



dentsu

Web3 Technology & Governance for Brand Loyalty and Engagement

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Today's Presenters



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Agenda

- Web3 for Client Engagement
- Web3 Underlying Technology
- Web3 Governance and Center of Excellence
- Adoption and Roadblocks



Web3 for Client Engagement ➤

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The Metaverse is a future that is forming

The Short Version:

The term “Metaverse” is representative of all of the technologies, tools, platforms and concepts that are evolving and coming together as core components for the future state of the Internet.

- We see the Metaverse as the experience layer of the future Internet and it will continue to evolve as the market matures.
- No one entity will control this future state, and there is likely to be a lot of movement within the enterprise that will likely influence ongoing consumer adoption.
- Dentsu is approaching all of this as a combined force, across our lines of business and geographic regions.

Some perspective on the Metaverse

It's early. Today, the Metaverse is many things to many people.
We see these all as component parts of what will eventually become "The Metaverse".

On-Chain /
Decentralized "Worlds"

Off-Chain / Web 2.0
Immersive Experiences

AR Experiences
Mostly Mobile

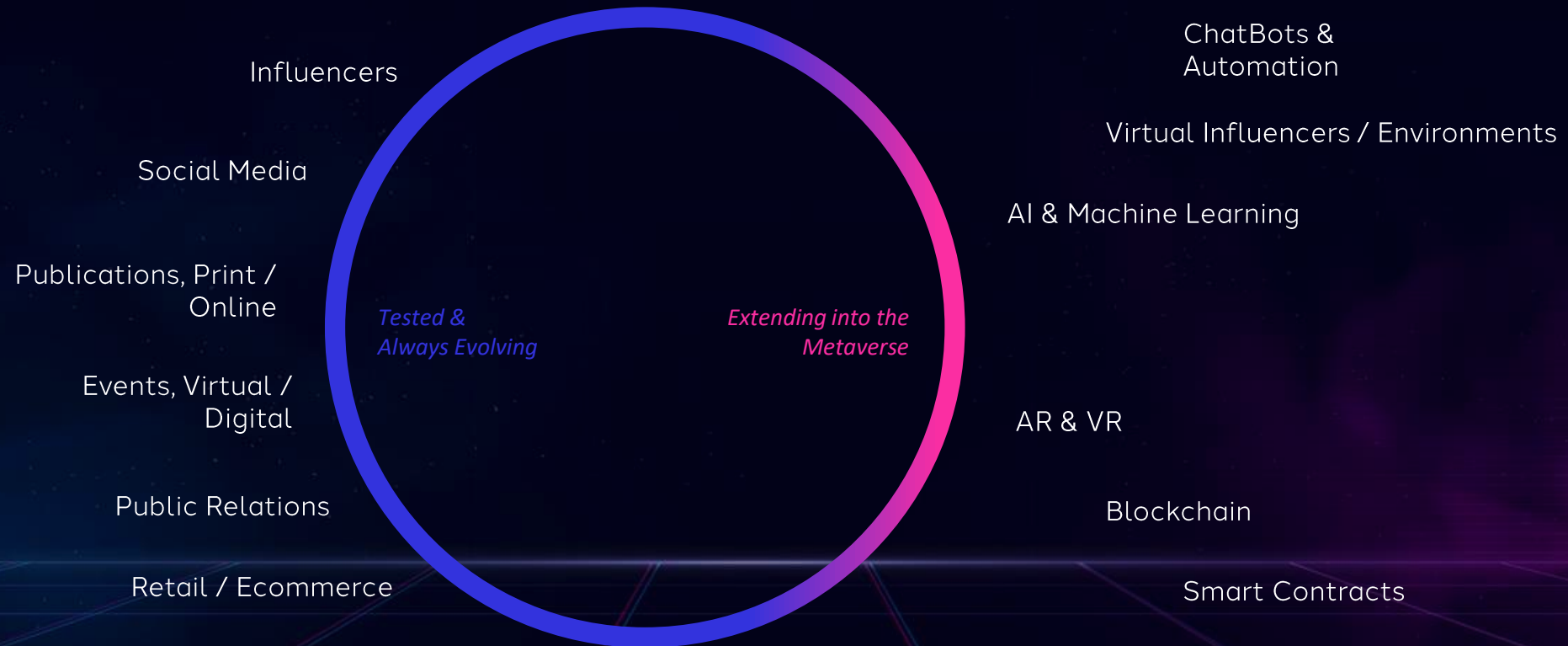
VR Experiences
In-Headset

NFT Experiences

XR / Mixed Reality

The immediate Metaverse leads to evolved experiences

The metaverse will slowly emerge as individual elements come to live across the customer journey



And the Evolution of the core components has just begun

We see a continued evolution, despite recent market setbacks in Crypto and criticism of efforts by companies like META as they pivot elements of the business to realize this more immersive future. The following areas will see a continued, rapid evolution.

SOFTWARE / PLATFORMS INNOVATION

Consumer-Facing Platforms

We will see some of these early initiatives fizzle out, combine/merge and pivot into new, more focused experiences.

Enterprise Experiences

We will see continued adoption and growth of immersive experiences in the Enterprise. This will be accompanied by "owned Metaverse experiences. (Macroverse).

Smart Contracts

While tightly associated with digital assets / NFTs, there is huge potential for Smart Contracts across the experience layer.

Artificial Intelligence

We've seen the impact of Transformer-based models already. We've only begun to scratch the surface and believe that the acceleration of metaverse experiences will be, in part, due to the gains we will see from advanced uses of AI.

ORGANIZATIONAL ADOPTION

Decentralization / Tokenomics

While there is currently a lot of controversy around Crypto, there are still many benefits that Blockchain and related technologies and their use cases provide, pushing new operating models, etc.

Immersive Experiences

While not overnight, we will continue to see value creation in organizations through more immersive, data-fueled experiences with persistence.

HARDWARE EVOLUTION

Headsets & Display Hardware

Mixed Reality will likely overtake AR or VR specific experiences. Headsets will be dual-mode, and will arrive from various vendors.

Compute & Rendering

Edge Computing & Cloud Rendering will work in concert to enable real-time, immersive computing.

Experience Enablers

IoT and smart device integration will provide more context to our virtual environments

Web 2.0 – Web 3.0 solutions for brand/consumer gamification and owned loyalty



TOKENIZED LOYALTY PROGRAMS

Developing, deploying, and maintaining NFTs for clients that 1.) unlock additional experiences for users, 2.) reward users for actions with exchangeable tokens, and 3.) capture user data to progressively profile users.



NON-FUNGIBLE TOKENS (NFTS)

NFTs as prizing, rewards, and the means of access. Strategy, design, creative and technical work required to define, design, develop, and mint non-fungible tokens on one or more blockchain platforms.



PARTNERSHIPS

Working with a vetted and hand-selected group of enterprise grade partners in all areas of web 3 development. Merkle will source and select the best partner or partners for your Web 3 program, all vetted through the dentsu Web 3 Steering Committee



Web3 Underlying Technology

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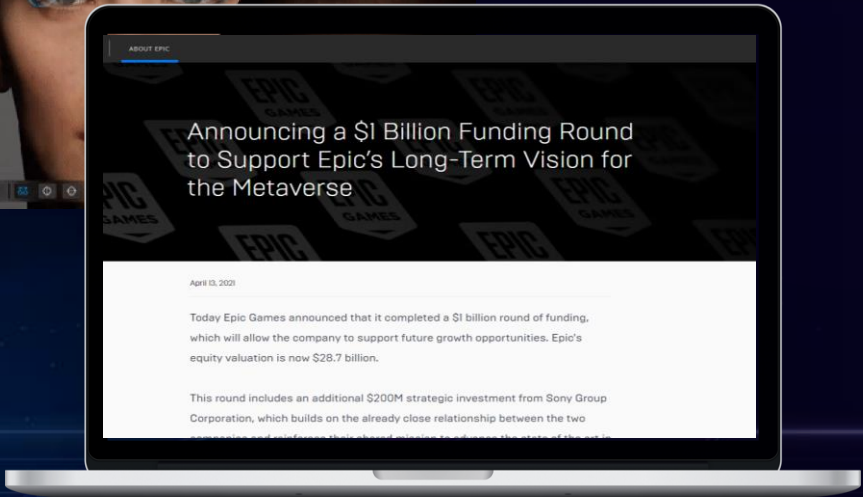
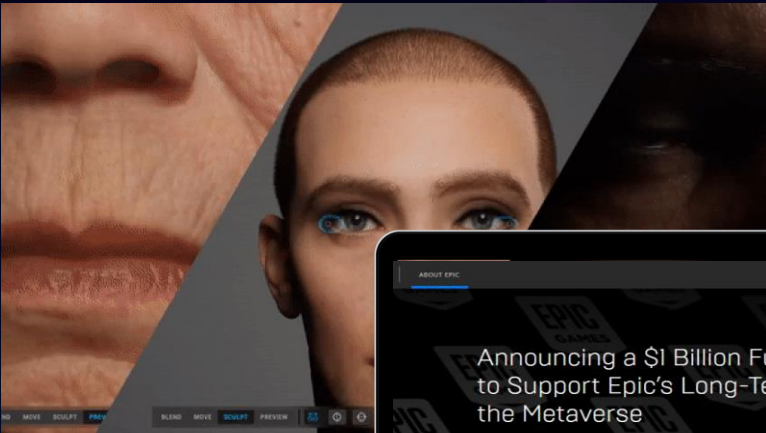


“A lot of the behaviours we expect to see in the metaverse already exist in gaming today”

Gaming: The Highway to the Metaverse

Dan Holland & Alex May

Game Engines



Metaverses come in all different shapes and sizes



3D Browser Based



Virtual Reality



Augmented Reality

Metaverse, from web 2.0 to 3.0

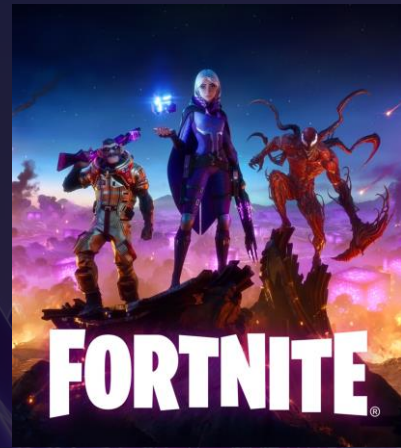
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Horizon



02

Fortnite



03

Roblox



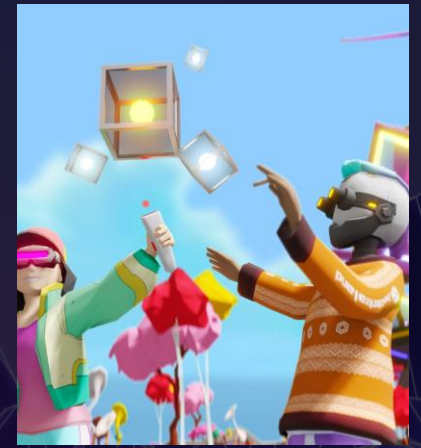
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Sandbox



05

Decentraland



Web 2.0

Web 3.0



Near, but not yet here – sizing the prize

\$1.3T

TAM - Advertising, social commerce, digital events, hardware, and developers/creators

\$54B

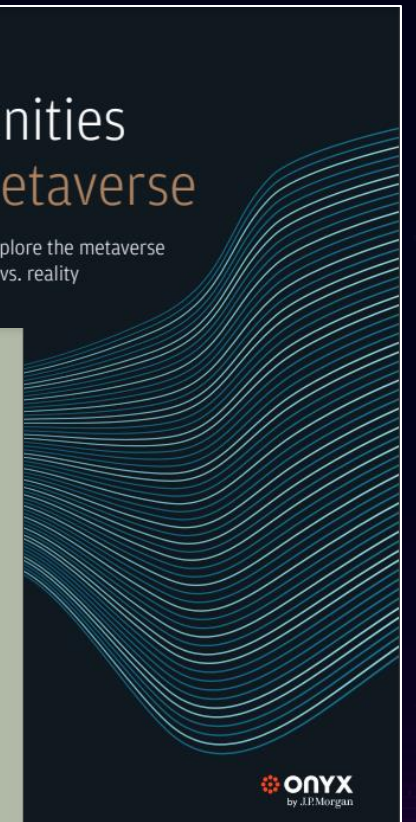
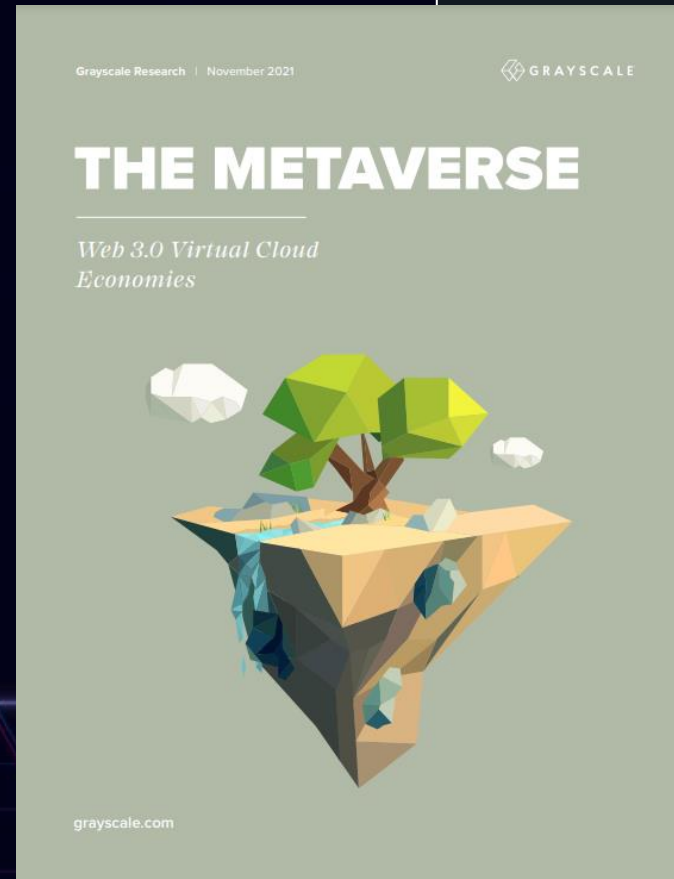
Every year is currently spent on virtual goods, almost double spent buying music

1,100

No. of times the word “metaverse” appeared in company filings with SEC in first six months of 2022 (2021 = 260, preceding two decades = <12)

Opportunities in the metaverse

How businesses can explore the metaverse and navigate the hype vs. reality



BETS ARE BEING PLACED



HARDWARE

**CAPABLE OF
DISPLAYING WEB3
EXPERIENCES.**

SOFTWARE

**TO BUILD AND
SUSTAIN 3D
ENVIRONMENTS FOR
CREATORS AND
COMMUNITIES.**

PLATFORMS

**ENVIRONMENTS FOR
PEOPLE TO WORK,
ENGAGE AND CREATE
IN VIRTUAL SPACES.**

INFRASTRUCTURE

**THE BUILDING
BLOCKS OF WEB3
ENABLING THE
DELIVERY OF
EXPERIENCES
SEAMLESSLY.**

WE'VE ESTABLISHED STRATEGIC PARTNERSHIPS.

 Fireblocks

 IMPROBABLE



"We are working closely with the dentsu web3 team to bring innovative solutions to their clients."

"They are a fantastic partner and have helped us improve our onboarding processes, including legal + compliance, program management and audience measurement."

— SEAN KEITH, SENIOR DIRECTOR

 ENJIN

 NEAR



 Meta



ROBLOX



Decentraland





startbahn

Technology Partnerships Approach

Some critical considerations for CIOs:

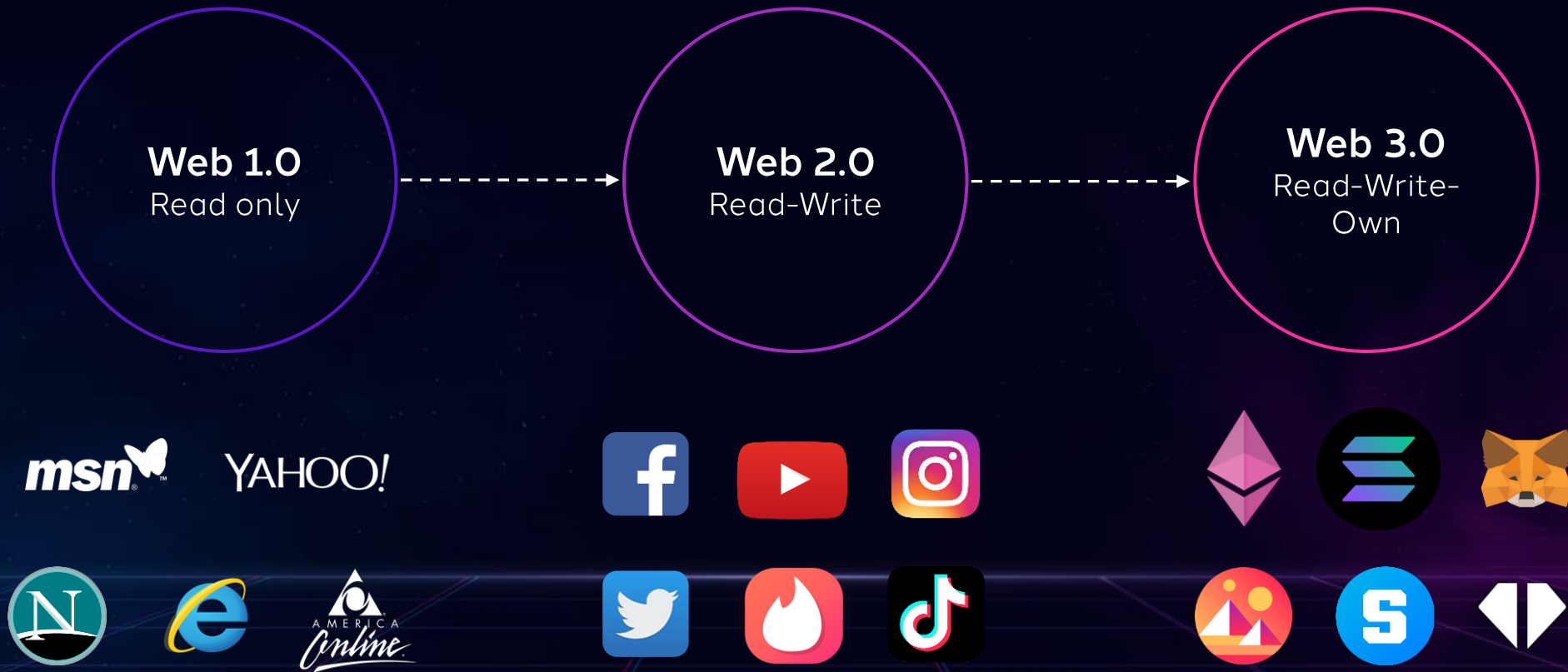
- Companies should avoid holding cryptocurrencies on balance sheets. Use partners who take the risk for you and allow you to transact in USD
- For wallet-backed solutions, holding private keys is a complex and risky process. Leveraging partners like CoinCover can de-risk the process for your company
- Fully vet all partners, including data privacy, security, anti money laundering, KYC, NDA, and POCs. Look for enterprise grade companies
- Consider the PR of partner selection. How eco-friendly is the solution? How accessible is the solution? Is the company operating from a well-regulated location? Do they work with Fintech clients? What metadata can be attached to a blockchain asset that may harm your brand?
- Start small. Test and learn with environments and partners you are comfortable with and expand from there.

Web3 Governance and Center of Excellence



We recognize the transition

Putting Control In The Hand Of The User



News Release

Dentsu Outlines Roadmap to Industry's Most Comprehensive Web3 Center of Excellence

Published on: 3rd November 2022

Partners with Decrypt to launch first-of-its-kind, bespoke Web3 learning program for employees and clients around the world

New York, NY – November 3, 2022 – Dentsu International today announced the development of the industry's most comprehensive Web3 Center of Excellence (CoE), bringing together respected experts from across dentsu group with leading partners at the cutting-edge of Web3 development and governance. In the first of a series of partnerships designed to put clients and employees at the forefront of Web3 opportunities, dentsu also announced a partnership with the leading voice in Web3, news and information publisher [Decrypt Media](#), to accelerate Web3 understanding and expertise across the global dentsu network of agencies. Widely recognized as the authority in Web3 by industry leaders and trusted institutions, Decrypt's mission is to demystify the decentralized web.

Three Key Pillars

SMART

Insights and educational partnerships, such as that with Decrypt, giving clients and dentsu employees access to the latest thinking and audience research from which to build the most effective client solutions.

CREATIVE

With dentsu's horizontal creativity in mind, this is the chance for clients and dentsu teams to innovate, test ideas, experiment with hypotheses, and learn how evolving technologies and platforms could be used within integrated campaigns or future business models.

RESPONSIBLE

Enterprise-grade governance to ensure brand and consumer safety, the custody and protection of assets and IP, and the safeguarding of creator ownership, which will provide clients with lasting assurance that successful campaigns will not turn into long-term risks

Avoiding unnecessary risk

Some critical considerations for CIOs:

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Thank you.