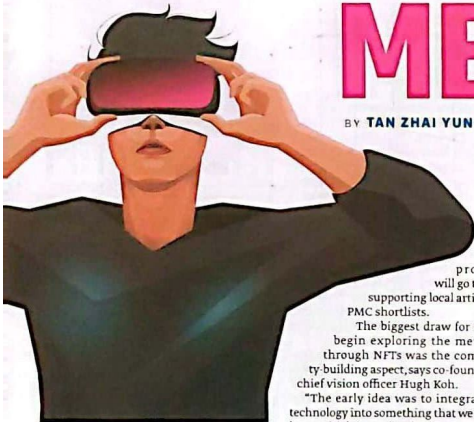


# Time to enter the METaverse

BY TAN ZHAI YUN



proceeds will go towards supporting local artists that PMC shortlists.

The biggest draw for PMC to begin exploring the metaverse through NFTs was the community-building aspect, says co-founder and chief vision officer Hugh Koh.

"The early idea was to integrate this technology into something that we already have, which is our loyalty programme. It's (currently) a bit primitive. We just add people into a WhatsApp group. We thought that using NFTs would be a great way to verify our so-called hardcore VIP fans whom we want to reward."

Koh's team researched and launched the NFT project with Tiger in nine months, a period during which he says he had very little sleep. But Koh believes it is worth it.

"When I got into NFTs, I started joining the Discord channels of brands that I look up to. I think that experience during the pandemic, when we were confined to four walls, really gave me that sense of relationship building, whether it was with founders of businesses or with the community of a particular NFT project," says Koh.

Engaging in the metaverse does not discount the importance of the real world, of course. "That's always going to be very important. We will always still make clothes. But how can we continue to tell our story through a different medium?"

The sense of exclusivity that NFT holders



Entropia built an AR showroom for BMW to showcase its cars. It also designed an AR concert that consumers can access via a Pepsi bottle

get is advantageous in creating a community. While most NFTs on the market are currently traded for aesthetic purposes, there are some that come along with benefits. Koh points to entrepreneur and speaker Gary Vaynerchuck's NFTs as an example.

Buyers of Vaynerchuck's NFTs, called VeeFriends, get to attend his conferences or have one-on-one time with him, depending on the kind of token.

PMC's NFTs with Tiger, similarly, allow the buyers to redeem free beers and have voting rights to select the local artists that the project will support.

"We might shortlist the first 30 artists, who will put up their



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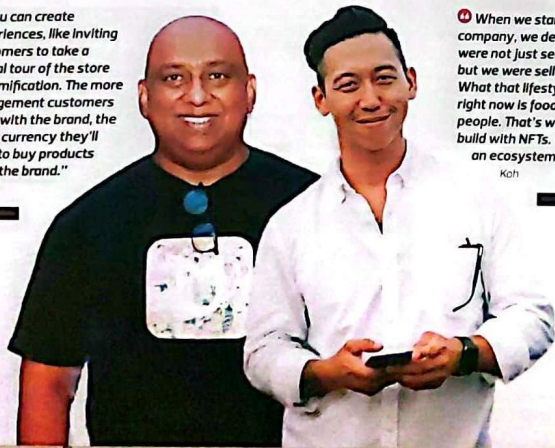
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**You can create experiences, like inviting customers to take a virtual tour of the store or gamification. The more engagement customers have with the brand, the more currency they'll earn to buy products from the brand."**

Khalid

**When we started the company, we decided that we were not just selling clothes but we were selling a lifestyle. What that lifestyle embodies right now is food, music and people. That's what we can build with NFTs. We can build an ecosystem."**

Koh



PMC and Tiger launched the Lucky Tigers NFT Collection in January

portfolios on the website. Then, the community decides on who we should fund. It gives them a membership status that only the NFT holders have access to," says Koh.

"It ties back to PMC's vision. When we started the company, we decided that we were selling a lifestyle. What that lifestyle embodies right now is food, music and people. That's what we can build with NFTs. We can build an ecosystem."

Attracting the new generation of consumers would be an added value. Koh talks about his nephews and nieces, who spend the majority of their time on phones and tablets. His niece, for instance, plays Roblox, which is often referred to as one of the original metaverses.

"The only time I will check out Roblox is when I want to spend time with her. My friends' children don't want to use WhatsApp. I want to contact them, you have to use Discord. Times are changing. The way they consume information is going to be very different. Brands that are not utilising these platforms that are native to the new generation are going to lose out," says Koh.

### Who should be in the metaverse?

PMC's experience shows that venturing into the metaverse does not have to mean buying virtual land in a popular metaverse or building one of your own. The low-hanging fruit, so to speak, is to sell NFTs of the businesses' products to create a community, which is most often hosted on messaging platform Discord.

Big companies that already have a huge customer base should definitely consider this, says Khalid Gibran, co-founder of Malaysia-based Meta Universe Sdn Bhd. The company offers Web3 solutions to businesses that want to expand into the virtual world.

"In the metaverse, success comes from a community that follows you as a brand. And the community has to be in the metaverse," says Khalid.

He is currently working with a big hypermarket in Malaysia to venture into the metaverse. Converting just 5% of their 3.5 million customers could make a huge difference, he says. Of course, businesses have to be in a good financial position to consider this venture.

"If you've got your act together and you're looking for an extension or a new channel, then go ahead. Larger organisations should definitely consider it because they are going to lose out if they don't," says Khalid.

Businesses should not regard entering the metaverse as a complete transformation of their business model. Rather, it is an extension of the business to create a virtual presence.

"You can create experiences, like inviting customers to take a virtual tour of the store or gamification. The more engagement

customers have with the brand, the more currency they'll earn to buy products from the brand," explains Khalid.

But could the NFT hype eventually die down and leave businesses that venture into the metaverse at a loss? Khalid disagrees. It's here to stay, he says.

The metaverse enables seamless cross-border interactions and business transactions, and can host a variety of activities, whether for entertainment or work.

"The more businesses we take into the metaverse, the more engagements consumers can have. What's the biggest benefit? If you want to go to Harrods (department store) in London, you are going to buy a costly ticket, sort through visa issues and your friends' schedules. But you can go to Harrods in the metaverse easily with your friends. You don't have to leave your house," says Khalid.

Of course, after the pandemic-triggered lockdowns, many people may choose not to sit in front of a computer screen. Would the metaverse still be a draw in this situation? Khalid believes so as the utility for the metaverse goes beyond entertainment.

For instance, consumers can go shopping in a grocery store in the metaverse. When they pick up a virtual apple, they can trace its supply chain, which is recorded on a blockchain ledger, to ensure that it is organic. If they are satisfied, they can purchase the apple, which will be delivered to them in real life.

"If I want to go to a new place like Sri Lanka, I want to explore the best beaches, right? So, I can go to the virtual representation of these beaches in the metaverse, experience them and choose the best one. I can make my travel planning more effective this way," says Khalid.

### No quick buck

This is not to say that there are no risks. Many people come to Khalid and say they want to get rich selling NFTs, as they have seen people do in the news. But for every success, there are also many failures. Here's where Khalid has some advice for businesses.

"First of all, you've got to let people know that you're getting into this space. Secondly, your brand should become synonymous with the metaverse and NFT. Third, the most important thing is education," says Khalid. Given all the hype around NFTs currently, the expectations of stakeholders have to be managed.

"You don't do an NFT campaign to make a lot of money unless you're Jackie Chan or Ryan Reynolds. A lot of projects by big brands out there involve a lot of market making, so it's not very real. If any business says they want to make money tomorrow on the metaverse, I tell them 'Sorry, you can't do that' because I don't want to see you go on a suicide mission," says Khalid.

## New business models and branding opportunities

In April, Accenture announced the launch of a career fair in the metaverse, called Accenture CareerVerse, to recruit technology talents.

Prior to that, the consulting firm had already been making inroads into the metaverse. It created the Nth floor, which is a mix-reality experience that allows its staff or clients to interact with each other. Teams have been using the space to host virtual lunches, conduct training and host big meetings.

In June last year, Accenture Interactive acquired Entropia, an agency known for building digital experiences for brands. Some of the projects they have created include an augmented reality (AR) concert on Pepsi bottles and an AR showroom for BMW. For the latter, consumers can view a 3D model of a BMW car, placed in any location, through their phone cameras.

"I would advise businesses to not think of the metaverse involvement as a short-term thing. The way consumers interact with the metaverse will be the starting point to think of a long-term approach on how the brand will resonate with them," says Ramakrishnan C.N., managing director, Accenture and head of Entropia Extended Reality.

In his opinion, all businesses will need to be in the metaverse eventually, as their consumers spend more time on these platforms. Businesses can start by analysing where their audience is spending their time and make sure they have a presence and visibility there.

"And it's not just about replicating their real goods with virtual goods. They need to think of the long-term utility that their virtual assets

provide to consumers," says Ramakrishnan. The metaverse is still evolving, he emphasises. It is also a misconception that expensive virtual headsets are required to be part of the metaverse. In actual fact, laptops and phones are enough.

"There is a lot of hype (for the metaverse) for sure, but underneath the hype is the next generation of internet taking shape. The returns will be measured in terms of whether a business stays relevant in this next generation," says Ramakrishnan.

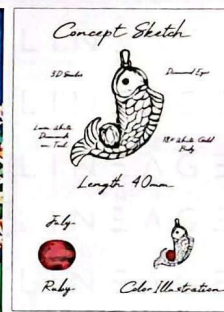
Accenture will continue working with brands to define their presence in the metaverse, he adds, whether it is helping them to create their own metaverse or crafting their presence in popular metaverses.

**The way consumers interact with the metaverse will be the starting point to think of a long-term approach on how the brand will resonate with them."**

Ramakrishnan



Meta Universe worked with artist Pinky Joshi to mint her artworks into NFTs



Meta Universe collaborated with jeweller LINEAGE by Vana Fine to launch a series of NFTs on the creation of 12 birthstone jewellery

It takes around 12 months for big companies to commercialise an NFT campaign before they can see returns.

Can Malaysian businesses dream of eventually joining the popular metaverses or creating their own? It is possible if they have enough capital, says Khalid. If they do, they should consider where their community is and which metaverse is suitable.

Regardless, he advises businesses to not wait and begin exploring this avenue. "My biggest advice is to follow the process. Be patient in going through the process, but impatient in getting into the space."