



The CMO's Guide to Web3

Social insights report on where consumers and future technologies intersect

Introduction

Unprecedented global challenges mean there has never been a more difficult time to be a Chief Marketing Officer.

The emergence of web3 and blockchain technology have added another layer of complexity to a marketing leader's job. Crypto, Metaverse, NFT, blockchain...the buzzwords are everywhere. And now, these terms that used to dazzle the imagination are clouded by the crypto crash. Once a PR slam dunk, many marketers have put their web3 ambitions on ice and are waiting out the crypto winter.

Even during this unstable time for crypto, numerous facets of web3 are still booming. Certain blockchain and NFT applications continue to scale, augmented and virtual reality remain popular with consumers, and venture capital firms like a16z are doubling down on web3-backed technology.

To help you navigate the web3 revolution with consumer-backed data, we did the research. In partnership with survey platform [Corus](#), we sought to understand which brands will find success in web3 and which will flounder. This report is designed to give you four easy guidelines to determine if your consumers are waiting for you in the Metaverse.

To explore specific recommendations for your brand, schedule a consultation with 1000heads by emailing us at info@1000heads.com.





Summary

Our research found that some businesses are better positioned to find success in web3 than others. With 72% of the general population unfamiliar with web3, your brand is only engaging with a fraction of your consumers when using these technologies.

However, we found that those who embrace web3 are quite active. Of those who have interacted with brands in the Metaverse, 71% have made a purchase. Of those who own cryptocurrency, 56% are buying and selling on a daily or weekly basis. And regardless of current levels of understanding, more than half of people are optimistic that web3 technologies will ultimately improve their lives.

Methodology

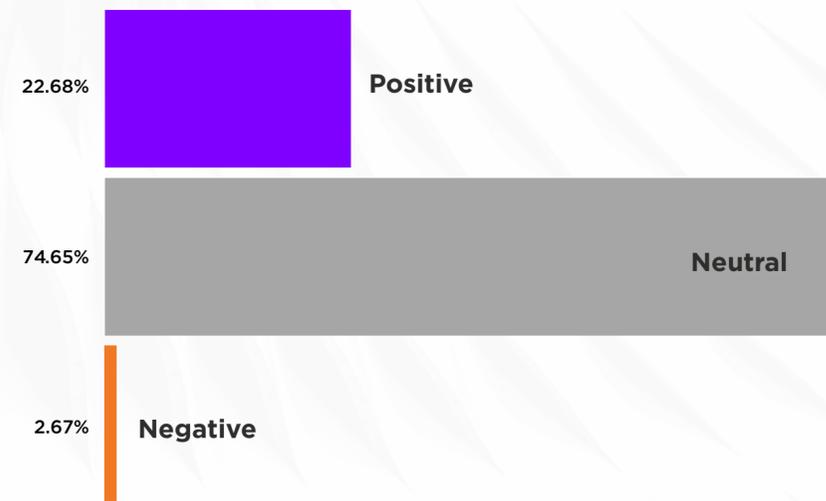
We combined social listening with survey data to get a complete picture of how consumers currently use web3, and how they plan to in the future. We analyzed over 47.43M tweets from March 1, 2021 to February 28, 2022 using a custom built lexicon to measure sentiment and advocacy among web3, the Metaverse, cryptocurrency, and NFTs. Then, we surveyed 500 Americans to gain a deeper understanding of consumers' thinking and activities regarding web3. Our team of analysts and social strategists reviewed the data and compiled this report to be your guide to brand investment in web3.

Web3 Is Gaining Momentum, But Consumers Still Struggle to Understand the Technology Behind It

Conversation around web3 exploded at the end of 2021, with mentions of crypto alone increasing by 549% year-over-year and continuing to climb. Although 72% of consumers are unfamiliar with web3, those who are familiar are highly engaged. On social, we found web3 has the highest advocacy among the terms we researched, with the majority of web3 conversations concerning [education](#), [tips](#) and [interpretations](#) of what defines web3.

Cynicism and/or skepticism toward web3 is very low on social, accounting for just 2% of conversations. Although the majority of social conversation is made up by those most invested in web3 emotionally and financially, it provides a contrasting optimism to the negativity surrounding the other terms, like crypto, which we explore later in the report.

Web3 Sentiment on Social

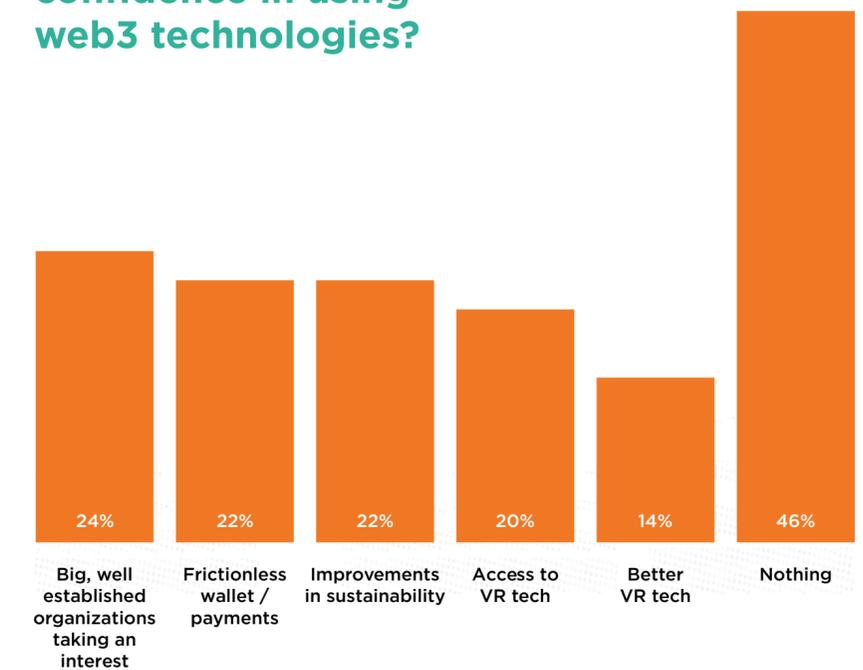


We measured social conversation sentiment around web3 terms. The purple bar (22.68%) represents the percentage of positive sentiment around web3 terms, while the orange bar (2.67%) represents negative sentiment. The gray bar (74.65%) represents neutral sentiment.

Hesitancy around web3 largely stems from a lack of understanding, but other concerns around companies like Meta having more access to personal data (10% of respondents) and spending too much time online (4% of respondents) are also barriers to entry.

However, there is a silver lining for forward-looking brands. While 46% of people say that there is “nothing” (yet!) that would give them greater confidence in web3 experiences, 24% say that if more reputable organizations started endorsing web3 they are more likely to participate.

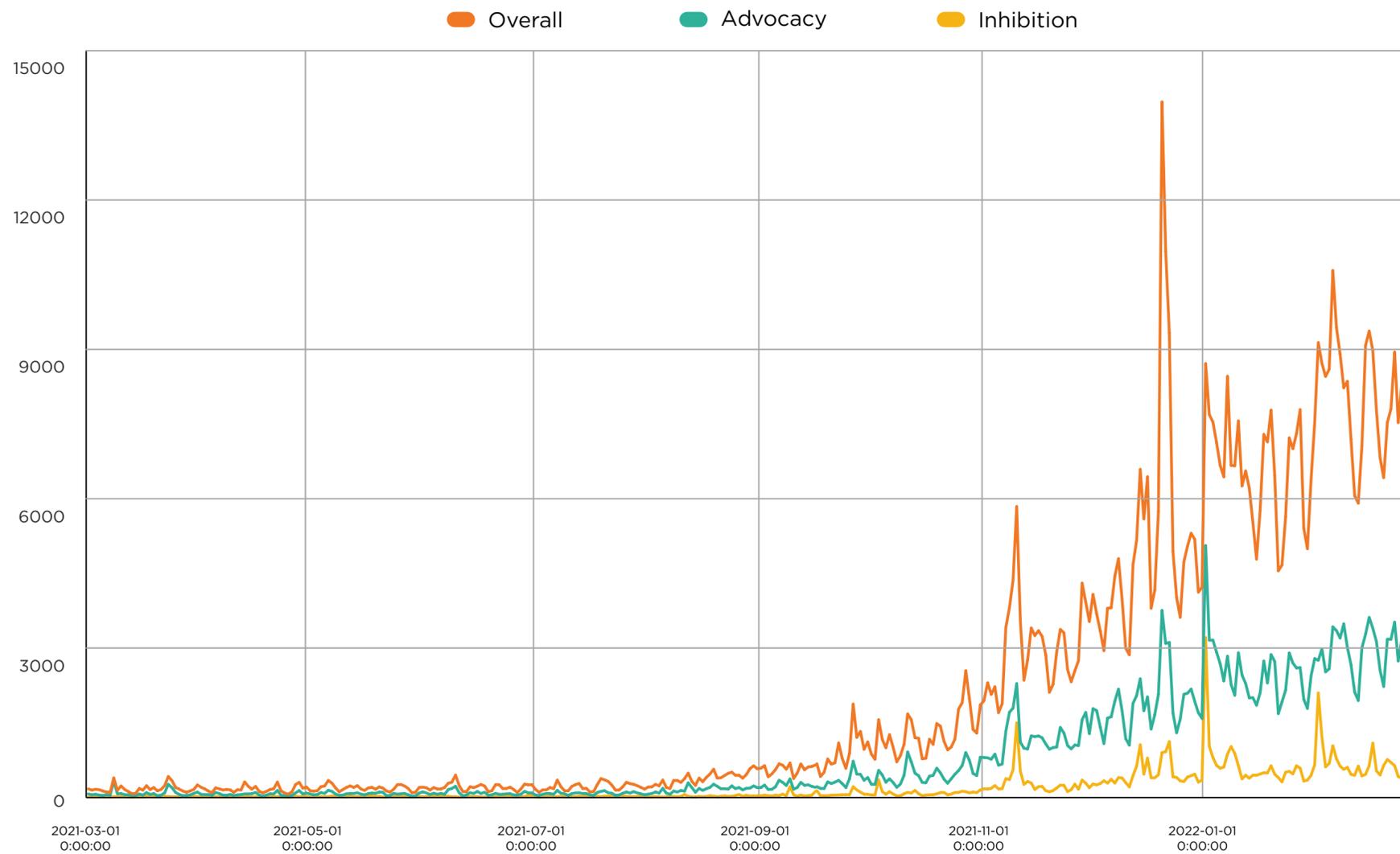
What will increase your confidence in using web3 technologies?



Based on a survey of 500 consumers in the US.

People are gradually learning about web3 over time. Patterns show that conversation around web3 will plateau the longer it's around as people become more comfortable with the technology and the more reputable it becomes. Brands can harness this initial excitement by appealing to early adopters.

Volume of Social Conversation Around Web3 and Level of Advocacy vs. Inhibition



We measured the volume of social conversation over time regarding web3. The orange line shows the growth in overall conversation. The green line shows the percentage of that conversation that involves positive advocacy for web3. The yellow line shows the percentage of conversation that involves negative inhibitions towards web3.

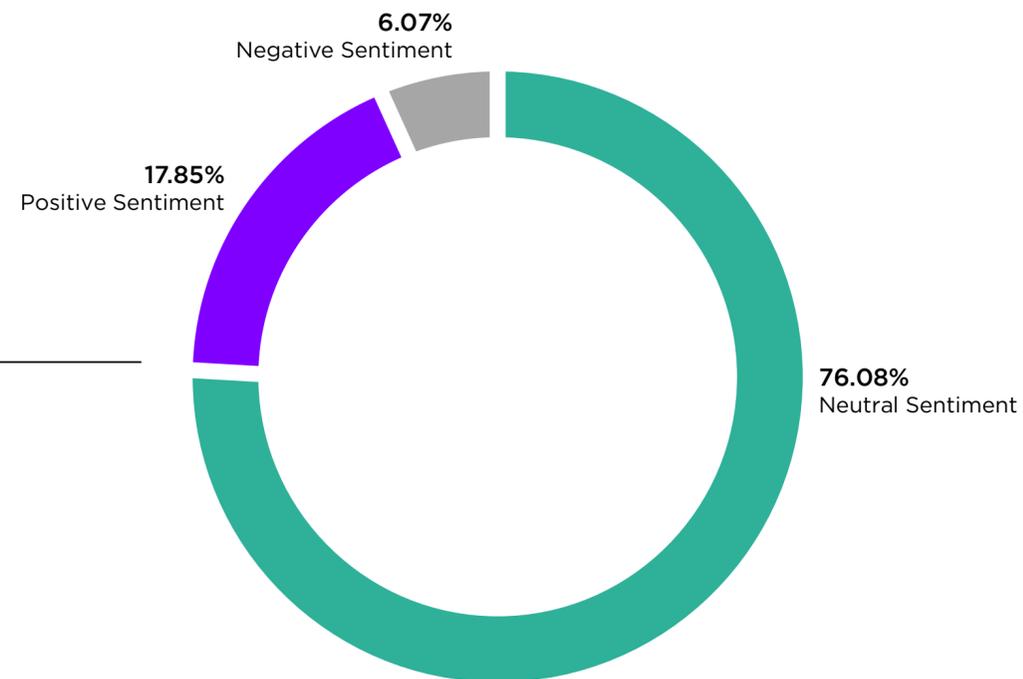


The Metaverse Will Be a Retail Destination of the Future, But Not For a While

Conversations around the Metaverse spiked after Mark Zuckerberg announced that Facebook would change its name to Meta and his company's focus would shift largely toward building the Metaverse. However, it hasn't been an easy journey toward consumer buy-in since that announcement. In fact, the Metaverse has the most negative sentiment of any application of web3 technology we studied.

Hype around [VR/AR experiences](#) account for 62% of all posts, driving the majority of conversations. However, that also drives the majority of negative sentiment. Skepticism, primarily around [detachment from reality](#) and a "heads down" society, accounts for 6% of the conversation on social.

Metaverse Sentiment on Social

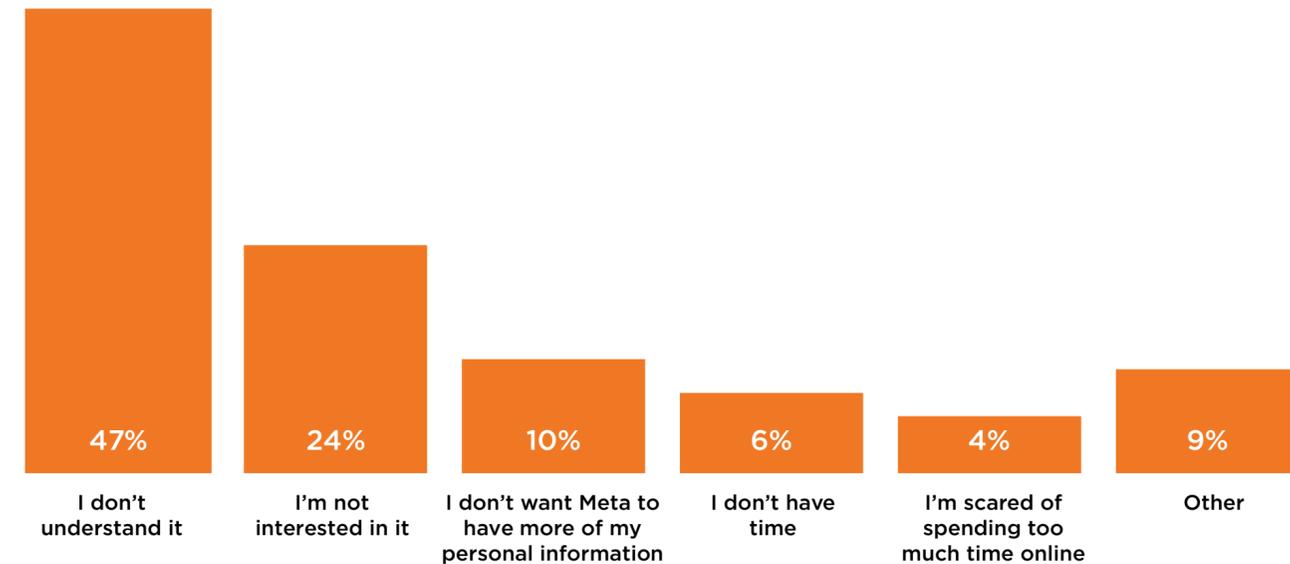


Data represents conversation themes and sentiment when measuring all posts regarding the Metaverse on social media.

The complexity and open format of the Metaverse that make it so exciting also create the biggest hurdle for adoption.

Today, less than a third of consumers (29%) actively participate in the Metaverse. Forty-seven percent of people don't interact with the Metaverse because they don't understand it. Another 10% of those who don't are concerned about privacy and protecting their personal data.

Why don't you actively participate in the metaverse?



Based on a survey of 500 consumers in the US.

However, the outlook for brands is more optimistic. Of those who have participated in the Metaverse, 31% have interacted with brands and 71% of those consumers made a purchase. Sixty-nine percent of consumers spent between \$50 and \$200, with the majority spending between \$100-\$200.

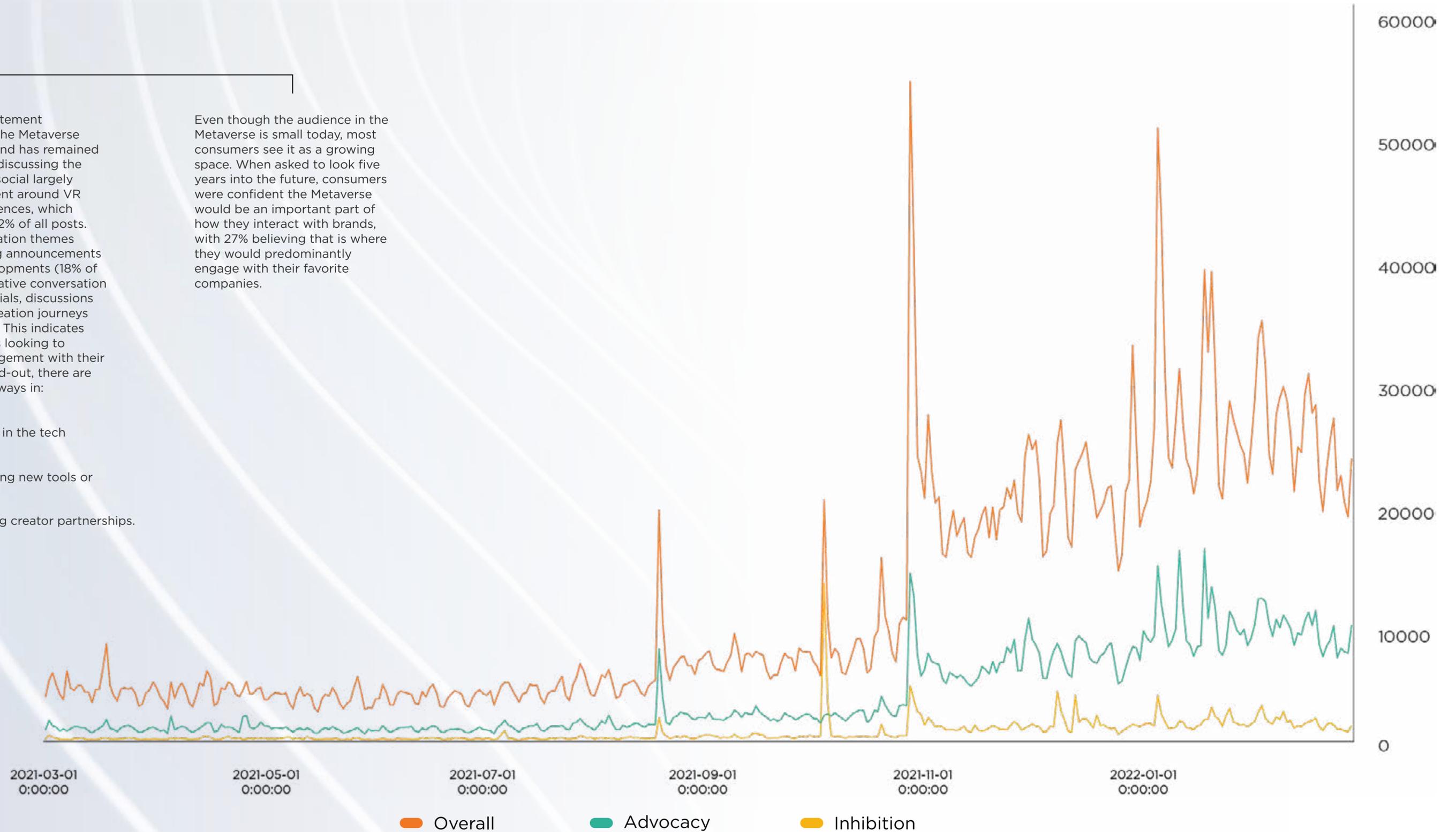
Product companies currently reign supreme in the Metaverse, with Amazon being the top brand people have purchased from (13%), followed by Facebook (7%), Walmart (5%) and Nike (3%). Beloved and premium brands releasing exclusive products and experiences in the Metaverse is a major driver of the crypto-curious taking a step toward adoption.

Volume of Social Conversation Around the Metaverse and Level of Advocacy vs. Inhibition

Consumer excitement plateaued for the Metaverse very early on and has remained steady. Those discussing the Metaverse on social largely share excitement around VR and AR experiences, which accounts for 62% of all posts. Other conversation themes include sharing announcements and new developments (18% of posts) and creative conversation including tutorials, discussions and sharing creation journeys (14% of posts). This indicates that for brands looking to generate engagement with their Metaverse build-out, there are three primary ways in:

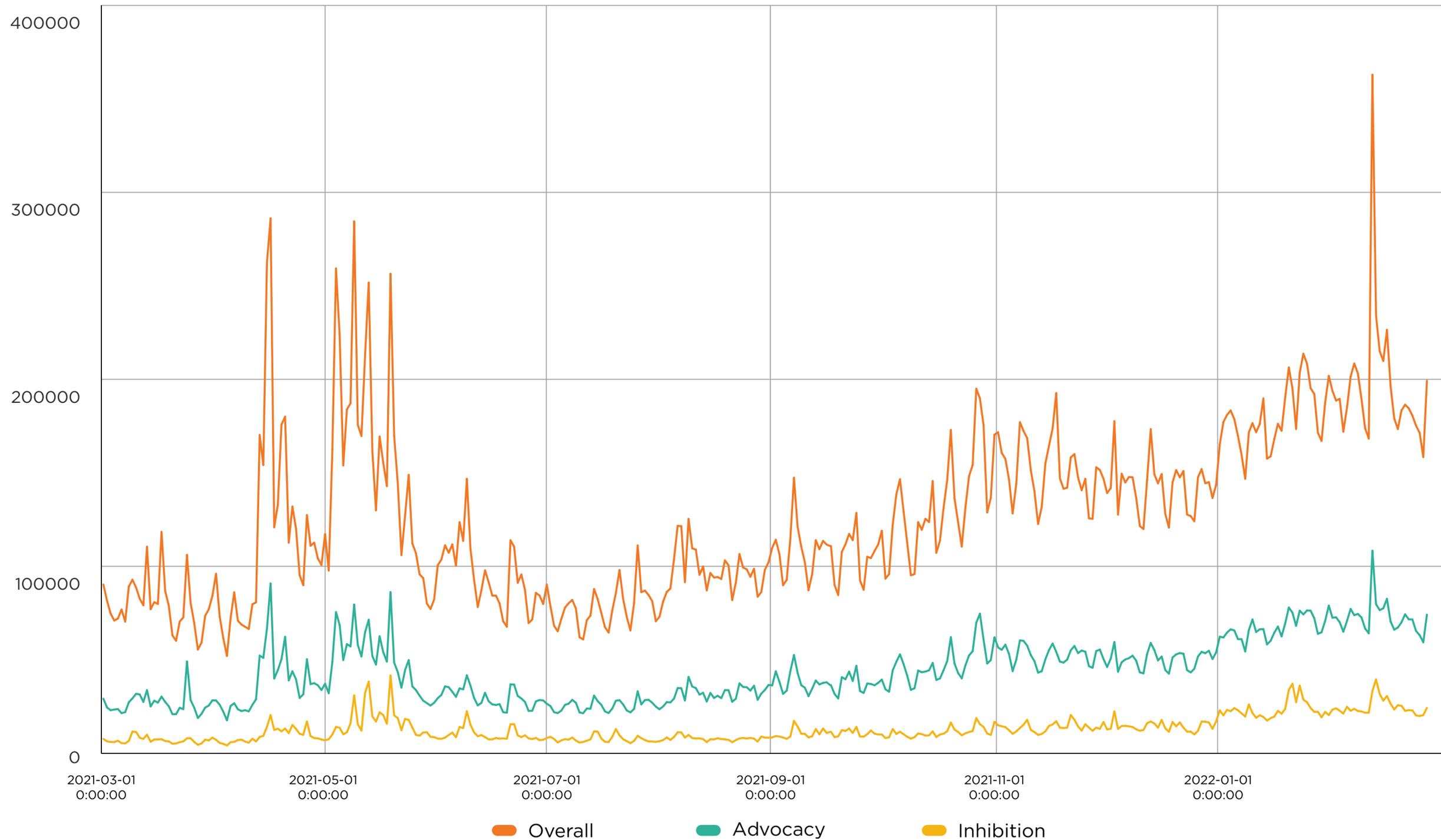
- 1 investing in the tech
- 2 announcing new tools or
- 3 leveraging creator partnerships.

Even though the audience in the Metaverse is small today, most consumers see it as a growing space. When asked to look five years into the future, consumers were confident the Metaverse would be an important part of how they interact with brands, with 27% believing that is where they would predominantly engage with their favorite companies.



We measured the volume of social conversation over time regarding the Metaverse. The orange line shows the growth in overall conversation. The green line shows the percentage of that conversation that involves advocacy for the Metaverse. The yellow line shows the percentage of conversation that involves negative inhibitions towards the Metaverse.

Volume of Social Conversation Around the Metaverse and Level of Advocacy vs. Inhibition



We measured the volume of social conversation overtime regarding cryptocurrencies. The orange line shows the growth in overall conversation. The green line shows the percentage of that conversation that involves positive advocacy for cryptocurrencies. The yellow line shows the percentage of conversation that involves negative inhibitions towards cryptocurrencies.

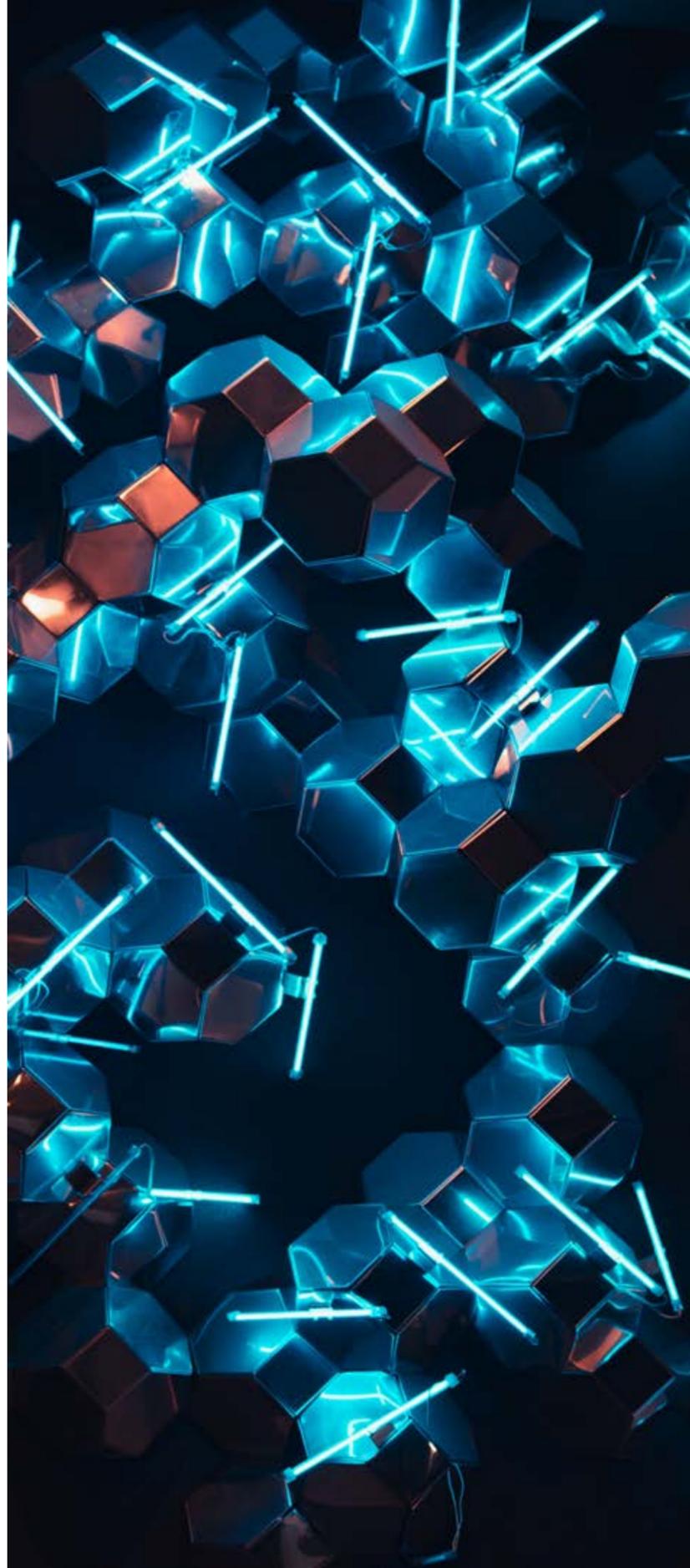
Consumers See Crypto As a Value Exchange, But Not Necessarily Dollar For Dollar

Having the longest tenure on social media out of all of the technologies we researched, conversations around crypto give us an insightful glimpse into consumer adoption rates across the web3 ecosystem.

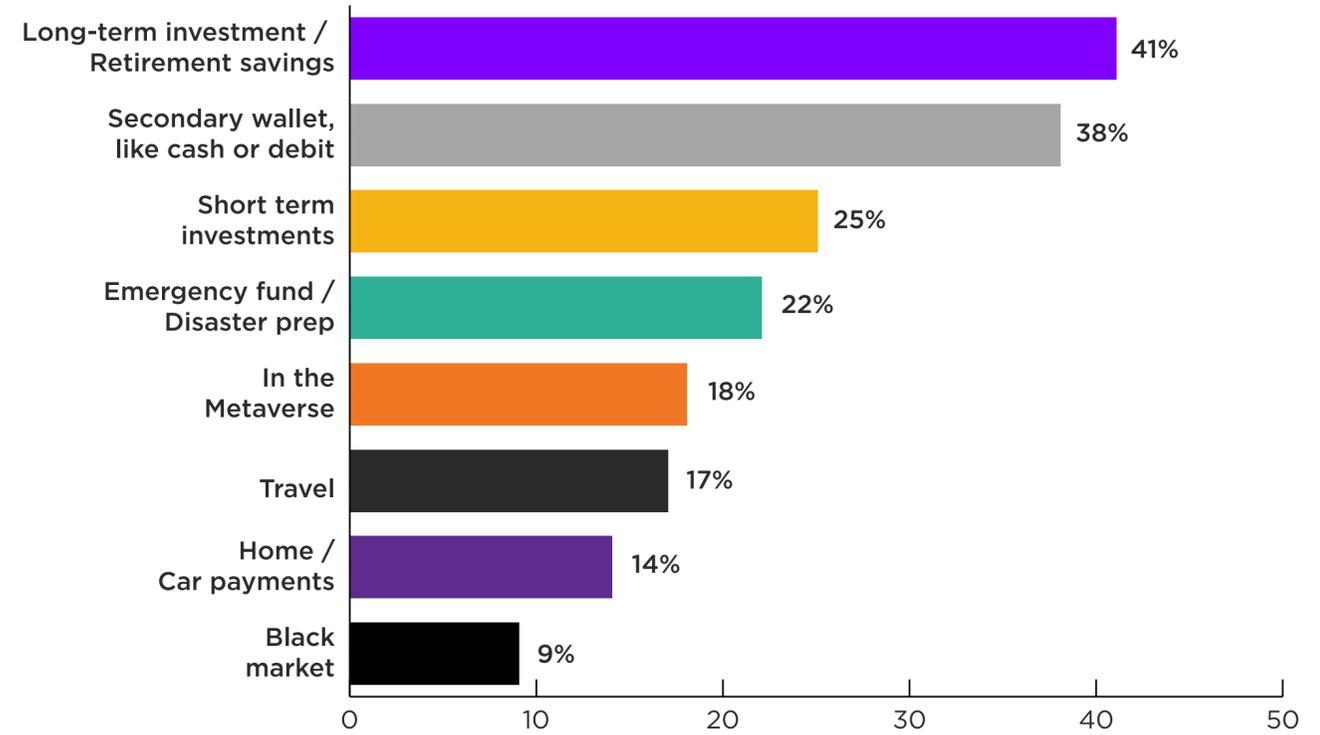
While nearly one-third of consumers own some sort of cryptocurrency, only 6% feel they have expert knowledge of crypto. In fact, a lack of understanding is the biggest deterrent for consumers to begin dabbling in cryptocurrencies, with 48% citing it as the reason they haven't invested and 18% saying they believe it to be too risky.

Those who have purchased crypto are educating themselves through video with YouTube being the most popular channel (37%), followed by news articles and word-of-mouth at 29% and 28%, respectively.

Today, the majority of people who buy crypto view it as a financial diversification strategy. Our survey found that 41% of those who own crypto use it as a long-term investment and 38% think of it like cash or debit. However, the current cryptocurrency market is unstable and most major currencies are losing significant value in the crash. This raises questions about what the value exchange for cryptocurrencies really is and is forcing major crypto-based companies to pivot and refocus efforts in order to preserve the dream of a decentralized currency.



If you do/were to purchase crypto, how would you plan to use it?



Based on a survey of 500 consumers in the US.

Another blockchain technology, the NFT (Non-Fungible Token), is proving to be more stable in the crash. Our survey found that 20% of consumers reported purchasing an NFT with 41% spending between \$100-\$200 and 29% spending over \$200.

While NFTs gain in popularity, many struggle with the lack of “tangible” value. However, brands are *finding the most success* when NFTs are paired with real-world perks, such as freebies, discount codes, and customer loyalty programs. This provides an opportunity not only for brands to optimize web3 technology touchpoints for value exchange, but also create ongoing engagement between the customer and brand over time.

For brands seriously considering a web3-based strategy, NFTs seem like the obvious path to take. The nature of non-fungible tokens gives brands an easy way to authenticate goods and reward loyal fans via NFT promotions. The technology is also more accessible with numerous applications offering familiar web2 user experiences on the frontend while using web3 technology on the backend. This is perhaps the best way to engage crypto-novices or even web3 detractors for brands keen on being early movers in web3 adoption.

Four Easy Guidelines for Brands Considering Web3 Strategies

While it's likely that someday most brands will engage with web3 tech in one way or another, right now this emerging space is not well-suited for the masses. However, our research identified four key characteristics of brands that are likely to find their consumers willing to spend on the decentralized web. Use these as a high-level guide to determine if exploring opportunities in web3 is right for your brand.

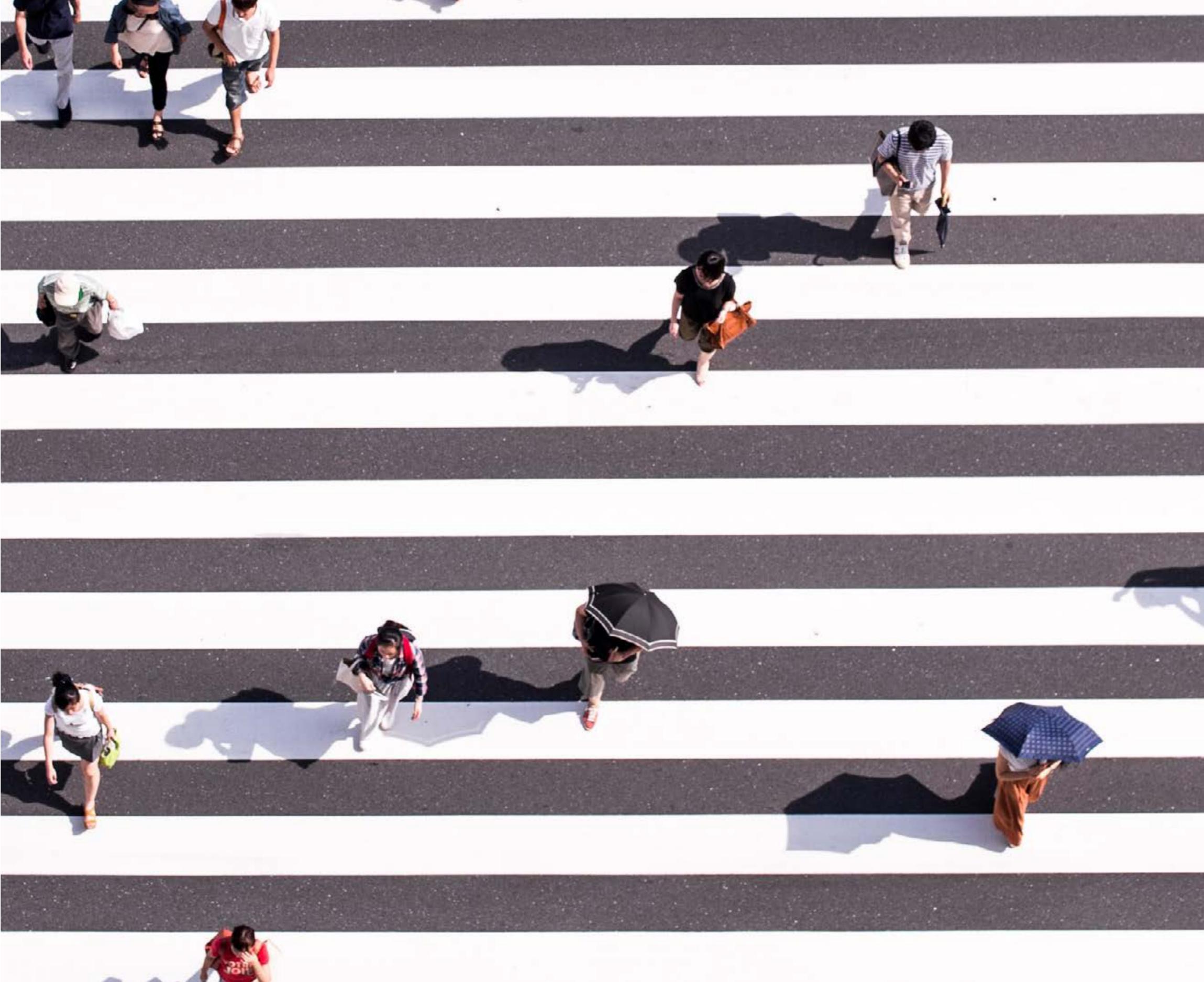
1 You already have strong brand trust and authority

Feeling overwhelmed by its complexity triggers web3 aversion. Trusted brands with credibility will have a better opportunity to get the attention of those already using web3 technologies as well as those on the fence about jumping in. Additionally, consumers cited big, well-established organizations taking an interest in web3 as a key motivator in using the technology.

2 You're prepared to offer customers a long-term value exchange

Most consumers using web3 aren't purely collectors. Fifty-six percent are buying and selling crypto on a daily or weekly basis, looking to improve their gains with each transaction. Consider both when exploring a web3-based activation. As a brand, understand what real value you can offer consumers across digital and IRL spaces over time, thinking three, five or even 10 years into the future.





3 Your target demographics align with web3 early adopters

Our survey found that 70% of people who are familiar with the web3 are ages 25-44, however, according to our social listening research the most prominent age group is 16-34. This tells us that the younger generation are much more vocal about their interest in web3, but there is also a slightly older demographic who are very interested (and possibly have more money to spend) that are less vocal. If your target audience is between 34-44, consider a web3 strategy.

Additionally, the gender split between people who are interested in the Metaverse and those who buy NFTs is fairly even between men and women (54% of men and 48% of women). Among the age group with the largest interest (18-34), men and women own NFTs fairly equally - 24% are men and 21% are women. However, buying crypto is where there is a much wider split in ownership by gender. Only 5% of crypto owners are female. If your brand wants dual gender participation, consider NFT or Metaverse activations over something crypto-centric, like accepting crypto as a form of payment.

4 You're a product company with a <\$200 price point

Consumers are spending money in the Metaverse and on NFTs. The ideal price point is between \$100 and \$200. If you're a product company at that price point or can offer an equivalent IRL perk with your digital collectables, you are in a prime position to capture the web3 consumer.

Are you ready to take the leap?

Schedule a free consultation today to review your marketing strategies.



About 1000heads

1000heads is a Social Transformation™ company that helps global brands adapt to rapid and continual shifts in social media, technology and culture. The company delivers social-first data, insights, strategic consultancy and creative services to clients around the world including Google, Bimbo, Diageo and Wella. 1000heads has a proprietary technology that uses emotion analysis, geosocial data and brand love metrics to gather unique, actionable insights for its clients. 1000heads has seven offices around the world in New York City, Miami, Los Angeles, London, Berlin, Sydney and Melbourne. For more information on 1000heads, visit 1000heads.com.



About Corus

Corus is bridging the gap between DIY market research and full-service custom research. Our platform gives clients transparent results-focused pricing, as well as a suite of robust, free tools to tackle any data analytics, market research, or custom need. We help clients focus on better and quicker results for things like: brand trackers, customer and employee feedback studies, price optimization/testing, conjoint analysis, and market segmentation. With 80 million survey respondents around the globe your insight needs are available at the click of a button. Let us show you how Corus can change market research for you.