From niche to mainstream: The Web3 journey ahead

October 2022

BCG
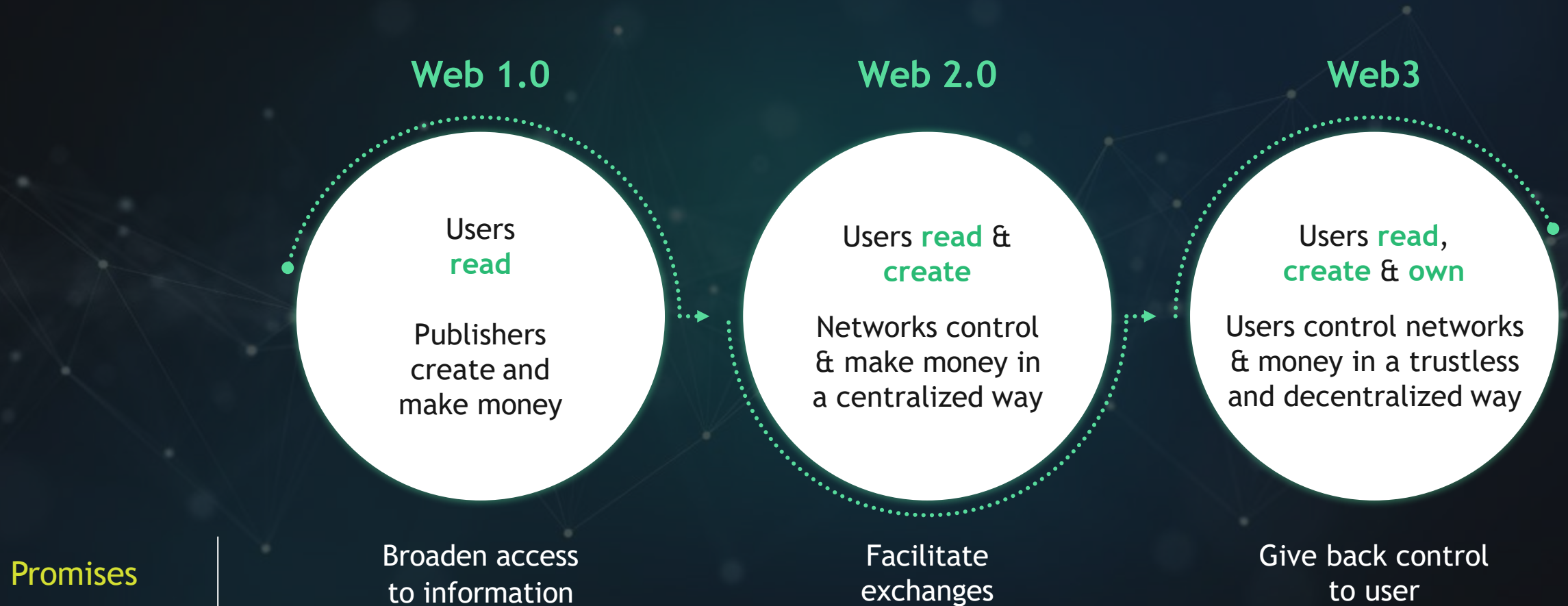
Key messages

Data exploitation, excessive and standardization of advertising could shift consumers from traditional social media towards Web3.
- *55% would switch social network for more anonymity and data privacy – 58% in France*
- 85% thinks they receive to much targeted publicity - *89% in France*
- 69% think brands have very similar communication on social -*89% in France*

Web3 concepts are relatively unknown to the general public today, requiring further education.
- Only 31% of the population know the concept of Blockchain - *22% in France*
- Only 37% of the population know the concept of NFT - *22% in France*
- Only 52% of the population know the concept of Metaverse *36% in France*

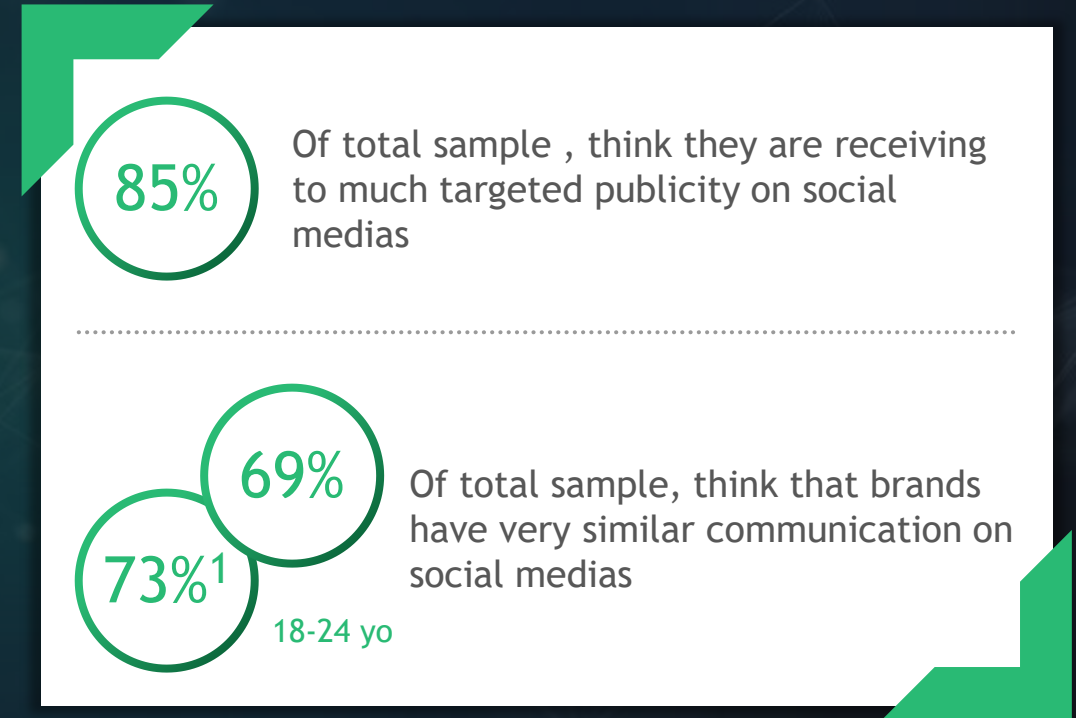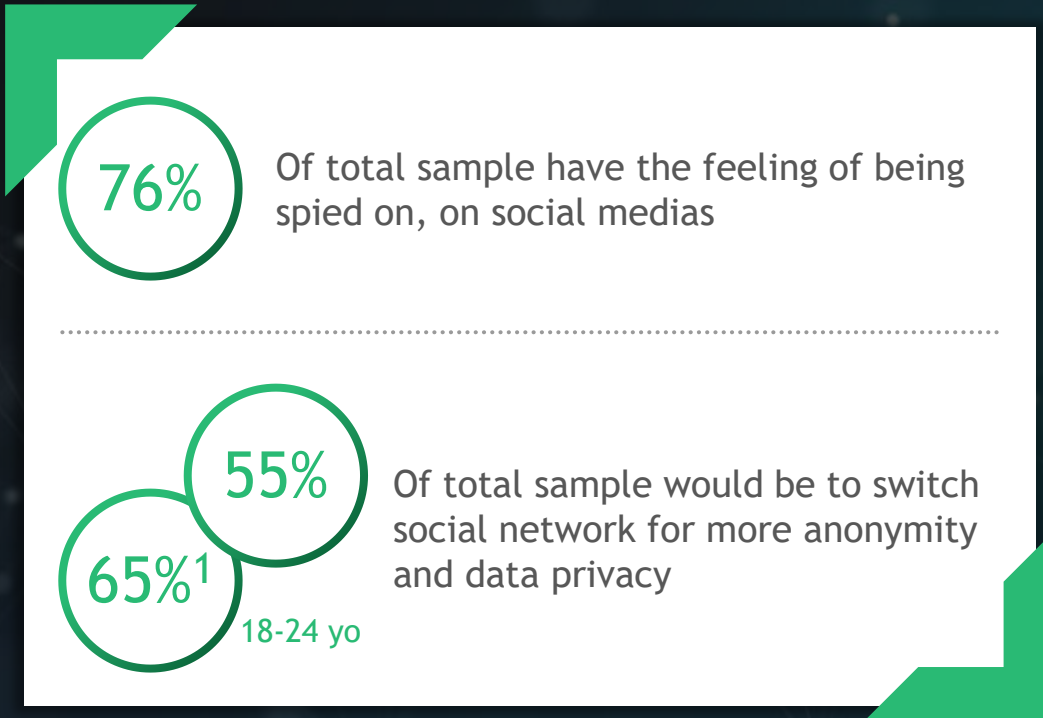Engagement is still relatively low, with high potential for growth in the next few years.
- Only 16% of the population have already used a Metaverse platform -*11% in France*
- Only 9% of the population have invested in at least one crypto - *2% in France*
- Only 1% of the population have already bought at least one NFT – N/A

Underlying trends show potential for high growth especially among GenZ.
- 46% of the 18-24 year olds have used a metaverse before – 16% a web3 metaverse - *33% in France – 11% a Web3*
- 17% of the 25-24 years olds own crypto growing 36% p.a. – N/A

To reach mass adoption Web3,Metaverses and NFT need to invent relevant use cases and build a sustainable ecosystem.

Data exploitation, excessive and standardization of advertising could shift consumers from traditional social media towards Web3

76% Of total sample have the feeling of being spied on, on social medias

55% Of total sample would be to switch social network for more anonymity and data privacy

65%[1]
18-24 yo

85% Of total sample , think they are receiving to much targeted publicity on social medias

69% Of total sample, think that brands have very similar communication on social medias
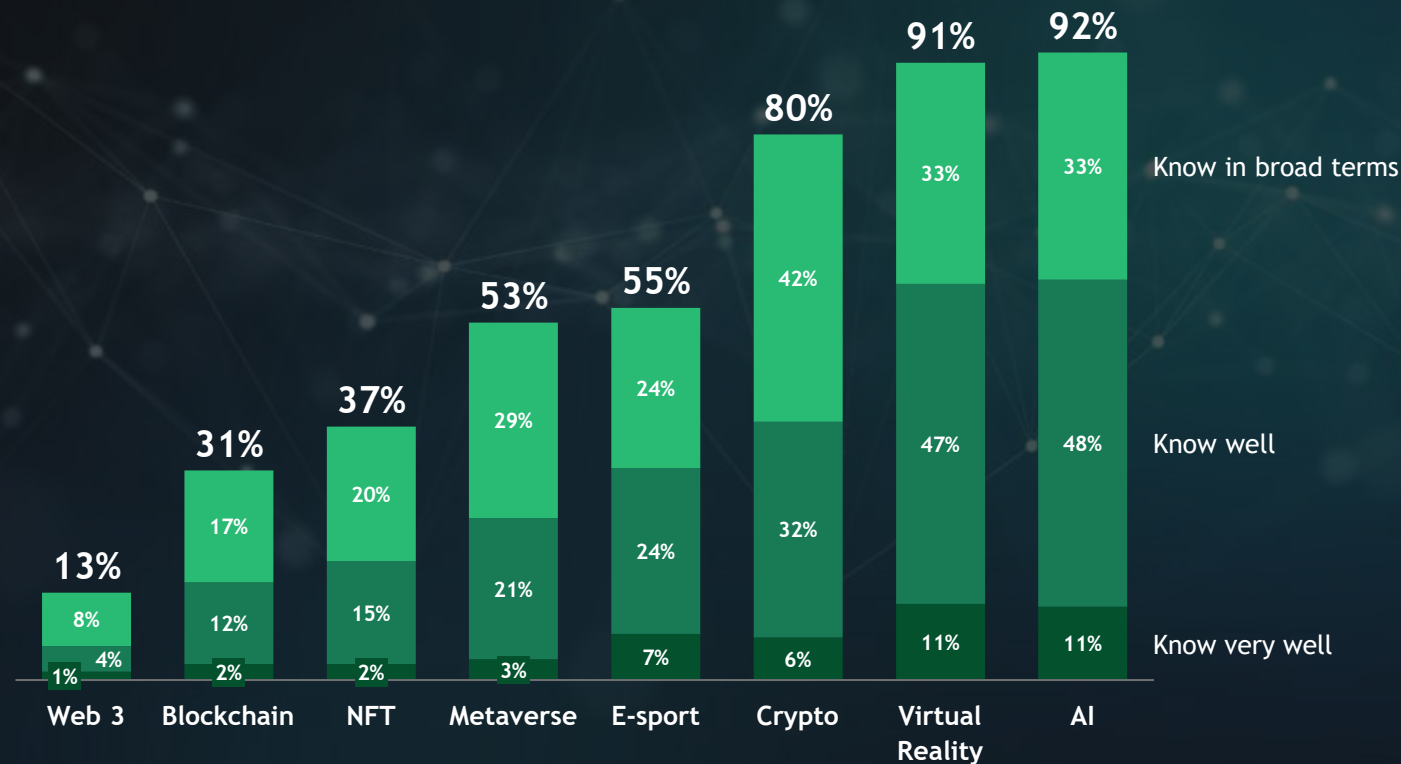
73%[1]
18-24 yo

Web3 promises – Decentralization, transparency, anonymity and user control

Today, Web3 concepts are relatively unknown to the general public requiring further education

Cryptocurrency is the most known concept related to Web 3 but remains less known than AI and virtual reality

Awareness rate by concept (in %)

Focus on Web 3, Metaverse & NFT

61%

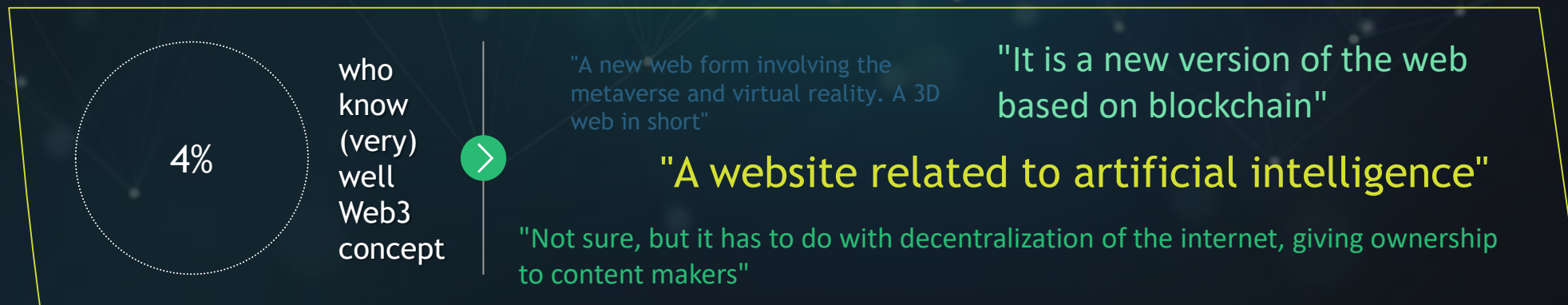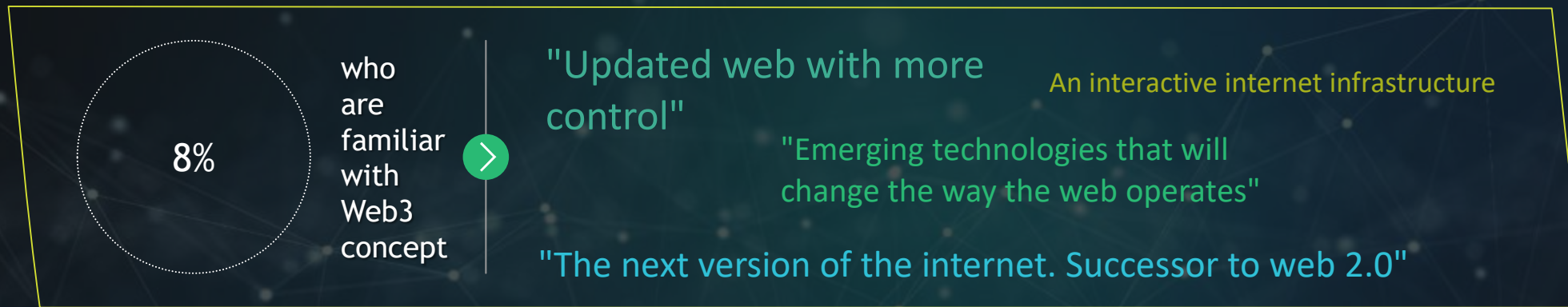Are familiar (or more) with at least one of these 3 concepts

39%

Have never heard of any of these 3 concepts

Even within population declaring to know Web3, there is a real difficulty to define precisely the concept

"What does the Web3 concept mean to you?"

8% who are familiar with Web3 concept

"Updated web with more control"

An interactive internet infrastructure

"Emerging technologies that will change the way the web operates"

"The next version of the internet. Successor to web 2.0"

4% who know (very) well Web3 concept

"A new web form involving the metaverse and virtual reality. A 3D web in short"

"It is a new version of the web based on blockchain"

"A website related to artificial intelligence"

"Not sure, but it has to do with decentralization of the internet, giving ownership to content makers"

Note: Analyses based on the total sample (n = 2500)
Source: BCG analysis x Potloc survey conducted in May 2022 in Europe, UK and the US, n = 2500

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Engagement is still relatively low, with higher awareness and engagement in crypto and metaverse platforms

Metaverse

A Metaverse is a virtual, persistent and interactive world

Awareness

52% are familiar (or more) with Metaverse concept
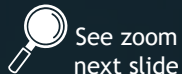
Engagement

16% have already interacted with a Metaverse

30% of those familiar (or more) with Metaverse have already interacted with at least one Metaverse

Conversion

See zoom next slide

Cryptocurrency

Digital currency using encrypted data to protect transactions, without a central authority
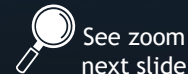
Awareness

80% are familiar (or more) with crypto concept

15% USA vs. **9%** Europe
14% men vs. **8%** women
19% 25-34 yo vs. **5%** 55+ yo

11% of those familiar (or more) with crypto have already invested in at least one crypto

Engagement

9% have already invested in at least one crypto

Conversion

See zoom next slide

Non-Fungible Token

An NFT is a means of uniquely and securely identifying a digital product created on the Internet
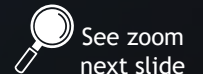
Awareness

37% are familiar (or more) with NFT concept

2% of those familiar (or more) with NFT have already bought at least one NFT

Engagement

1% have already bought at least one NFT

Conversion

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Metaverse | Adoption of existing platforms over-indexed on GenZ, with Roblox and Fortnite leading the race

Metaverses are used primarily by the 18-24 yo...

Respondents
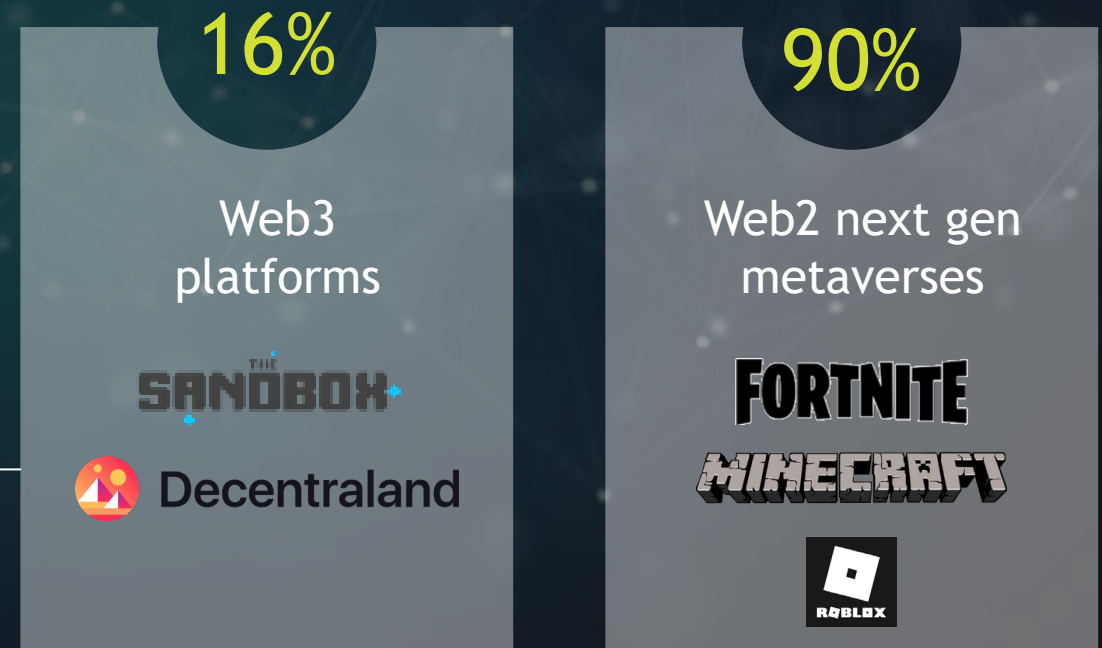who have already used a metaverse[1]

■ Never used ■ Already used

Age	Never used	Already used
18-24 yo	54%	46%
25-34 yo	79%	21%
35-44 yo	83%	17%
45-54 yo	87%	13%
55+ yo	96%	4%

	18-24 yo	25-34 yo	35-44 yo	45-54 yo	55+ yo
Men	54% 46%	21% 79%	20% 80%	16% 84%	4% 96%
Women	39% 61%	21% 79%	15% 85%	10% 90%	4% 96%

... who experience it mainly through video games

"Which of the following
metaverse platforms have you already used?" [2]

16%
Web3 platforms

SANDBOX
Decentraland

90%
Web2 next gen metaverses

FORTNITE
MINECRAFT
ROBLOX

1. Based on the total sample (n = 2500)
2. Based on the 18-24 yo of the sample who have already used a metaverse (n = 130)
Source: BCG analysis x Potloc survey conducted in May 2022 in Europe, UK and the US, n = 2500

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# Crypto | Growing crypto penetration will need to find applications beyond investment to further accelerate

Percentage of respondents having invested in cryptocurrencies evolution

% of total sample evolution (n = 2500)

+46% p.a.

Before 2017	2017	2018	2019	2020	2021	2022 YTD
1%	2%	2%	3%	5%	8%	9%
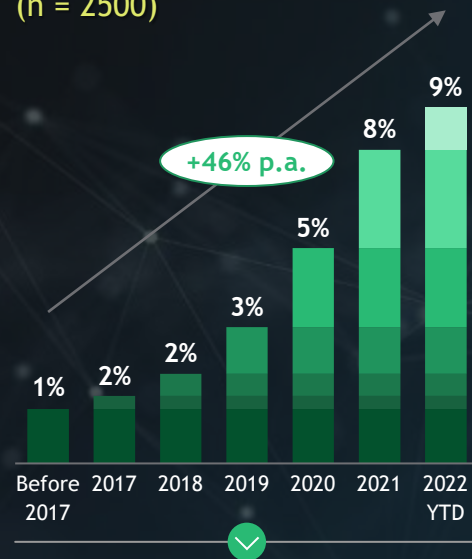
+5% who have not invested yet but plan to do so

% of 25-34 yo respondents' evolution (n = 406)

+36% p.a.

Before 2017	2017	2018	2019	2020	2021	2022 YTD
4%	4%	5%	8%	11%	15%	17%
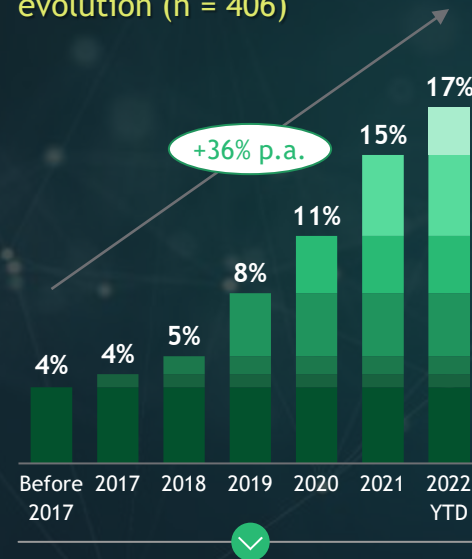
+9% who have not invested yet but plan to do so

79% Of the new crypto investors would invest less than 10% of their savings

8% Of total sample would be willing to pay for their everyday purchases with crypto

**6%** Of total sample would be willing to have part of their salary in crypto

48% of the people willing to pay everyday in crypo would still like to have their salary in fiat money

NFT | Investment is the first driver of purchase, utility and community are expected to grow

Europeans give more value to Community and Utility vs the US

"For what reason(s) did you purchase NFT?" [1]

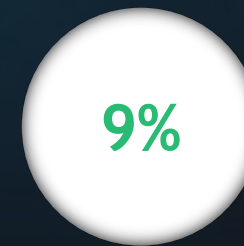|	US	EU
Investment	86%	77%
Utility	39%	43%
Community	40%	46%
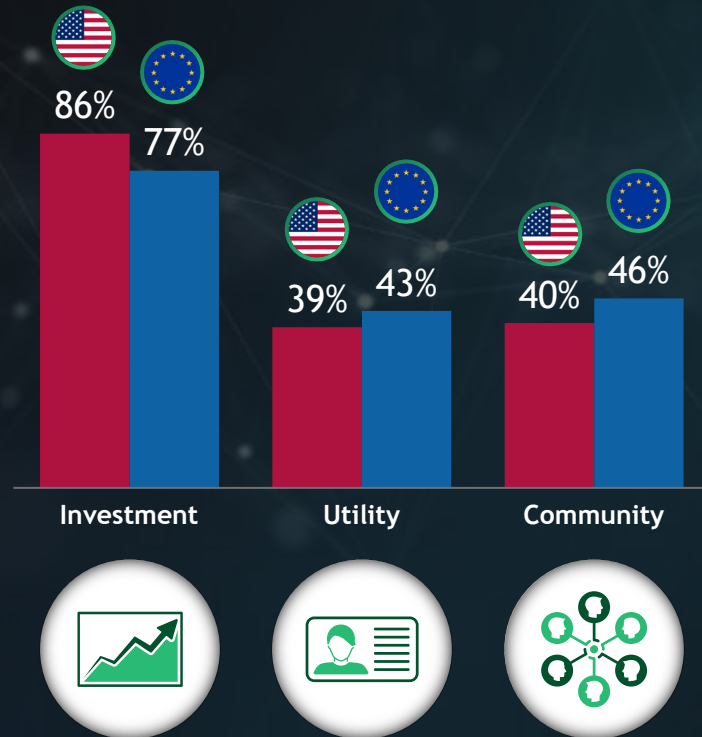
Web3 and NFT brands are the new luxury brands

"What would you rather own?"

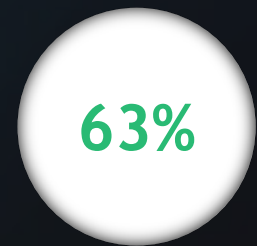A Blue clip NFT collection   VS.   Rolex watch, Chanel bag or equivalent luxury item

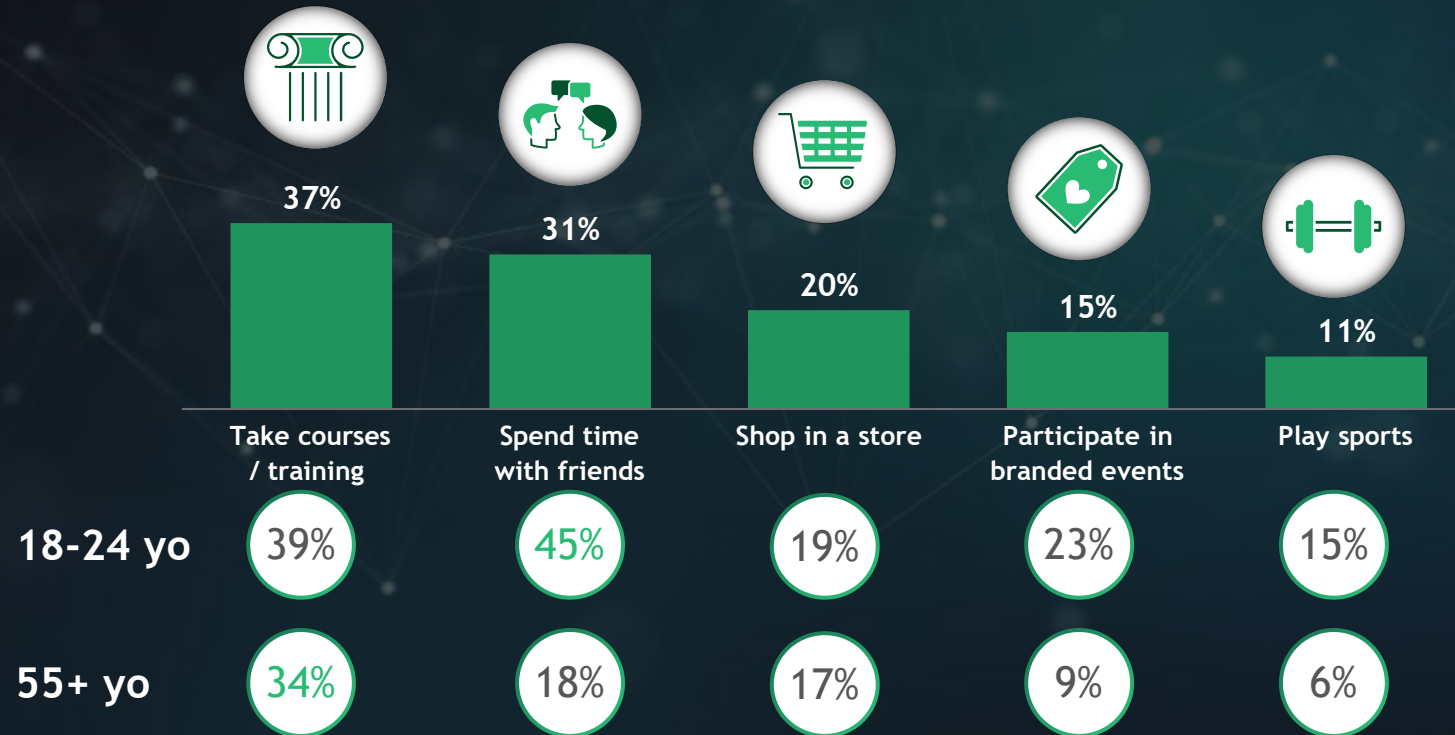| *Total Sample*[2]	*Know about NFTs*[3]	*Own NFTs*[1]
5%	**9%**	**63%**

Metaverse | Increasing engagement with metaverse platforms will be trough high quality experience offering

Stronger interest in training and social activities

"Which of the following activities would you be willing to undertake in the metaverse?" [1]

	Take courses / training	Spend time with friends	Shop in a store	Participate in branded events	Play sports
Total	37%	31%	20%	15%	11%
18-24 yo	39%	45%	19%	23%	15%
55+ yo	34%	18%	17%	9%	6%

Current experiences

GUCCI

Gucci Town experience in Roblox. Several activities offered evolving through time in link with the brand (e.g. Tile Takeover)

SAMSUNG

Samsung store in Decentraland. Virtual replica of its flagship 837 store, allowing visitor to see Samsung products

1. Based on respondents who are familiar (or more) with metaverse concept (n = 1316)
Source: BCG analysis x Potloc survey conducted in May 2022 in Europe, UK and the US, n = 2500

NFT | NFT technology will require development of new use cases to further penetrate current market

NFTs first potential use cases are link to luxury & community

"Which of the following activities would you be willing to use an NFT for?" [1]

16%   Would be willing to use an NFT as a loyalty card
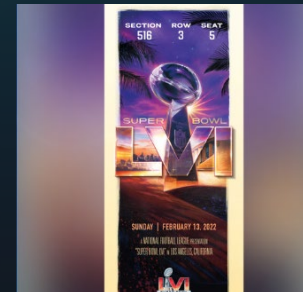
18%   Would be willing to use an NFT as an authentication certificate for a luxury product

Current experiences

DOLCE & GABBANA

Dolce & Gabbana Family NFT.
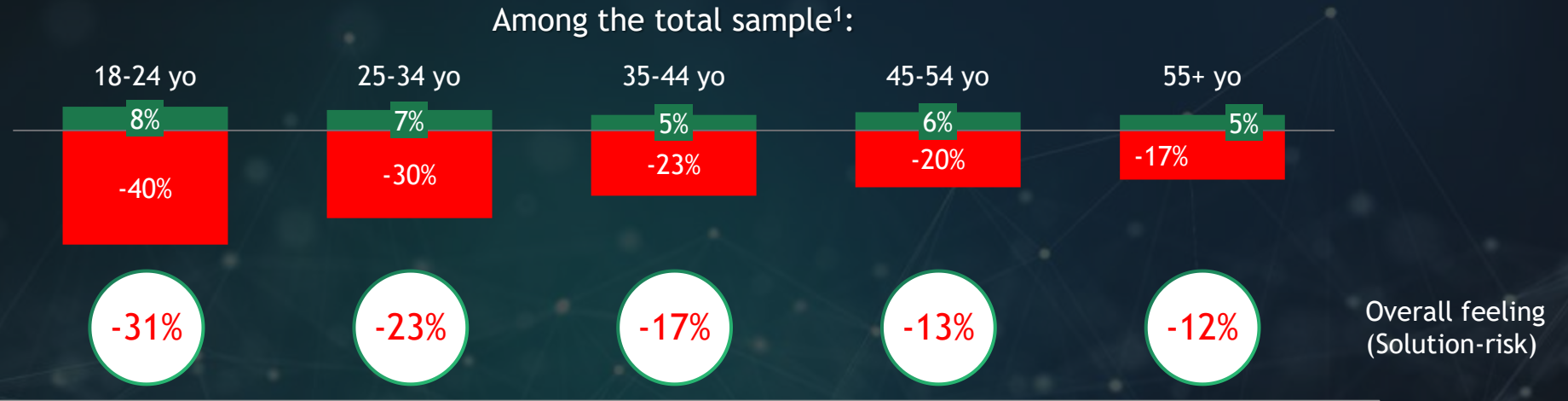Dolce & Gabbana loyalty card with privilege access to specific online and offline merchandise and dedicated events

NFL

NFL Superbowl commemorative ticket.
Possibility to buy NFT commemorative ticket for all NFL events in dollars
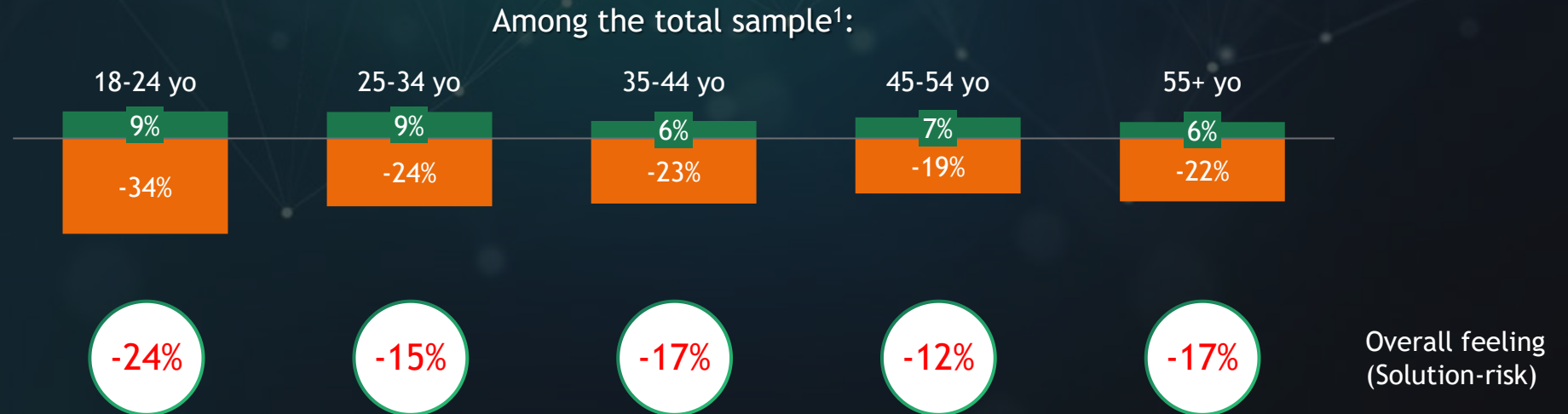
Fixing Web3 CO2 footprint is required by GenZ for mass adoption

Metaverse

"Do you think Metaverse presents a risk or a solution for the ecology compared to the current use of the Internet?"

Among the total sample[1]:

18-24 yo	25-34 yo	35-44 yo	45-54 yo	55+ yo
8%	7%	5%	6%	5%
-40%	-30%	-23%	-20%	-17%
-31%	-23%	-17%	-13%	-12%

Overall feeling (Solution-risk)

Blockchain

"Do you think Blockchain presents a risk or a solution for ecology?"

Among the total sample[1]:

18-24 yo	25-34 yo	35-44 yo	45-54 yo	55+ yo
9%	9%	6%	7%	6%
-34%	-24%	-23%	-19%	-22%
-24%	-15%	-17%	-12%	-17%

Overall feeling (Solution-risk)

■ Solution
■ Risk

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Contacts presse

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