



COURTAVENUE & WEB3:

THE OPPORTUNITY AHEAD

Web3 has arrived and has the capacity to change much of how we engage online. CourtAvenue believes now is the time for brands to consider their future in Web3. Not all Web3 integrations will be applicable by industry as their audiences may not be ready to dive in just yet - but some industries are ripe for innovation.

WITH THIS DECK WE'VE PROVIDED:

An overview of where Web3 stands today

A synthesis of how brands are executing throughout Web3 ecosystems

Our predictions for Web3, including the industries most likely to be impacted

Details on how CourtAvenue can help brands looking to learn more



EVOLUTION OF THE INTERNET REACHES WEB3

The internet has evolved through 3 distinct phases since its inception - from a simple read-only interface with Web1 into an experience that allows users to read, create and own thanks to faster networks and the expansion of 5G.

1990's



WEB1 FIRST CREATED READ-ONLY

- Connection via dial-up
- Clunky desktop computers
- Developers create read-only sites for visitors
- Funded by the first tech companies, PC and software companies, private investors, and VC firms

MID 2000's



WEB2 ARRIVES READ-CREATE

- Home internet is the norm; people can connect anywhere via smartphones
- Devices include laptops, tablets, and smartphones
- Developers build platforms for users to create on within platform guidelines
- Funded by mutual funds, VC firms, public shareholders, and tech behemoths

2018-PRESENT



WEB3 READ-CREATE-OWN

- 5g expands, creating faster networks
- Continued device evolution now includes smarter and faster devices and XR headsets
- Developers expand blockchain technology, making interfaces public
- Funded by VC firms, existing media and tech companies, crypto investors and new startups



WEB3 IS THE CONVERGENCE OF BLOCKCHAIN ENABLED CAPABILITIES, EDGE COMPUTING AND VIRTUAL EXPERIENCES

Web3 connects people more immersively into digital environments by leveraging today's more powerful devices, the new crop of immersive devices, and advanced decentralized technology, allowing people to step into fully digital environments and integrate digital devices fully into their physical world.

WEB3 IS NOT:

Web3 is not limited to only the metaverse (or any other one component). It is not fully built out yet, or prevalent worldwide. It is also not something all consumers will be fully cognizant of, or something that will find you.

Web 1.0



Web 2.0



Web 3.0





WE PREDICT WEB3 WILL GIVE BRANDS NEW BUSINESS MODELS TO EXPLORE AND INCREASED INTERACTIVITY WITH THEIR CUSTOMER BASE

While the future of what Web3 will become is still unclear, today's applications help us understand this initial phase - centered around increased interactivity, integrations with rising new technologies and brand exploration into the new business models Web3 could offer. Early executions give a preview for what Web3 could become.

WEB3 WILL BE MORE INTERACTIVE AND INTEGRATED INTO THE PHYSICAL WORLD

Consumers will be able to look at products in 3D online, increasing conversion rates. They will connect in the metaverse, and overlay digital filters from their phones into everyday life, enabling them to interact with digital as if it were a real part of the physical world.

AND WILL BE POWERED BY THE CONTINUED EXPANSION OF NEW TECHNOLOGIES.

Powered by technological advances and expanded 5g, machines continue to become smarter and faster, blockchain is expanding through NFTs and Crypto, and XR is beginning to be integrated into everyday life - all of which provide increasing possibilities for the future of Web3.

BUSINESS MODELS AND CHANNELS WILL BE OVERTURNED, SIMILAR TO THE EARLY 2000'S.

Web3 gives brands a new space to connect with their customers and express their brand purpose - in a more interactive and engaging way. Today's integrations have been largely exploratory, but opportunity exists for some categories (especially entertainment) to lead Web3's future.

FIRST ADOPTERS WILL LIKELY BE YOUNGER, HIGHER INCOME AND TECH SAVVY.

Given the technical requirements to engage, early adopters will likely be higher income, more digitally-savvy consumers. Brands will have to think strategically about the role they play in designing inclusive Web3 experiences.



CONSUMER USE-CASES ARE CURRENTLY BROADER THAN EXPECTED

Given how loosely defined Web3 has been to date, understanding how consumers are engaging today can be unclear. While some integrations have been seen largely as PR stunts, consumers are finding value in some Web3 engagements.

CURRENT WAYS CONSUMERS ARE ENGAGING IN WEB3:

- Trading or interacting with cryptocurrency
- When using VR headsets
- Watching concerts in Fortnite or Roblox
- Buying or visiting virtual real estate
- Obtaining NFTs
- Engaging with XR overlays on social media
- Overlaying directions on Google Live on smartphones
- Shopping online using 3D catalogs
- Taking tours of 3D cars or homes





ECOSYSTEM FOR ENGAGEMENT SPANS WEB3 SPECIFIC HARDWARE, SOFTWARE AND PLATFORMS

Today, consumers leverage hardware (smartphones, computers, and headsets) to engage with different softwares and platforms such as VR worlds like Sandbox and Decentraland, blockchain software, and crypto platforms such as Coinbase. As infrastructure and software continues to advance, we expect consumers will interact with brands and each other through an increasingly diverse set of connection points.

01

 **SAMSUNG** Microsoft

HARDWARE

Companies are developing the hardware, mobile devices, headsets, and screens capable of displaying Web3 experiences

02

 **unity** **Meta**

SOFTWARE

Software companies are developing VR and blockchain tools and capabilities to build and sustain 3D environments for brands and content creators

03

 Decentraland coinbase

Adobe Captivate

SANDBOX**ROBLOX**

PLATFORMS

Content creators and developer studios are building the environments for people to work, engage and create in virtual space

04

verizon

ethereum

Qualcomm

INFRASTRUCTURE

The building blocks of Web3 that enable the transfer of data, streaming bandwidth, and the platforms these experiences are built upon



TODAY, BRANDS ARE EXPLORING WEB3 INTEGRATIONS ACROSS A VARIETY OF SPACES - INCLUDING REAL ESTATE, MERCHANDISE, CRYPTO AND IP

Major companies are already involved with Web3 today. While many integrations have been focused on generating buzz within the media, early integrations allow us to see which industries and integration types may have longer-term success. Industries such as high fashion, retail, entertainment, and technology are serving as leaders in the space, integrating new technologies across their business.

01



IP IN A VIRTUAL WORLD

02



VIRTUAL REAL ESTATE

03



SELLING VIRTUAL
MERCHANDISE

04



OFFERING FULLY
VIRTUAL EXPERIENCES

05



INTEGRATING DIGITAL
INTO CURRENT PHYSICAL
EXPERIENCES

06



SUPPORTING CRYPTO

07



PIONEERING WEB3

08



NEW TECHNOLOGY
ADVANCEMENTS



EARLY BRAND INTEGRATIONS
WITHIN WEB3

1 IP IN A VIRTUAL WORLD

Today, some companies are already taking out trademarks for virtual copies of their physical insignia to protect their valuable assets.

- Nike and Balenciaga are among early patent filers
- High fashion labels Gucci and Prada had their virtual logos trademarked by 3rd parties last year for use in sale of virtual merchandise





EARLY BRAND INTEGRATIONS
WITHIN WEB3

2 VIRTUAL REAL ESTATE

Companies and consumers are paying top dollar for prime real estate in virtual worlds as virtual real estate prices continue to soar.

- Samsung, PragerMetis, PWC, and Adidas are all building virtual properties on platforms like Decentraland and Sandbox





EARLY BRAND INTEGRATIONS
WITHIN WEB3

3 SELLING VIRTUAL MERCHANDISE

Retail brands are selling online merchandise in avatar-based worlds, diversifying revenue streams and appealing to new audiences through digital experiences.

- Ralph Lauren, Dolce & Gabbana, Burberry, and Louis Vuitton exploring sales of virtual merchandise within Web3 environments





EARLY BRAND INTEGRATIONS
WITHIN WEB3

4 OFFERING FULLY VIRTUAL EXPERIENCES

Consumer-facing experiences such as virtual product worlds and shops, online concerts, and even company trainings are all moving to fully virtual platforms

- Nike, Ralph Lauren, Meta, Pepsi, and Shopify are creating fully virtual experiences for followers to shop, learn, and engage on platforms like Roblox, MetaVR, and Minecraft





EARLY BRAND INTEGRATIONS
WITHIN WEB3

5 INTEGRATING DIGITAL INTO CURRENT PHYSICAL EXPERIENCES

Through events and everyday experiences, companies are finding innovative ways to overlay XR in everyday experiences using smartphone technology

- Brands like Crocs and Google Maps have created digital experiences connected to physical experiences





EARLY BRAND INTEGRATIONS
WITHIN WEB3

6 SUPPORTING CRYPTO

Countries and sales platforms are letting consumers spend their cryptocurrency in more places and launching their own cryptocurrencies

- Companies like Shopify, JPMorgan and Dell are finding new ways to integrate cryptocurrency while countries like the U.S. and El Salvador are determining their stance on the currency



shopify



J.P.Morgan





EARLY BRAND INTEGRATIONS
WITHIN WEB3

7 PIONEERING WEB3

Companies are already investing in Web3 and the metaverse, allowing them to help shape the evolution of the new internet

- Microsoft, Apple, Nvidia are leading the Web3 revolution



"In 2021, Nvidia announced Omniverse Enterprise where creators can collaborate on 3D modelling, design, and simulation. Omniverse combines 3D graphics with AI and supercomputing, laying the foundations of the metaverse"



"Apple is currently working on advanced VR gear and has filed patents covers techniques for displaying a virtual object in an Enhanced Reality (ER) setting"



"Mesh is a collaborative platform that allows anyone to have shared virtual experiences on a variety of devices. Mesh will eventually support what Microsoft calls "holoportation," allowing people to appear as themselves in a virtual space."

COURTAVENUE POV:

Some believe that Web3 will be more democratic as blockchain can create public ledgers of information and the potential for individual ownership. We believe it will instead create space for more companies to break in and exert the same ownership we see from tech giants today.



EARLY BRAND INTEGRATIONS
WITHIN WEB3

8 NEW TECHNOLOGY ADVANCES

5G advancements, the proliferation of distributed ledger technology, advancements in ML, AI, XR and more are creating the foundation for Web3, and creating opportunities for companies to sell services in these new areas

- Dell's interest in blockchain technology ties back to the company's infrastructure business, where selling data storage and other services netted it \$8.4 billion in revenue in the second quarter.

Pinwheel of consideration





INTEGRATIONS WITHIN WEB3 WILL VARY BASED ON OBJECTIVE

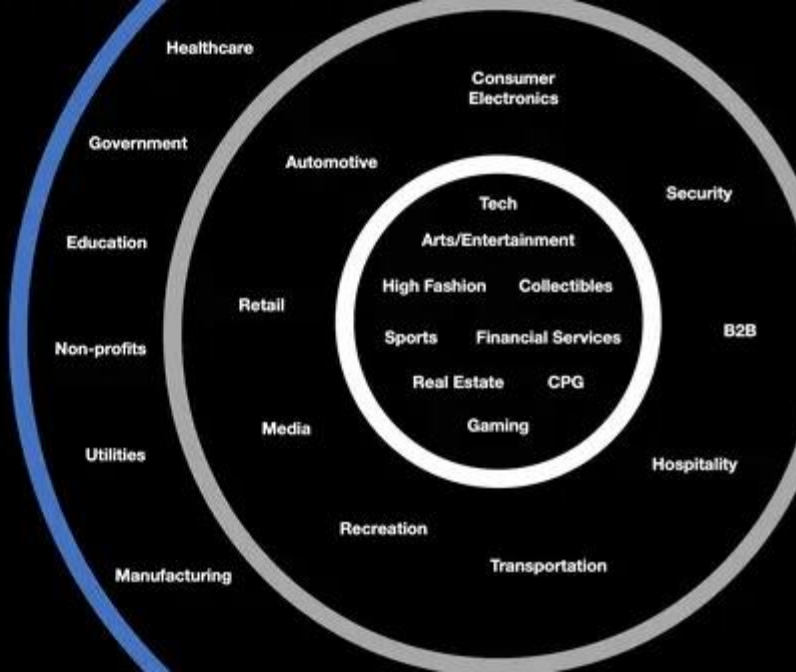
Starting with business objectives will allow brands to determine the best path forward in Web3 backed in their organization's strategies - preventing them from falling into the usual innovation trap of simply developing something for the sake of innovation or hype.

OBJECTIVES	EXAMPLE INTEGRATIONS
<i>Showcase company in new channels and new ways, building brand awareness</i>	• Create limited-time only virtual stores that users can access online or through their smartphones, trying out products virtually and offering exclusive interaction opportunities. • Create brand-aligned Web3 avatars within VR platforms for customers to engage with.
<i>Re-inventing loyalty by delivering personalized value - providing new and exclusive value to existing customers</i>	• Issue exclusive NFTs that give access to clubs or privileges, or allow members to show their loyalty to the brand. • Offer digital versions of physical products, allowing customers to buy product NFTs, and digital assets or real estate for virtual avatars, and store them digitally within their virtual worlds (online closet, etc.)
<i>Ensure product authenticity and heritage for customers</i>	• Offer NFTs alongside product purchase to act as token or authentication of purchase • Allow owners to track the lineage of products and services as they go from ingredient to product to ownership through authenticated NFTs
<i>Augment current commerce capabilities to incorporate emerging Web3 technologies</i>	• Within retail channels, integrate cryptocurrency as a form of payment to secure orders over competitors that aren't offering those capabilities to shoppers ready to spend their crypto-earnings. • Leverage blockchain technology to consolidate supply chain data into one space, improving traceability, coordination between partners, and access to financing



URGENCY VARIES BY INDUSTRY – SOME SHOULD ACT NOW

- High Potential Industries for Disruption
- Mid-Level of Initial Disruption
- Low-level of Initial Disruption





WHAT SHOULD BRANDS BE DOING NOW?

BRANDS LOOKING TO EXECUTE WITHIN WEB3 SHOULD BEGIN BY:

1. Getting smart on the basics - what platforms and Web3 integrations are most relevant to your brand?
2. Understanding where your audiences will go first and where you have permission to play
3. Identifying the partners/teams that help them explore and build Web3 tests
4. Building roadmaps around experimentation with an eye towards scale
5. Developing the business case and models that unlock new value
6. Strategically integrating new technologies (e.g. AR/VR, blockchain, ability to sell digital assets, buy with Crypto, etc.) into your business based on current best in class examples
7. Testing and optimizing

COST OF DOING NOTHING:

- Lose out on new streams of revenue
- Miss chance to test while barriers to entry are lower
- Potential to miss opportunity to engage with early adopters if competitive experiences take hold
- Virtual assets trademarked by 3rd parties increase the need for legal council to protect digital assets



COURTAVENUE CAN HELP

We know not every company can invest in a full Web3 engagement, but all should be strategizing on what Web3 will mean to their industry.

We can help brands identify a relevant Web3 strategy across all industries and categories based on what they're hoping to achieve with Web3.



OUR OFFERINGS:

WEB3 PLANS

- Landscape of Web3 Best Practices
 - Go to market guidelines
 - Web3 Objective setting & opportunity identification
-

WEB3 BRANDS

- Primary Research To Determine Feasibility Among Core Audiences
-

WEB3 PLATFORMS

- Prototyping and creative development
-

WEB3 DATA

- Identification and use of new data streams
-