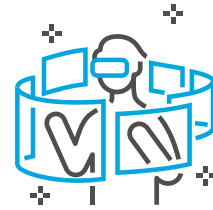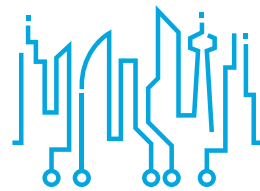# MILLER ZELL

Get Versed in the Metaverse:

A Guide to get Started

Despite being in its infancy, the **METAVERSE** is making a very real impact on how we shop, play, learn and connect. All brands, and perhaps specifically those with established brick-and-mortar presences, need to mobilize to meet their customers wherever they want to connect. And it's clear that the Metaverse will be one of those touchpoints.

WHAT IS THE METAVERSE?

So what do we know right now?

For starters, everything that exists in today's world will eventually be recreated in the virtual world, or the Metaverse, but without physical limitations. In this virtual world, static objects will be infused with technology that will enhance and improve your user experiences. Augmented and virtual reality, artificial intelligence, 5G and cloud computing and blockchains all play a part in developing this world which connects people, places and things.

Think of it this way. In the Metaverse, you could design your avatar to reflect your desired appearance, like hair color and style, clothing options or even wings! And, your avatar can go on to design shoes to wear in the Metaverse while an exact replica of those shoes is made for you to wear IRL (also known as in real life).

THE OPPORTUNITY

Why does it matter?

Consider this, 60% percent of Gen Z and 62% of Millennials think how they present themselves online is more important than in person.[i] Are these your customers?

Not convinced? Here's another example. In the Metaverse, your avatar could also go to a favorite restaurant and build a salad just the way you like it. Then that actual restaurant can prepare that salad with the exact combination of ingredients and the perfect amount of dressing and deliver it to your door. The examples of interactivity, Metaverse and IRL crossover and the opportunity to drive revenue are growing every day.

So whether your customers want choice, customization or an opportunity to build affinity with you and your brand, the Metaverse provides the connecting point. But unlike our physical world, you get to eliminate friction points like building permits, long lines or staffing restrictions.

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GET COMFORTABLE WITH THE METAVERSE

There is a lot to learn before jumping into the Metaverse.
Take some time to become personally comfortable with the virtual world and the lingo. Here is a suggested list of ways to experience, learn, play and educate yourself.

- Create an Avatar with Ready Player Me
- Join Spatial.io or Facebook Horizon Worlds
- Watch *We Met in Virtual Reality* on HBO or Hulu
- Get and start playing with an Oculus Quest 2 Headset
- Download VRChat
- Take Cathy Hackl's Metaverse course on LinkedIn Learning
- Follow experts on Web3 Resources like Shelly Palmer
- Listen to podcasts about virtual reality (we suggest episodes like *The Evolution and Future of the Metaverse with Cathy Hackl*)
- Watch *Banking on Bitcoin* on YouTube

With some personal experience and understanding, you will have a smoother path into this new world.
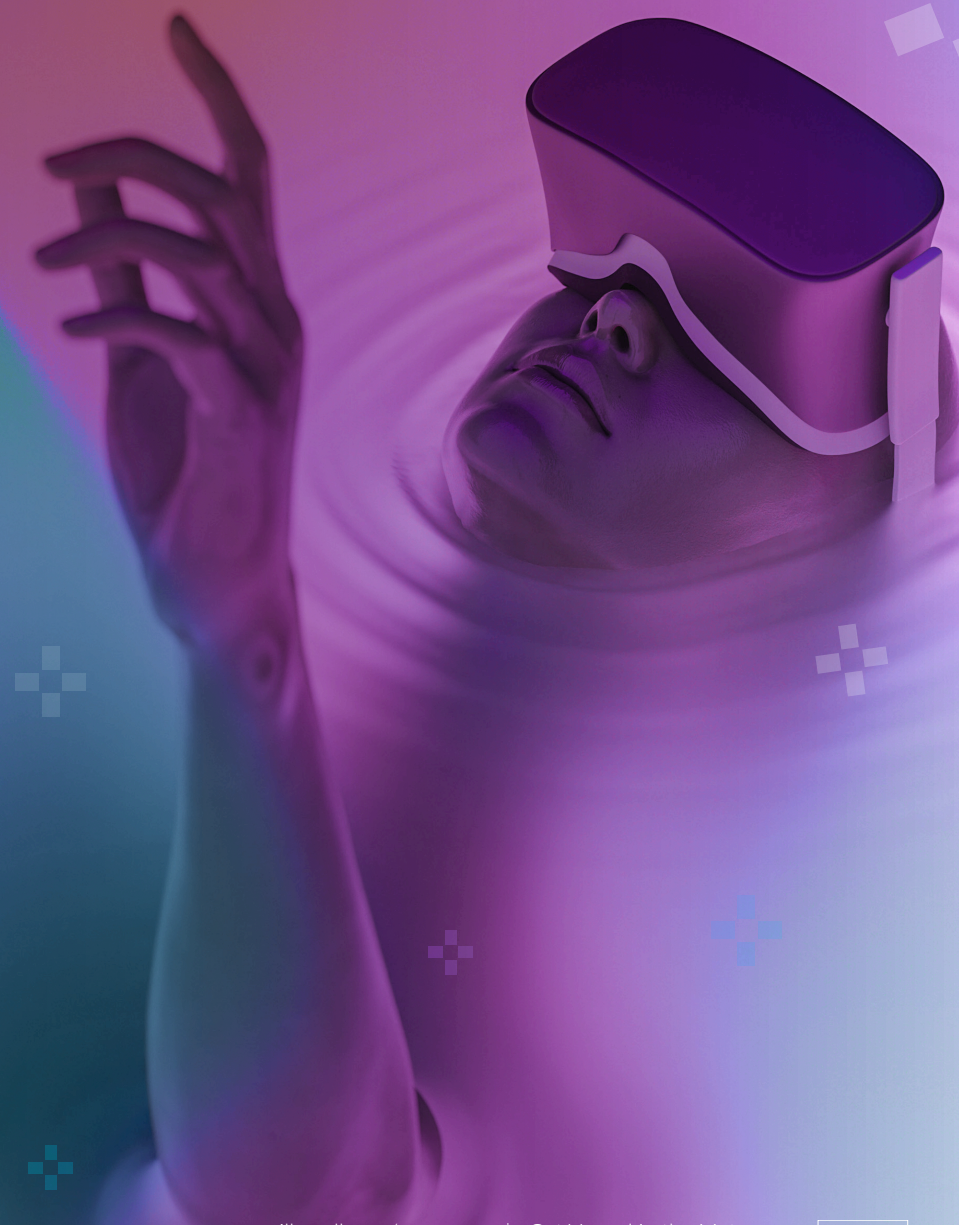
READY TO START?

There is no single "right way" to move into the Metaverse.

In fact, to really be successful, you need to create a unique presence based on your brand and how it will best meet the expectations of your customers. This includes considerations of your brand aesthetic and what current IRL experiences can be improved or introduced in a virtual world.

Above all, this is an opportunity for discovery and the stakes are high. Most of these aren't quick answers. But don't get hung up on finding a single "correct" answer either as society, the Metaverse and your brand are ever evolving. Take the advice of the experts and find a way to start with a small experiment where you can measure customer reactions. Look at similar brands to see what they've done and incorporate the good while eliminating the bad. Most importantly, get in the Metaverse yourself and apply your experience with your knowledge of your brand.

To learn more, *watch this presentation* by nationally recognized Metaverse expert and Ted Talk presenter, Elizabeth Strickler.

To get started, answer the following questions:

- What is the essence of your brand? Why should you be in the Metaverse?

- What experiences are intricately connected to your brand? How can those experiences – or the essence of those experiences – relate to a younger audience?

- How would having access to a virtual world change your relationship with your customers?

- How would having access to a virtual world change your relationship with your employees?

- What new experiences and customer journeys could you provide?

- How could access to virtual goods and experiences expand your business's capabilities?

TALK THE TALK [ii]

**The Metaverse is a combination of technologies, processes and new ideas all rolled in one.
Here is a brief glossary of terms to know.**

5G
The fifth generation of cellular wireless technology, the wireless standard thought to be a critical leap forward in cellular communications. The data transference is said to be strong enough for technology companies to deliver more data with less latency or quality degradation. Here, peak speeds can reach up to 20 Gbps and a 1-millisecond latency. In short, 5G is crazy fast, and these speeds will give Metaverse travelers smoother connectivity.

ARTIFICIAL INTELLIGENCE (AI)
Artificial intelligence is the ability of a computer or robot to "think" or perform comprehension similar to how humans process information, learn and solve problems.

AUGMENTED REALITY (AR)
Augmented reality uses technology to enhance the real world by placing data, interactive digital objects or other digital media "on top" of the physical world. Pokémon GO is a perfect example, where players use a mobile device to find and capture Pokémon creatures in real towns and cities.

BLOCKCHAIN
The blockchain stores data and includes smart contracts in a way that enables people to have true ownership of digital assets in the Metaverse. Smart contracts created for every transaction are stored in decentralized, peer-to-peer networks designed to offer transparent, traceable and immutable records. Ethereum, EOS and Solana are examples of public blockchains. This is in contrast to other data systems that are centrally controlled and can be changed by the operators. Blockchain is the keystone of the Metaverse economy because true ownership of assets is decentralized, which makes it public. Because they are authentic, "one-of-one" items, there is scarcity. Where there is scarcity, hence desirability, there is (market) value.

BLOCKCHAIN GAMING
Just as we described blockchain above, games that use blockchain technology have an immutable, traceable data-storage network behind in-game transactions. This is crucial in ensuring players are

purchasing and earning authentic digital items (e.g., fungible and non-fungible tokens). The actual in-app or in-game experience covers anything from traditional video game genres to newer "play-to-earn" and "play-to-own" models.

CRYPTOCURRENCY

A cryptocurrency, or crypto coin, is a digital currency that runs on its own blockchain. It functions much like fiat currency, with the key differences being that they are 100% digital and managed in decentralized computer networks (versus fiat's central banking system). The biggest cryptocurrencies are Bitcoin and Ethereum. However, there are many cryptocurrencies on crypto exchanges. Currently, there is minimal utility for many cryptocurrencies. However, this may change as the Metaverse evolves and cryptocurrency becomes a more dominant form of payment.

CRYPTO EXCHANGES

These are (mainly centralized) marketplaces to buy, sell and trade cryptocurrency and some crypto tokens. Examples include Crypto.com, Coinbase, Binance and Kraken.

CRYPTO TOKEN

A token is a fungible currency created within a specific application. When these tokens have utility, they're earned inside applications

and used to purchase items or services inside their respective applications. A good example is Axie Infinity's Smooth Love Potion (SLP) tokens, which are earned by winning in-game events and then used by players to breed new Axie creatures.

CRYPTO WALLET

These wallets are secured software platforms that store a person's crypto assets.

DAPP

A decentralized application, or dApp, looks and performs just like any other app from video games to productivity software. The key is the decentralized network behind the user experience that uses blockchain to store data and smart contracts. We break dApps into two major categories: platforms and single-functionality apps. A platform allows other dApps to function inside its ecosystem (think Salesforce's AppExchange), while dApps with singular functionality don't.

DECENTRALIZED AUTONOMOUS ORGANIZATION (DAO):

A DAO is represented by transparent rules via computer code on the blockchain that have been defined and are controlled by the organization members. DAOs use blockchain-based smart contracts to record governance rules and voting results. It's "by the people, for the people" governance inside an application.

DEFI

Coinbase defines DeFi, or decentralized finance, as an umbrella term for financial services on public blockchains. You can do most things a centralized bank system supports, such as borrowing, lending, trading and so on. However, DeFi is a peer-to-peer system that doesn't require an intermediary third party such as a bank.

EDGE COMPUTING

IBM defines this as a distributed computing framework that brings applications closer to data sources. Internet of Things (IoT) is a good example: A smart refrigerator is capable of connecting back to a data source (from the manufacturer) while processing user input.

FUNGIBLE TOKEN

Fungible tokens are interchangeable assets with 1:1 value. A good example is Bitcoin; one person's Bitcoin is equal to another's Bitcoin. In-game utility tokens are also good examples. Minting: Minting "certifies" a digital asset on the blockchain to turn it into a non-fungible token.

NON-FUNGIBLE TOKEN (NFT)

An NFT is a digital asset that is unique and singular, backed by blockchain technology to ensure authenticity and ownership. An NFT can be bought, sold, traded or collected. Virtually anything can be an NFT: art, sports highlight clips, game items, even information.

PLAY-TO-EARN GAMES

This is a relatively new game genre where people play to eventually extract monetary value.

SMART CONTRACTS

Ethereum defines a smart contract as simply a program that runs on the (Ethereum) blockchain. It's a collection of code and data capable of sending transactions over the network. These contracts are not controlled by users. Instead they are deployed to the network and run as they are programmed. Smart contracts have defined rules, like any other contract and automatically execute them via their coding.

VIRTUAL REALITY (VR)

With VR, a computer-generated 3D space is generated around the user via wearable technology such as VR goggles. These are typically interactive environments where users not only see a 360-degree 3D environment, but they also can "touch" and interact with the environment through handheld devices. A popular application is 3D video games.

WEARABLES

If technology attaches to the user in some fashion – headwear, wristwear, toe wear or even implants and tattoos – it's a wearable.

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[i]https://newsroom.squarespace.com/

[ii]Sources: Hackl, Cathy; Lueth, Dirk; Di Bartolo, Tommaso. Navigating the Metaverse (pp. 4-5). Wiley. Kindle Edition.

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