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WHAT THIS MEANS FOR BRANDS



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The metaverse can be described as a **virtual reality space** where people can interact with a computer-generated environment and other users in real-time. In this immersive and interconnected digital world, advertising presents both opportunities and challenges for brands.

KEY TERMS

Blockchain

A **decentralised, peer-to-peer network** that maintains a record of cryptocurrency transactions.

Metaverse

A **collection of digital experiences** and interfaces supported by Web3.

NFTs

Unique digital identifiers on a blockchain, certifying ownership and authenticity; non-copyable, and indivisible.

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The metaverse in South Africa is expected to grow steadily, with a projected CAGR of 39.8% from 2023 to 2030. This will increase the industry value from R3.9 billion in 2023

R40.5 billion
by 2030

61%
South Africans
believe that the metaverse is the future of technology.

16%
South African of adults
have dabbled in the space. This is the same proportion of individuals active on dating sites in the country.

The primary demographic dabbling in the metaverse consists of

Gen Zs & Millennials



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Sources: Statista | SA Social Media Landscape 2022 report | Kapersky | Mandal 2023

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OPPORTUNITIES
IN THE METAVERSE

1

Enhanced Brand Experiences

The metaverse enables brands to create immersive and interactive experiences for users within virtual environments, strengthening their connection to the brand. Experiential marketing campaigns can now transition from traditional methods to the digital marketing sphere.

Highly Targeted Advertising

Within the metaverse, brands can collect user data to deliver personalised, dynamic ads, effectively reaching the right audience with relevant content.

2

3

Virtual Product Placement

The metaverse allows brands to integrate their products and offer virtual versions for user interaction and purchase, creating new revenue opportunities.



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4

Sponsorships & Partnerships

Collaborations with metaverse platforms, game developers, or virtual world creators can **increase brand visibility and engagement**.

- Nike's successful partnerships with Roblox and RTFKT, as well as Dolce & Gabbana's Kolezione Genesse collection (How it Happened, 2022)
- Tiffany & Co. NFTiffs collaborations by companies like Netflix, Apple, Coca-Cola, and more demonstrate the potential value for businesses in the metaverse (How it Happened, 2022).

Examples of Sponsorship & Partnership

Networking, Socialising & Creating

5

The metaverse empowers brands to:

- engage in networking,
- socialising,
- creative connections,
- fostering stronger relationships between businesses and their consumers,
- as well as among different brands (Nokia, 2023).

This approach provides sustainable and enhanced collaboration experiences compared to conventional methods.

Examples of Networking, Socialising & Creating

Miller Lite's innovative Super Bowl advertising strategy. Unable to secure a traditional TV spot, the brand created a virtual bar in Decentraland, premiering its ad on digital screens, and successfully engaging users for an average of 20 minutes (Axworthy, 2022).

This demonstrates the metaverse's potential for captivating advertising opportunities.

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CHALLENGES
IN THE METAVERSE

1

Ad Overload & User Privacy

Balancing targeted ads and user privacy is vital to maintaining positive experiences in the metaverse and avoiding backlash. It is crucial to **respect the users' primary intent** in the space, which is to socialise and connect.

Integration & Standardisation

2

Brands may face challenges in creating cohesive advertising strategies across diverse metaverse environments, and will require standardisation efforts.



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3

Ad Blockers & Ad Aversion

Brands must **find innovative, non-intrusive ways to capture users' attention** in the metaverse amid potential ad-blocking and ad aversion.

Measurement & ROI

Developing reliable metrics and measurement techniques is essential for brands to accurately assess advertising effectiveness and ROI in the metaverse.

4

5

Brand Safety & Trust

Maintaining brand safety and trust is crucial in the metaverse, requiring brands to display their ads alongside appropriate content to avoid reputational damage.



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THE METAVERSE IN south africa

Africarare, Africa's first metaverse platform, focuses on the South African market. Ubuntuland highlights and promotes the continent's undiscovered talent, creativity, and innovation while establishing connections to the global digital economy.

Africarare 4 Key components

Ubuntuland
An African Metaverse that allows users to experience various art exhibitions, games, and social experiences.

Marketplace
Africarare hosts an African NFT marketplace, serving as a hub for African creativity and innovation, supporting local talent, and connecting them to broader audiences.

Meeting Rooms
Users can book African-inspired meeting rooms to add excitement, engagement, and unique experiences to their team's virtual meetings.

$UBUNTU Token
A digital currency that can be used within Africarare's Ubuntuland for purchasing, trading, and experiencing different metaverse services and offerings.

africarare

Africarare continues to expand its reach and partnerships, making it a **one-stop destination for exploring Virtual Africa**. Mic Mann is the founder and CEO of Africarare and is an experienced entrepreneur and advocate for digital transformation and innovation in Africa.

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Although the full potential of the Metaverse isn't at out fingertips just yet, **reach out to iLEAD *et al*** to get started on similar opportunities, such as

IN-GAME ADVERTISING,

in the interim.

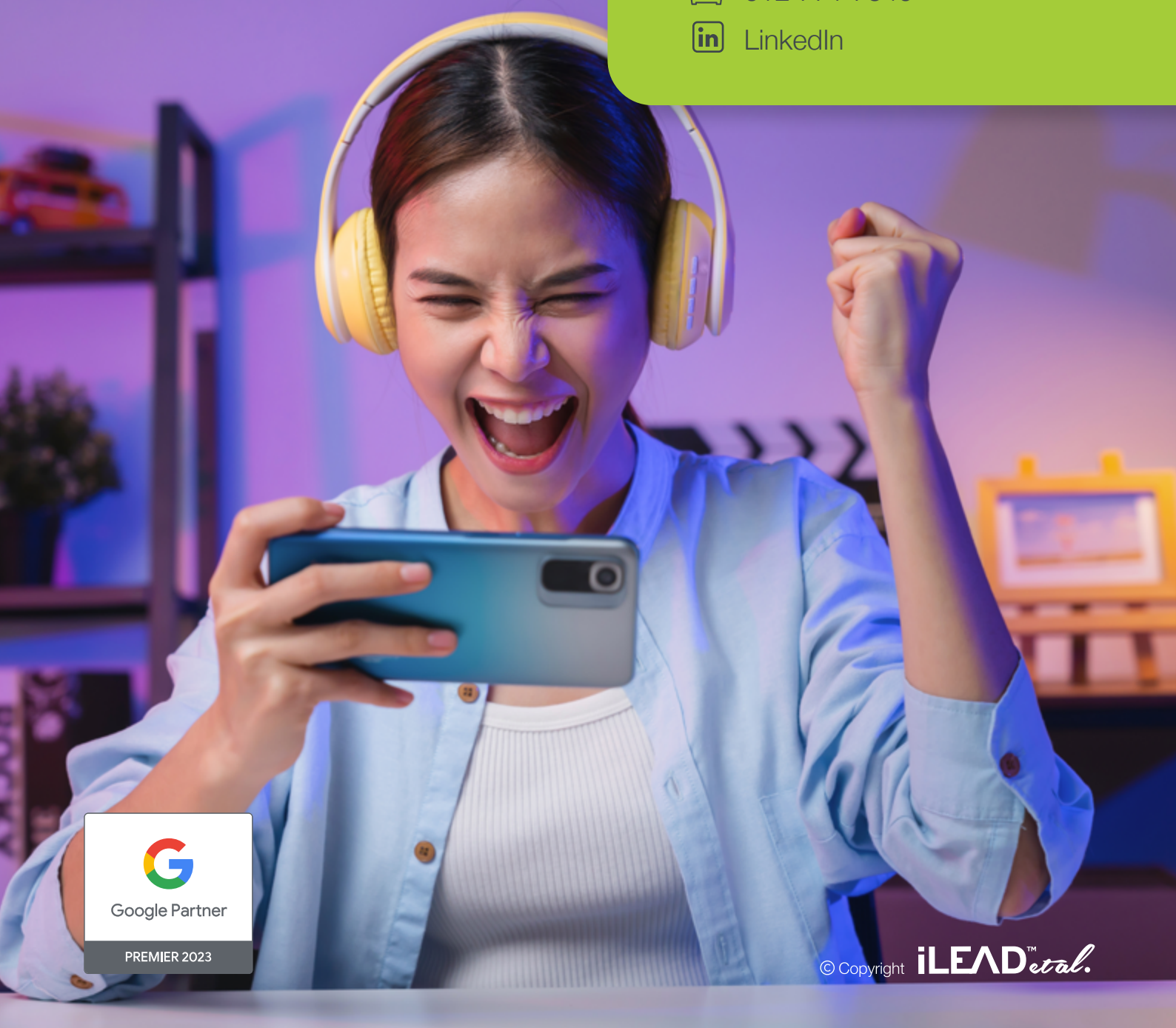
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