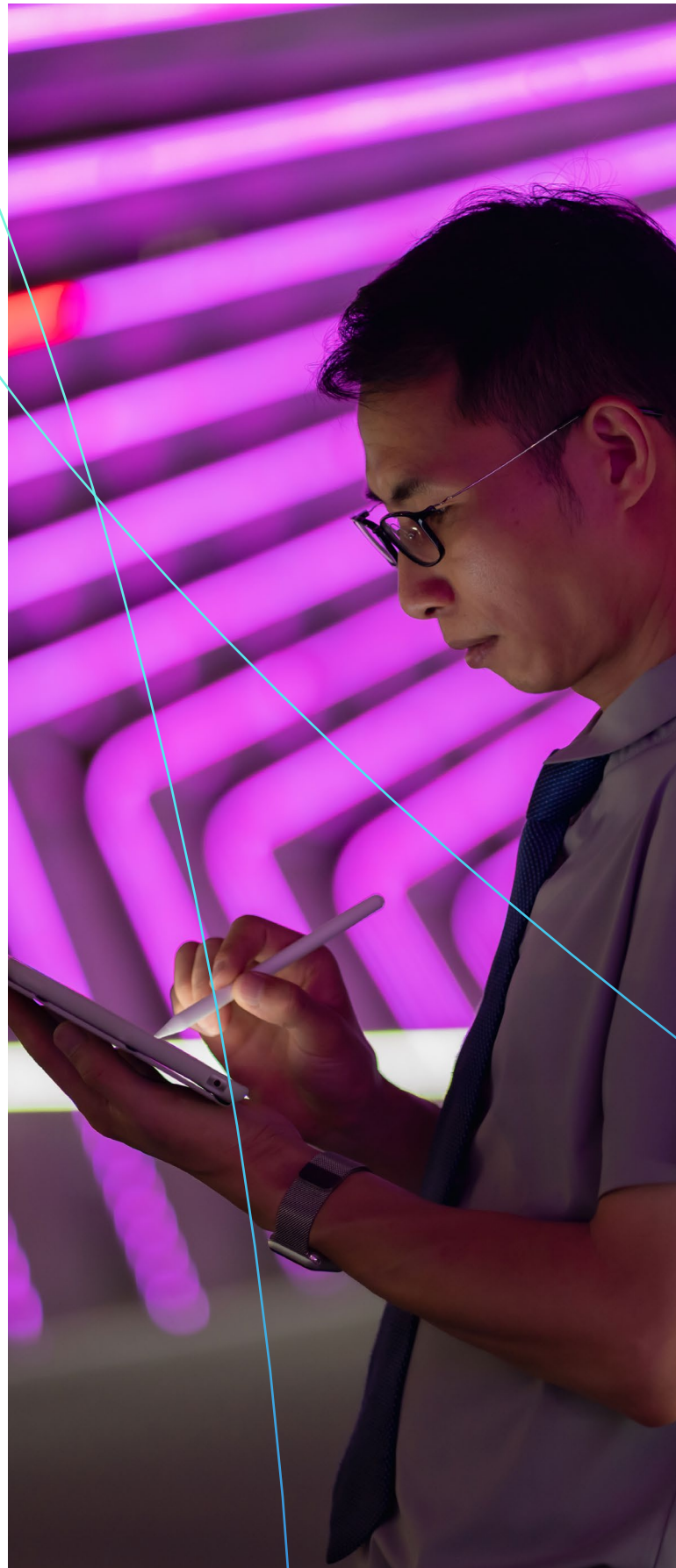
*Unlocking the Benefits  
of Web3 for Brand  
Engagement*



# 1/ Web3, the future of CRM and customer experience management

With the rise of Web3 technologies, Customer Relationship Management (CRM) is undergoing a profound transformation, reshaping the way businesses interact with their customers. In the traditional CRM landscape, the emphasis has been on collecting and utilizing customer data for engagement purposes. **However, Web3 brings with it a host of new features and capabilities that are set to revolutionize CRM and customer experience management.**

One of the key advantages of Web3 is the unparalleled level of data security and user privacy. With decentralized technologies like blockchain, customer data can be stored and encrypted in a secure and transparent manner, giving individuals more control over their personal information. The shift towards user-centric data management aligns with the growing demand for privacy and data ownership in the digital age.



Through technologies like tokens, NFTs and immersive digital experiences, businesses can provide customers with personalized and interactive journeys, enhancing brand engagement and loyalty. ***These novel experiences empower customers to actively participate in shaping their own brand interactions, fostering a deeper sense of connection and satisfaction.***

Salesforce, a leading CRM tool, is revolutionizing customer relationship management by integrating Web3 capabilities. By incorporating blockchain data such as wallet IDs and NFT transaction history, businesses can seamlessly navigate between Web2 and Web3 channels. With real-time monitoring of blockchain data from Ethereum and Polygon, Salesforce's Web3 module provides comprehensive customer insights. This integration enables even more personalized experiences across both traditional and blockchain-powered channels, by leveraging Web3 data and linking it with traditional CRM databases.

This integration has the potential to revolutionize the CRM space, but it also raises concerns about the decentralized and secure promises of Web3. The link between wallet IDs and traditional customer data, such as email addresses, names, and purchase history, brings up questions regarding data privacy and security. ***While it offers new possibilities for personalized experiences, it is crucial to carefully maintain a balance between leveraging Web3 integrations and safeguarding user privacy and the principles of decentralization.***

With the advent of Web3, CRM could evolve into Product Relationship Management (PRM) or Wallet Relationship Management (WRM), which seeks to minimize the collection and use of personal information for customer engagement. This innovative approach revolutionizes the brand-customer relationship, providing enhanced security and efficiency. Brands can now streamline product lifecycle management, offer exclusive experiences and loyalty programs in relation to the products owned by customers, and establish direct connections with current owners, fostering trust and long-term loyalty. Web3's unique features, such as decentralized data storage, privacy, and the ability to create and trade unique digital assets, hold

*A notable example of this is Breitling offering a digital passport in the form of an NFT linked to each of their watches. Their NFTs provide customers with a digital passport for watch authentication and history, priority access to events and limited edition products, service notifications, collection management and ease of trade. Additionally, Breitling provides customers with the ability to remain anonymous and maintain control over their personal data, thanks to the NFTs. Breitling can thus communicate to the current owner of a watch, and provide insights and tailored information about their products.*

considerable promise for brands looking to enrich their CRM capabilities and enhance customer experiences. By adopting these innovative tools and strategies, brands can create meaningful connections with their customers, bolster customer loyalty, and ultimately, drive growth.

## *2/ Boosting customer lifetime value and retention with innovative Web3 strategies*

Web3 has the potential to revolutionize how Customer Lifetime Value (CLV) is understood and measured. ***CLV is a crucial metric that quantifies the total value a customer brings to a business over their entire relationship.*** It takes into account factors such as customer acquisition costs, repeat purchases, and retention rates, providing valuable insights for businesses to optimize their marketing, sales, and customer service strategies.

By leveraging blockchain technology, smart contracts, and decentralized data, brands can gain a comprehensive and transparent view of a customer's interactions and transactions across various platforms, enabling more accurate CLV calculations and personalized customer experiences throughout their lifecycle.

***Loyalty programs can boost the CLV by offering tokenized rewards that hold value and can be traded, providing exclusive access and perks, and by introducing gamification elements to increase engagement.*** Additionally, the inclusion of a secondary market for loyalty tokens creates a dynamic ecosystem that enhances customer fidelity and increases CLV.





*Reddit's Community Points system acts like a loyalty program. It operates directly on Reddit's platform. Users can view their earned points in the Reddit mobile app or on desktop. When they earn Community Points, they appear in a special section of the Reddit user's profile.*

*The points are tied to the user's Ethereum address, making them decentralized, and ownership verifiable. To visualize and manage these tokens more generally outside of Reddit, users need to have a blockchain wallet compatible with Ethereum, like MetaMask or Coinbase Wallet. Once they have a wallet set up, they can connect it to their Reddit account to receive their Community Points.*

*They can use these tokens for various purposes within Reddit, such as buying special memberships, or they can interact with them just like any other Ethereum-based token outside of Reddit. This system not only encourages repeat interactions, but also fosters a sense of community among users, enhancing retention.*

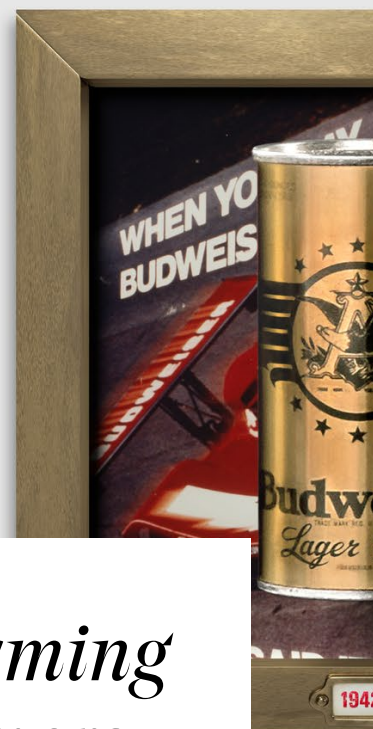


This approach boosts customer lifetime value by creating an immersive ecosystem where customers can interact with the brand on multiple levels – they're not just buying fitness wear, they're becoming part of a wellness-oriented community. Alo Yoga's wellness club is an effective way to retain customers and improve CLV, as it fosters a sense of belonging and encourages consistent interaction with the brand.

Moreover, as this club is based on the blockchain, it ensures secure and transparent transactions. The decentralized nature of blockchain further empowers customers by giving them control over their data and interactions. This approach builds trust and strengthens brand-customer relationships, resulting in increased customer retention and lifetime value. **For Web 3 communities, retention per community is at 70% by week 8, which is extremely high compared to other communities' metrics. France has the highest retention rate, with 42% of members still active in their communities after 10 weeks. In second place comes India with a 39% retention rate, followed by the US at 31%** (Zealy Data Study, 2023).

*Alo Yoga, a popular brand in the fitness industry, embraced Web3 technology to enhance customer experience and engagement through the creation of a 'Wellness Club' on the Ethereum blockchain. This club grants members access to a variety of wellness content like yoga classes, meditation guides, and mindful cooking recipes.*





### 3/ Transforming your customers into brand ambassadors.

Web3's transformative potential lies in its ability to reshape the relationship between brands and their customers, turning traditional consumers into active brand ambassadors. This transformative shift can be achieved through strategies like issuing unique digital assets (NFTs) and creating immersive hybrid events. NFTs can be used to give customers a sense of ownership and pride, creating a more personal connection with the brand.



©Budweiser

*Budweiser capitalized on this concept with their Budverse Cans campaign, issuing a limited series of uniquely designed NFTs representing their beer cans. This initiative gave customers the opportunity to own a unique piece of the brand's legacy, turning them into active promoters of Budweiser.*





©Coachella

The convergence of physical and digital worlds during events opens up exciting avenues for customer engagement and brand promotion. Hybrid events that blend the personal touch of physical participation with the far-reaching, immersive capabilities of digital platforms have the potential to create unique experiences for customers.

*The Coachella Music Festival is a notable example of such an initiative. They extended their festival experience into the Metaverse, creating a unique blend of physical and digital experiences for attendees. This move not only allowed them to reach a wider audience, but it also gave attendees the opportunity to become brand ambassadors. Attendees could share their unique experiences on social media platforms, reaching their networks, and promoting the Coachella brand in the process.*



Coachella x Absolut ©Coachella

Web3 thus provides brands with the tools to turn their customers into active participants and ambassadors. **These strategies enhance brand-customer relationships, drive customer loyalty, and expand the brand's reach through organic promotion.**

## 4/ Leveraging Web3 for brand equity and differentiation.

Brand equity, the intangible value associated with a brand, is undergoing transformations as Web3 technologies offer new opportunities to enhance and redefine it. Web3 introduces the principles of transparency, decentralization, and user empowerment, which align with the core elements of brand equity.

*Nike offers an excellent example of how brands can leverage Web3 for brand equity enhancement. They patented a system called 'CryptoKicks' which enables them to create and sell virtual goods, such as digital footwear. The digitized shoes can be collected, used in virtual environments, or even reproduced physically. This forward-thinking approach not only reinforces Nike's brand image as innovative and customer-centric, but also diversifies their product offerings, resulting in enhanced brand equity.*



©RTFKT

Another way in which Web3 can boost brand equity is through increased transparency. Blockchains enable immutable and transparent records of transactions, allowing customers to verify the authenticity and origin of products or services. This transparency fosters trust and credibility, enhancing the perceived value of the brand. By providing a verifiable and trustworthy supply chain, brands can differentiate themselves and build a reputation for reliability, thus strengthening their brand equity.

This is illustrated by an IBM initiative, which uses blockchain technology for food traceability. Their platform, known as IBM Food Trust, provides customers with transparent information about the origin of their food, building trust, and enhancing the brand image.


Moreover, Web3 allows for greater customer participation and co-creation, which can positively impact brand equity. **Through decentralized networks and tokenized ecosystems, brands can involve customers in decision-making processes, incentivize engagement, and reward loyal behavior.** This participatory approach fosters a sense of ownership and belonging among customers, increasing their emotional connection with the brand. By actively involving customers in the brand experience and leveraging their contributions, brands can enhance their brand equity and create a community-driven brand identity.

Thus, the tools and technologies associated with Web3 can provide brands with numerous opportunities to enhance their brand equity and create a unique differentiation point in the market. **Whether it is through offering unique digital experiences, providing transparency, or pioneering innovative digital products, Web3 is indeed a powerful tool for brands.**



Part 3

*Key questions  
to answer before  
Launching  
a Community-Led  
Web3 Strategy*





## *1/ What are your key objectives?*

In the rapidly evolving landscape of Web3 technology, it is crucial for businesses to align their strategies and initiatives with their overall business objectives. This alignment ensures that the community-led approach becomes *an integral part of the organization's overarching goals and vision.*

Businesses can begin by articulating goals and objectives within the proposed web community engagement strategy. These could range from driving *customer acquisition and retention to increasing brand awareness, fostering new innovation or exploring new revenue streams.* Each of these will require different approaches to achieve the desired outcomes.

From now on, web3 objectives must be intrinsically linked to the company's overall strategy, feed into it and be measured via dedicated KPIs.

## *2/ Who is the target audience, and what are their habits?*

In all marketing strategies, identifying and understanding the target personas and communities is a critical step to tailoring the right strategy. With a web3 engagement strategy, companies can address some of their personas based on their generational codes and customs.

From a Web3 community strategy perspective, the more important elements would be this target group's interests, online behavior and existing engagement with various Web3 technologies. It may be possible that there are already established communities around shared interests or causes.







In such cases, collaborating with existing communities can sometimes provide a head start in building a vibrant and active user base. It's important to consider the size, engagement levels and relevance of such communities to determine if it is in line with the brand's vision and strategy, as well as where to focus their efforts. For example, if you have a collaboration with, or intend to tap into, the gaming community for virtual wearables or NFTs with utility, the company can consider utilizing a pre-existing gaming community such as Official Fortnite instead of creating a new community from scratch.

### **MAKE SURE YOUR WEB3 PROJECT MAKES SENSE FOR YOUR AUDIENCE.**

Whatever the quality of your project, it must be able to reach your target audience, particularly in terms of their digital habits.

Tech-savvy people will most likely be engaged through platforms like Discord, Twitch or Twitter, whereas the mass market will expect communications from more traditional social media channels.

It's key to understand how your target is using:

- Traditional social media platforms (e.g. YouTube, Facebook, Instagram, Snapchat)
- New social media platforms (e.g. Twitch, TikTok, Discord)
- Video games and proto-metaverses (e.g. Fortnite, GTA, Pokémon Go)
- E-Commerce websites (e.g. Amazon, Farfetch, StockX, Vestiaire Collective)
- NFT marketplaces (e.g. Opensea, Rarible, Super Rare, Foundation, Zora)
- Metaverses (e.g. Horizon, The Otherside, Decentraland, The Sandbox, SandBox, Spatial, Roblox, Minecraft)

Alongside technological usage, make sure to understand user habits on these platforms. Why are they using them?



### *3/ What is the storytelling behind your Web3 journey?*

Effective brand storytelling helps establish an emotional connection, communicate the values of your business, and differentiate your brand in the competitive landscape.

Combine community and company purpose. ***One of the strategies that has resonated well is building a community around purpose and not marketing.*** Approaching community members through a purpose-led discussion and bringing together common perspectives or personalities, helps the desired brand storytelling to unfold organically with the right audience and community support. Hence, it is important to find the right purpose to tie in with the company brand and narrative. With the right link, the company will come across as authentic and the brand storytelling will also be more sustainable.



## *4/ How do you establish a communication strategy to build a lasting relationship with your community?*

By implementing effective communication, activation, and retention strategies, businesses can foster a thriving and engaged Web3 community. Regular and transparent communication builds trust, activation strategies encourage active participation, and retention initiatives help foster a sense of belonging and loyalty.

Businesses should continuously adapt and refine these strategies based on community feedback and evolving market dynamics to ensure a vibrant and sustainable, community-led Web3 strategy.



## Communication

One of the most important aspects to take note of is consistency in terms of communication. This means starting off by establishing clear guidelines, and a set of rules for communication standards with the customer profile in mind.

### **Transparent and Inclusive Communication**

**Channels:** One of the ways to have a lively community is to encourage community members to provide feedback, share ideas, and participate in discussions related to the community and its development.

### **Regular Updates and Information Sharing:**

Relevance is important to maintaining continuous loyalty. It is therefore important not to let communities fall silent for long periods of time, as this can prompt disengagement. One way to ensure regular updates is to have the community manager start conversations by providing updates on topics of interest, in line with brand guidelines.

**Interactive Content and Discussion:** A study conducted on loyalty by Kantar showed the rise of the kinship community, suggesting that connections at a personal level are a critical factor of brand loyalty and performance.

## Activation

**Gamification and Rewards:** Implement gamification elements and reward systems to activate community members and encourage active participation. Create challenges, competitions, or quests that align with the community's objectives and provide incentives for completing them. Offer rewards in the form of tokens, badges, or other digital assets, to acknowledge and motivate community members' contributions. Those rewards can also take a physical form and could be a great way to link digital native populations with physical stores or events.

## Retention

Brands such as Louis Vuitton, and Burberry have experienced a positive effect on brand perception as well as brand loyalty thanks to brand community participation by an online brand community (OBC). Indeed, OBC members have a strong sense of attachment to the brand and to the OBC that they publicly demonstrate this attachment on a voluntary basis. Their shared enthusiasm incites brand loyalty in people with whom they interact online through the OBC.

### **Community Programs and Initiatives:**

Implement community programs that cater to the specific needs and interests of community members. This can include mentorship programs, special interest groups, or ambassador programs. By providing opportunities for community members to connect, learn from each other, and contribute in meaningful ways, you foster a sense of belonging and loyalty. Studies from the **US National Library of Medicine** have found that user-user interactions and the existence of focused interest groups are strong drivers of user loyalty to communities such as Reddit.

**Ongoing Engagement Initiatives:** Continuously engage the community with relevant and value-added initiatives. This can include hosting regular events, webinars, or virtual conferences that address topics of interest or showcase community achievements. Encourage community members to share their experiences, success stories, or insights to create a sense of community pride and unity.

**Incentives for Long-term Engagement:** Some companies also encourage loyalty by implementing long-term incentives to encourage community members to remain active and engaged. This can include loyalty programs, exclusive access to features or content, or special privileges for long-standing members. They may also recognize and appreciate community members' contributions through public acknowledgement, badges, or even token-based rewards.

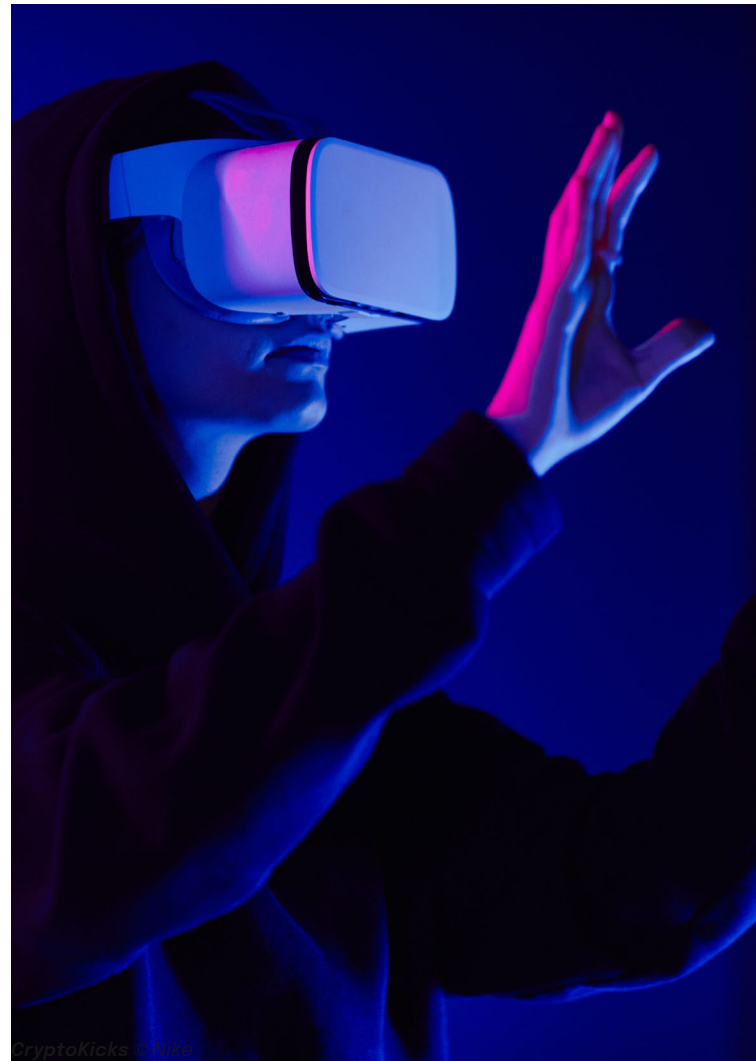
## *5/ What concrete value do you want to provide to your users?*

The importance of having a long-term vision is obvious, both for the brand and users. In Web3, the key to success lies in unlocking and delivering value that resonates with Next-Gen consumers. By understanding their needs, aspirations, and preferences, brands can forge meaningful connections and cultivate a vibrant community that stands the test of time.

The customer journey should seamlessly integrate physical and digital touchpoints. Weaving together these realms leads to the creation of immersive encounters that leave an indelible imprint on consumers. Digital assets, NFTs, tokens, achievements, and immersive experiences become the building blocks of this new relationship.

Also, next-gen consumers are really aiming to participate in the future of the brands to which they feel committed. The value proposed therefore lies not only in the rewards offered, but also in the brand's ability to co-create and imagine with their community.

To capture the attention and loyalty of today's empowered Next Gen consumers, brands must relinquish control, and offer compelling incentives and hyper-personalized benefits. It's no longer about dictating from above, but rather understanding the essence of these dynamic individuals. By delivering real-time, dynamic value across various platforms, brands can forge deep bonds that attract and retain customers in the long term.



Finally, brands need to ensure that the value they offer their communities is consistent over time, because while the next-generation consumer's sense of belonging may be strong, it's also volatile.

Brands find themselves at a crucial crossroads, where the convergence of next-generation technology, emerging platforms, and human-centered design presents a unique opportunity. This pivotal moment calls for the alignment of these elements to attract attention, engage individuals, and craft groundbreaking experiences that foster vibrant communities and, in turn, drive unwavering loyalty.

# 6/ Which technologies *will better serve your use case?*



When it comes to activating and engaging a Next-Gen community, the key lies in choosing the right Web3 tools and understanding how to leverage them effectively. While Web3 technologies encompass a wide range of possibilities such as blockchain, Utility NFTs, smart contracts, DAO, DeFi, DApps, cryptocurrency, Web3 wallets, and Web3 management platforms, it's not about using

all of them indiscriminately. Instead, the focus should be on the benefits and advantages that these tools can provide. By leveraging Utility NFTs, for instance, or blockchain-based experiences, brands can provide tangible and intangible value to their community members.

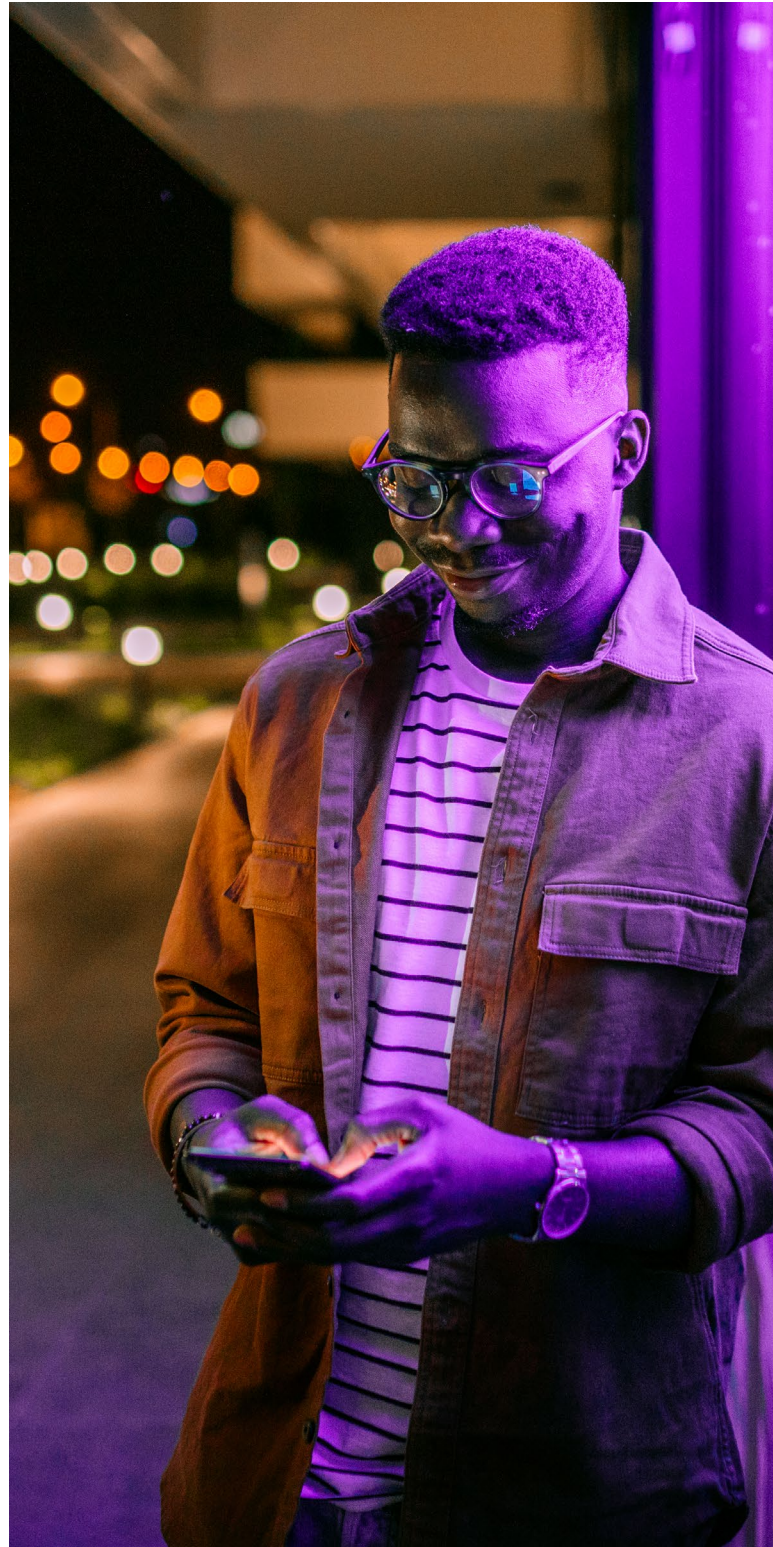


Selecting the right Web3 hub for a brand means opening itself up to a world of possibilities. User-friendliness is essential to ensure that community members, particularly the Next-Gen audience, can easily navigate and interact with the platform. Compatibility is another critical aspect, enabling seamless integration with existing systems and technologies, and facilitating a smooth transition into the Web3 environment. Interoperability is key for connecting with various networks, enabling cross-platform interactions and expanding the reach of the community.

Integrated tools play a vital role in enhancing user experience and engagement levels. By providing a comprehensive suite of tools within the Web3 hub, brands can offer a seamless and streamlined experience for community members. Accessibility is also a fundamental aspect to consider, ensuring that the platform and its features are accessible to a wide range of users, regardless of their technical expertise or background.

Furthermore, the use of immersive technologies adds an extra layer of engagement and interactivity. Whether it's virtual reality (VR), augmented reality (AR), or other immersive experiences, these technologies provide unique and captivating ways for community members to connect, explore, and participate in brand activities.

By carefully selecting the right Web3 tools and leveraging the advantages offered by a given Web3 hub, brands can unlock the true potential of their community-building efforts. They can create an environment that is not only engaging and interactive, but also tailored to the preferences and expectations of Next-Gen consumers. This, in turn, fosters real connections, encourages active participation, and cultivates long-term loyalty among the community members.





# Final Thoughts

In the bustling streets of 1860s Paris, the seeds of modern marketing were sown. It was during this time that Aristide Boucicaut pioneered a revolutionary concept at the iconic Bon Marché department store. Boucicaut introduced an innovative way to engage customers by distributing chromolithographs, colorful collectible images, at the store's entrance. These collectible cards, with their weekly-changing illustrations, aimed to entice customers to return regularly. The strategy proved to be a remarkable success, setting the stage for the evolution of marketing.

Fast-forward 150 years, and we find ourselves at the dawn of a new chapter in digital marketing. It's difficult not to make the connection with NFTs, which represent unique digital assets, authenticated and secured by blockchain technology. They have become the modern-day equivalent of collectibles, offering individuals the opportunity to own one-of-a-kind digital items, artwork, virtual real estate, and much more.

The parallel between the birth of marketing through collectible cards and the advent of NFTs is remarkable. Both concepts tap into the fundamental human desire for ownership, scarcity, and the pursuit of something unique. Boucicaut's distribution of collectible cards at Le Bon Marché laid the foundation for customer engagement and loyalty, while NFTs now enable brands to redefine the very notion of ownership in the digital realm.

Just as Boucicaut's distribution of chromolithographs created a sense of excitement and anticipation among customers, NFTs have captured the imagination of a new generation. They have sparked a digital renaissance, where artists, creators, and brands can unlock new possibilities for monetization, brand engagement, and community building.

The emergence of Web3 represents a transformative shift in marketing strategies. Traditionally, brands relied heavily on centralized social media platforms like Facebook, Instagram, Twitter, Snapchat, and TikTok for community building. However, the limitations of these platforms became apparent when algorithm changes on Facebook drastically reduced brands' organic reach, forcing them to pay for access to their own fan base. This change brought about the need for brands to reclaim control over their communities and establish direct connections with their audience.

Web3 offers a solution by empowering brands to build their own communities, where ownership and engagement are reimagined. We are no longer talking about engagement by counting the number of "Likes" or "Comments" on a post. Web3 enables consumers to become active stakeholders within the brand's ecosystem. This shift allows brands to foster a loyal and engaged community that surpasses the constraints imposed by traditional social media platforms.

In this new era of marketing, NFTs play a pivotal role in enhancing brand experiences and incentivizing community engagement. Brands can leverage NFTs to offer unique and valuable digital assets, creating augmented brand experiences that resonate deeply with their audience. These NFTs, being interoperable and compatible across multiple platforms,

also enable brands to collaborate with other entities, facilitating multichannel marketing strategies. This flexibility empowers brands to interact with their community in virtual universes, e-commerce websites, social media, and real-world experiences, ensuring seamless integration and engagement across all touchpoints.

Furthermore, artificial intelligence (AI) plays a vital role in this transformed marketing landscape. AI-powered bots autonomously animate and engage communities, providing round-the-clock interactive experiences, challenges, and personalized interactions. This continuous engagement cultivates brand loyalty and encourages active community participation, fostering stronger connections between brands and their audience.

By embracing the integration of Web3 technologies, NFTs, virtual universes, and AI, brands can unlock unprecedented opportunities for customer engagement and deeper audience connections. Brand-owned communities built on decentralized platforms allow for personalized experiences, augmented brand interactions, and long-lasting relationships that transcend the boundaries of traditional marketing.

In conclusion, the marketing landscape is experiencing a revolution as Web3 shifts the focus from rented communities on centralized platforms to brand-owned communities on decentralized platforms. The parallel with the birth of marketing through collectible cards highlights the enduring human desire for ownership and uniqueness. This paradigm shift, fueled by NFTs, virtual universes, and AI, empowers brands to cultivate loyal and engaged communities, offering personalized experiences that resonate with their audience. The future of marketing lies in harnessing the vast potential of Web3 to unleash the full power of customer engagement, creating lasting relationships in this dynamic and digitally immersive era.

### **Simon Foucher**

CEO of METAV.RS

### **Charles Denis**

Managing Partner  
at SiaXperience

### **Matthis Grosjean**

CEO of Zealy



# METAV.RS

## METAV.RS

*METAV.RS is the Next-Gen Whitelabel Customer Experience platform to easily CONNECT, ENGAGE and EMPOWER Gen-Z through digital collectibles and immersive experiences*

- 1. Sell & Distribute Digital Collectibles*
- 2. Assign Rewards & Utilities*
- 3. Link Immersive Experiences & get your branded Miniverse or 3D showroom*
- 4. Monitor Performances*

[metav.rs](https://metav.rs)

# COMMUNITY



*Zealy is a gamified task system that enables companies to achieve business outcomes through community sprints. Zealy's data insights and automation empower businesses to focus on what works and scale it efficiently.*

*As attention shifts from media to communities and acquisition costs skyrocket, communities have become the new cornerstone for businesses. Brands, tech tools, games, and creators are building communities to grow faster, stronger, and at less cost. Community is the ultimate competitive advantage.*

*However, businesses struggle to scale communities. On average, community engagement rates are as low as 2%, and retention rates after a week on Discord are only 15%. Zealy solves this problem by transforming communities into actionable, collaborative spaces.*

*We help 4000 companies grow and engage their community monthly, including Polygon, LVMH, Michelin.*

[www.zealy.io](http://www.zealy.io)

# SIAXPERIENCE

ABOUT /

SIAXPERIENCE



*SiaXperience brings together design, creativity and customer experience under a single brand. SiaXperience's ambition is to develop connectivity between brands and consumers, with a powerful analytical stance at the service of best practices in creativity and design.*

*The offer is structured around three service lines: Digital Marketing, Collaborative Design and Growth Strategy.*

*SiaXperience operates in all sectors, and in particular with major players in American Tech, European Utilities and global players in the lifestyle and cosmetics industries*

[www.siaxperience.com](http://www.siaxperience.com)



# Your contacts

## **Clément Foucher**

Co-founder METAV.RS

[clement@metav.rs](mailto:clement@metav.rs)

## **Victor GUIRAUD**

Founder associate - Zealy

[victor@zealy.io](mailto:victor@zealy.io)

## **Charles Lonjaret**

Web3 Lead - Manager

SiaXperience

[charles.lonjaret@sia-partners.com](mailto:charles.lonjaret@sia-partners.com)

## *In Collaboration with*

### **Thomas SAUVÉ**

Marketing & Communication  
Manager

@METAV.RS

### **Lauriane Grobon**

Marketing & Communication  
Manager

@SiaXperience

### **Carmen SIAKAM**

Content Manager

@METAV.RS

### **Valentine Jan**

Senior consultant

@SiaXperience - Hong-Kong

### **Brenda CHÁVEZ ALTAMIRANO**

Content Producer

@Zealy

### **Pauline Audric**

Senior Consultant

@SiaXperience

### **Jonny QUIRK**

Community Lead

@Zealy

### **Agathe Malinas**

Partner

@SiaXperience

### **Brenda Goh**

Senior consultant

@SiaXperience - Singapore

### **Valentine Cameleyre**

Creative Graphic Designer

@SiaXperience

### **Marie Plassard**

Senior consultant

@SiaXperience - Hong-Kong

# 02

W H I T E  
P A P E R

## Web3 & Customer engagement

Unveiling Next-Gen  
Marketing Strategies

2023



METAVRS

