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# Own the internet

The new  
digital  
landscape  
of web3

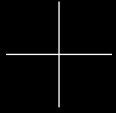
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THE NEW DIGITAL LANDSCAPE OF WEB3

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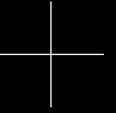




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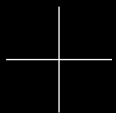


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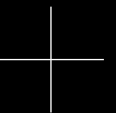
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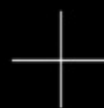
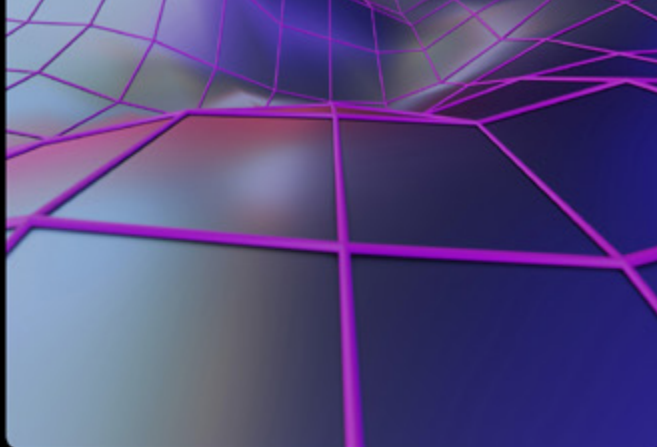
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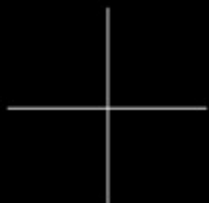


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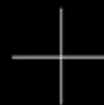
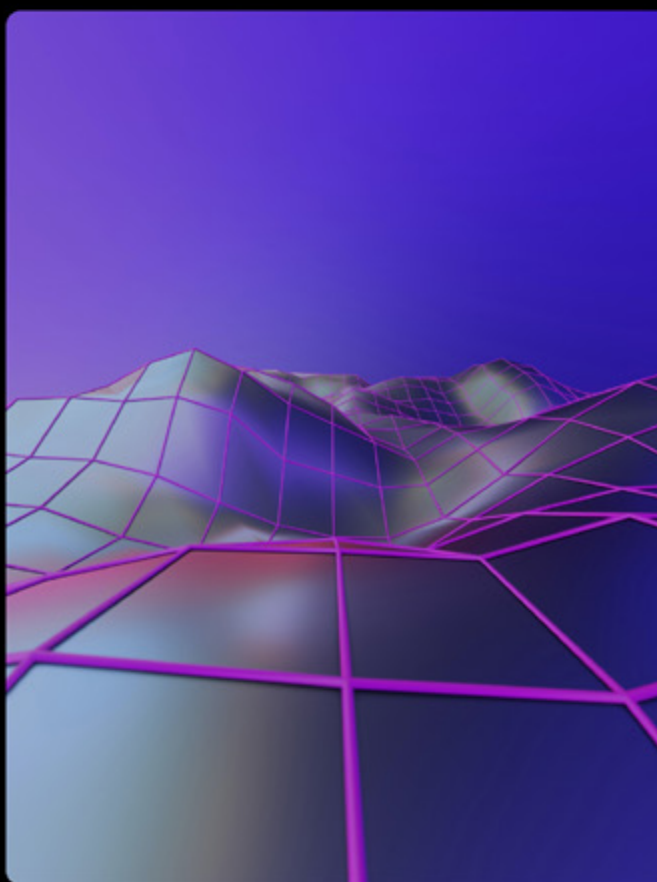
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01

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# What is Web3?



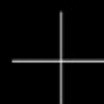
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01







# What is Web3?

If you're not familiar with this trilogy of internets, a short-hand way of remembering them is:

**Web 1 - Read**

**Web 2 - Read + Write**

**Web 3 - Read + Write + Own**

The slightly longer explanation is as follows:

## What is Web1?

We can think of Web1 as the early internet, kicking off in the 90s. We could follow sports scores, read news updates, email each other. The dial-up was slow, and the web pages not terribly interactive, which is to say: there was some basic information on a screen and you could read it if you like. So far, so humble.



Credit: AOL



A decade later, humble beginnings develop into a full-on 'dot com boom'. But after the turn of the millennium, giant leaps forward changed everything.

Roughly speaking, 2005 is where Web2 begins, as the users of the internet are increasingly invited to be its authors (hence Web2 = Read + Write). Yes - this is the era of social media; that behemoth of inventions that allowed everyone a platform and led to the proliferation of opinions and UGC (user-generated content). This - as you know, reader - made the internet a far noisier place. And what happens next is huge: this new social, seemingly democratic space is harnessed and cultivated by four major tech companies.



The big four. Billions upon billions in value. What do they have in common? These are the giants of Web2, and they rose to their unprecedented global influence by building the internet as we know it today. Their products, services and platforms shape the internet as we know it. Under their control, the internet grows exponentially, in terms of both users and in uses. And the benefits are many.

- + We become a more connected planet than ever before.
- + Ideas can be shared instantly all over the world.
- + Artists can share their work wider.
- + Business can reach more people.



**But it is not without downsides.**

This is where Web3 starts to come into focus. Because it is the failings and the problems of Web2 which necessitated the birth of Web3.

### **What are the downsides of Web2?**

Let's start at the surface: user experience is getting worse. Because the internet is a profitable infrastructure, just how profitable it can be is being pushed to the max. Estimates suggest the average internet user encounters between 5,000 and 10,000 ads per day. Our "information superhighway" is massively cluttered and overpopulated. Our UX (user experience) is far more complicated than in the 90s, and while 'reading a news story' should be a basic function, it now involves agreeing to lengthy terms and conditions and cookie policies then you get to trying to find the actual news story amongst 300 clickbait adverts, a pop-up video and a survey.

This is a surface-level issue. Underneath this UX issue is a bigger problem. 'Surveillance capitalism' is where your data (read that again... your data, meaning it is yours) is treated as a trading commodity. The capture and production of your data (via mass surveillance of the internet) is hugely profitable. All of that profiteering happens without you making money (despite the fact that your data is... yours).

This is what we mean when we say: when you use the internet, you are not the customer - you are the product. Your attention is being sold while you spend time online. And you do not receive a cut from that sale.



That brings us to the third, and most enormous underlying problem with Web2. Built around a philosophy of centralised power and control.

What is 'centralisation'? Great question. It's really important to grapple with the concept of 'centralisation', and therefore 'decentralisation', because that is one of the defining tensions of our lifetime, and it gets right to the crux of the Web2 - Web3 evolution. To understand this is to understand the fight for value, control and power that is going on right now.

### **Centralisation vs Decentralisation: Understanding value control and power in the internet**

Users have value. Even now, as you read this on a computer, you are contributing a value towards the economy of the internet, because your attention has a price.

Content too, has a value. If you write a poem, film a music video, share a recipe... you are contributing towards the content that draws people towards the internet. You're adding value to the internet.

And of course data has a value. Your data, which as soon as you agree to the T&Cs, no longer belongs to you. 'Agree & Continue', you click, just trying to read a website like you could in 1995... but now you have to sign away your data to some anonymous source. So if users, content and data have a value, where does that value go if not to the user themselves?



“In this day and age, you get a Grammy nomination but still you can’t afford to rent a one-bedroom flat on your own”

**Grian Chatten**, Fontaine’s DC (voted best band in the world by NME, 2022)

Let’s use an example. Let’s say you’re an aspiring musician and you want to release a new single. You put your time and money into writing the song, recording it, maybe you shoot a video, design the artwork, all in the hope that people will like it. Now you have to find your audience.

You essentially have a trade-off: the giant tech platforms can give you access to an enormous audience. But they will take a significant portion of the value for themselves. This paradox is highlighted in the plight of modern artists who reach millions of listeners on Spotify, but earn \$0.003 per stream. Which is some distance from the \$10 you could sell CDs for in 1999.

This Web2 infrastructure means that, while it’s now easier to reach millions of people, the ROI in reaching millions of people is smaller and smaller, with the ‘middleman’ of big tech taking a cut on any transactional interaction between user and creator.





**What is the overall promise of Web3?**

Web3 is a reimagining of this economy, where both the creator and the user stand to benefit together.

The platforms we use today revolve around central power but, in the future, decentralised Web3 platforms redistribute value so the creators and users have more rights and more benefits. We are already starting to see this now. DAOs (Decentralised Autonomous Organisations) are building platforms to put this decentralisation theory into practice, and already showing us how it's done. DAOs show us what it means to decentralise, because whereas a corporation building a product/service has to answer to shareholders and provide growth, DAOs only answer to the members, so they can make decisions on a group level, without C-Suite opinions or profits being the driving force.

With decentralisation there is more value to be shared. The philosophy is a more level playing field for all of the myriad ways we like to use the internet. Creators will be able to find audiences without giving a hefty % of their value to a middleman. Users who bring value to the table will be rewarded in kind. And, in theory at least, there shouldn't be billionaire CEOs profiting off of these interactions from mere ownership.

“Web3 is the internet owned by the builders and users, orchestrated with tokens”

CDixon



So that's the pitch:

people are building Web3 because they want decentralisation, to redistribute power and value to the creators and users.

It's an appealing vision of the future, and certainly from a creativity and equity point of view, it makes sense. So why is it controversial?

### **Downside of Web3 - decentralisation at what cost?**

Why - you may ask - would anyone contest this fairer redistribution of value? Well, a couple of reasons. One thing to look out for is: some people that don't support Web3 are financially wedded to Web2. Naturally, if you're profiting from the way Web2 is set up, you're less likely to welcome this change with open arms. So if you come across someone vocally against Web3, it's a good idea to follow the money to see if that's a decision based on principle, or profit.



## Beyond personal bias, there is a unilateral issue that affects all Web3 discussions.

The development of a decentralised internet requires decentralised tech, like blockchain and cryptocurrency. Bitcoin and ethereum have received global notoriety as the volatile trading market makes daily headlines and the carbon footprint of the data mining involved in crypto is a huge concern for many. But as well as being a currency trading commodity, these cryptocurrencies are the foundation of a decentralised internet. Value redistribution without middlemen requires a decentralised currency.

Blockchain technology is evolving every day and more sustainable developments are in the works. Ethereum's energy usage will soon decrease by 99.95% (according to their own website). But whether you believe the vision of these innovators or not, the present reality is that this technology requires significant energy consumption. The question is whether the juice is worth the squeeze: can we justify high energy consumption in pursuit of a fairer internet?

That is an entirely personal question. For the person who profits from Web2, change of any kind is unwelcome. Change that requires massive energy consumption is worse than unnecessary, it's harmful.

But for the person who feels unjustly devalued in our digital economy, the energy consuming technology is the best tool we have to change things for our future and create a more equitable world. While this technology evolves before our eyes, one thing is clear: it is better to be informed and have your own view than to ignore what is clearly a central debate of our lifetime.



## Recap of key terms

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### **Web3**

Web3 is the 'decentralised' internet: owned by the builders and users, orchestrated with tokens.

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### **Blockchain**

Blockchains are essentially computers that anyone can access but no one own. These computers form the infrastructure that allows a decentralised internet to happen

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### **Decentralisation**

The process of taking ownership & control away from any 'central' power (like a bank, or a silicon valley corporation) and giving more power and control to builders and users of the internet

---

### **Cryptocurrency**

A digital currency and alternative form of payment, created using encryption algorithms on the blockchain

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### **NFT**

Non-Fungible Token - the currency currently being used to enable a decentralised Web3. Read on in the next section for a full understanding

That last definition is an important one. Because once you understand the central ideas that Web3 is built for (decentralisation, redistributing value, reconsidering capitalism in an internet context) then you naturally arrive at the technology used within it.



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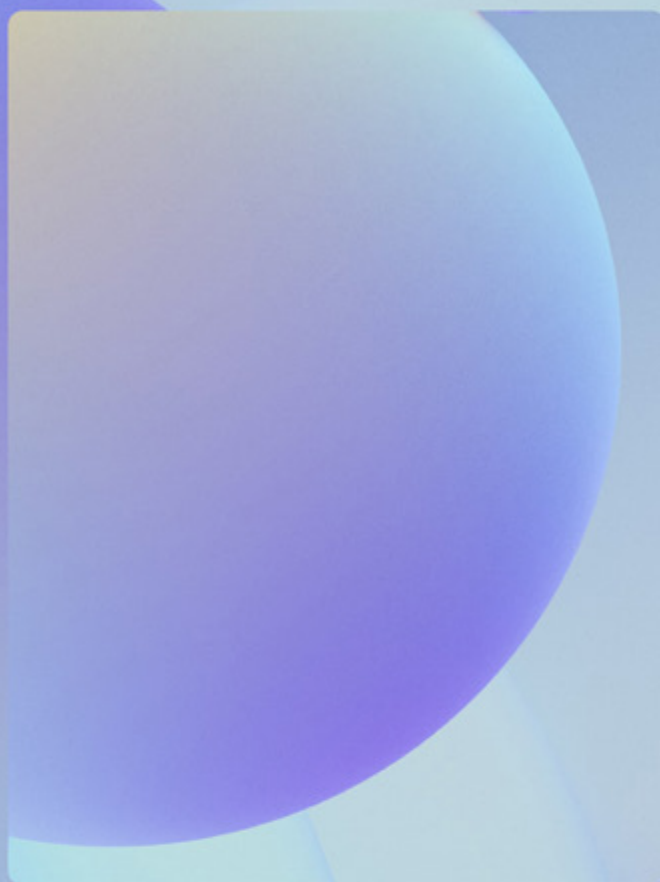
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02

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NFTs: do we  
need them?



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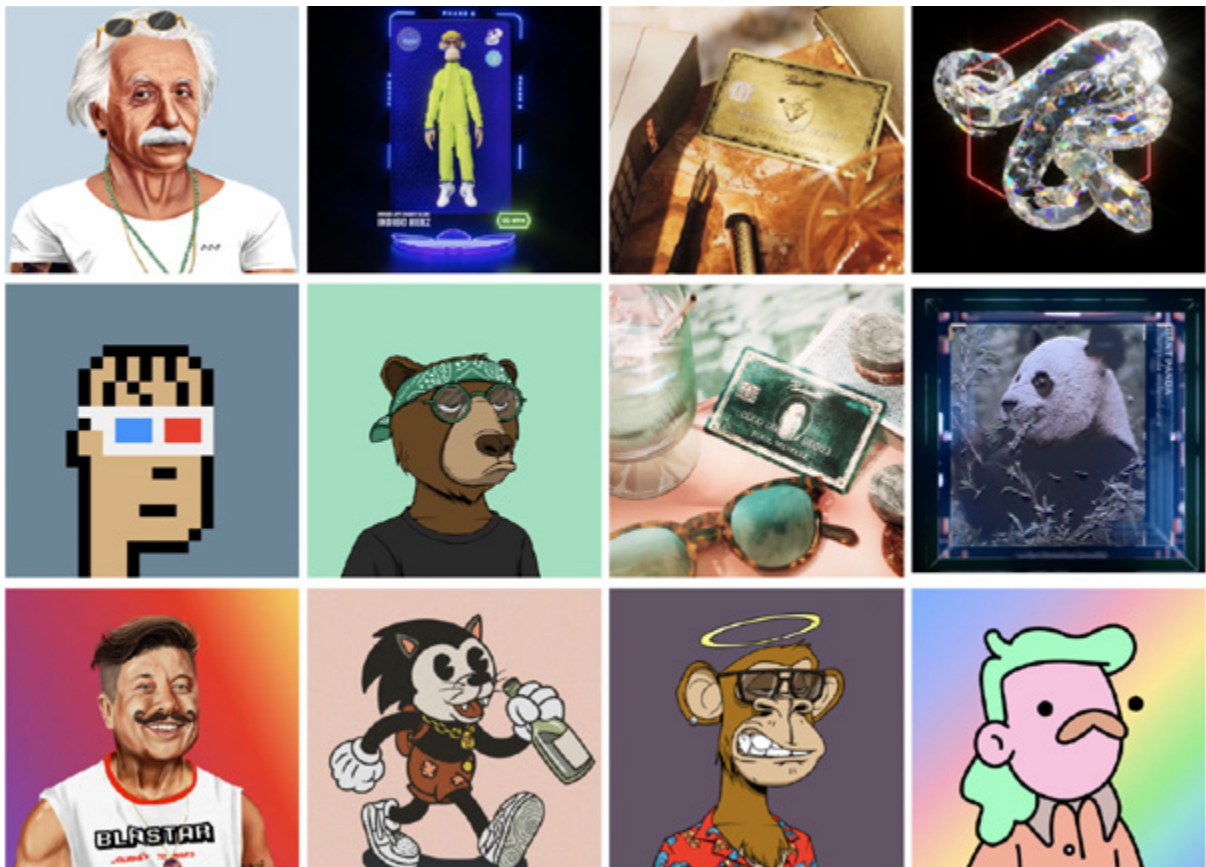
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02



# NFTs: do we need them?

NFTs (Non-Fungible Tokens) are possibly the most divisive aspect of Web3. Their meteoric rise in the cultural zeitgeist has divided dinner tables, workplaces and column inches the world over. But while some love them and some hate them, many do not understand what they represent. To overlook NFTs because of the JPG facade, would be a mistake. Because Non-Fungible Tokens allow us some quite game-changing ways of approaching value exchange, ownership, loyalty... and more applications that we can't even imagine yet. As with any new tech, the best advice is to understand it before you heavily buy in, or write it off. So let's dive in.







## What are NFTs - are they just JPGs?

Some are, yes. Artists for example are creating NFTs as another way of finding an audience. But this is not wholly representative of what NFT technology can be used for.

Usually when you encounter an NFT, the JPG is just the visible facade. There is a close parallel here with the idea of paper money. A ten pound note has both the visible, tangible paper (with a picture of the Queen on it), and the meaning behind that item, which allows you to unlock ten pounds worth of value in a marketplace. Looking at an NFT project and seeing only a JPG is like looking at ten pound and seeing a very small picture of the Queen. So if the JPG is the facade, what does an NFT do?

## **NFTs beyond JPGs: rethinking value and utility**

Earlier in this whitepaper we outlined how the Web3 movement is an opportunity to redistribute value and utility amongst the users and creators of the internet. If we are to redistribute value, we need a currency or 'token' to do that, and a decentralised token at that. Put simply, NFT technology provides digital authenticity and digital ownership, which helps Web3 happen.



Within this technology lies huge potential. Entire industries could be revolutionised in favour of people over corporations.

[illegible]

Credit: **Lili Lashka** via Twitter - @lililashka



## Who's done it best?

The Adidas 'into The Metaverse' NFT is a strong example of a brand who has understood and leveraged this technology.



This is Adidas' first foray into Web3, and it went extremely well. 30,000 NFTs bought raising \$22m in revenue.

Adidas understood how NFT technology can be harnessed for ownership & membership purposes. NFT holders would gain access to exclusive Adidas items across the next 12 months, essentially meaning that the NFT was both a status symbol, and the owner's digital wristband to the red-carpet of item pre-sale.

\$22m in revenue.

The holder then gets to wear the sought-after merchandise like a badge of honour. It is exclusive, and shows the owner is Web3 literate. This elite-level understanding of both Web3 and FOMO has soared: The project sold out straight away, and the resale market is steady. What's more, Adidas have firmly entered Web3, and showed they are ready for whatever comes next.



## In 2022, Poolside FM announced their entry into Web3

They announced the NFT project with the intention to “be the most leisurely & illustrious brand of the internet’s new frontier”.

Another brand who nailed it first time is Poolsuite - formerly known as Poolside FM. The one time internet radio had a cult following, where people fired up their playlist streaming site to stream some 80s nostalgia and good vibes. They also sold vacation lifestyle products like ‘the best smelling sunscreen in the world’. But this was during its humble Web2 beginnings.

The holders of the Poolsuite ‘Executive Club’ NFT essentially join a club of creators and savvy users, who are using the millions of dollars they raised through NFT sales to co-create the brand’s future in Web3. They are building projects and platforms in Web3, and the holders stand to benefit as shareholders. What’s more, ownership of the Executive Club NFT grants you access to Poolsuite parties, like when they hired out Pikes Ibiza (best known for the Club Tropicana music video, circa 1983). Here is a brand that knows exactly what its about and exactly who its audience is - and who perfectly adapted to embrace Web3.



Taking the idea of 'NFT as guestlist' one step further, Coachella festival have partnered with environmentally friendly blockchain Solana

Bringing NFTs into their ticket & pass offering.. Of course regular festival tickets are still available, but the NFTs offer additional benefits, like lifetime festival passes, unique on-site experiences, physical items and digital collectibles. This is a brand who are not changing or reducing their offer as-is, but are expanding their offer to build this new technology into their offer, and this experience.

### **So should marketers follow suit?**

If you're on the agency side or the brand side and you're thinking "Adidas have done it, Poolsuite have done it, I'm going to do it" - hang fire. These two examples do not show the full picture, and there are many (many) brands who have fallen short of this greatness.

Many NFT projects sink in value, many fail, and there's more risk in a bad NFT project than a bad campaign. If you're a marketer considering going on the journey into developing your brand's NFT, you need to know what's what.

To that end, we have prepared eight fundamental principles to help you understand the space, decide whether it's right for the brand(s) you work on, and if it is right for you.



# The essential Ignite guide on how to get started.

## Our 8 Fundamental Principles of NFTs

### 01. Start With Purpose

Don't look at other NFT projects and attempt to emulate them. Begin by knowing in your bones what the brand is about and what role you play in people's lives. If this technology can help bring out the brand's experience and enrich the audience's lives, fill your boots. But merely embarking on a vanity NFT project will help no one.

### 02. ABC - Always Build Community

NFT projects are about the people behind them. The project is a group of people that have a crossover of interests: their values, their desires; 'a community'. Not a novel concept, yet it bears repeating. Community is the very foundation of an NFT project, so if you're looking to build one, let 'does this serve my community' be a guiding thought for any decision making.

### 03. Respect Web3

Don't think of this as an extension of your existing marketing strategy. It's not a new channel for your integrated comms plan. It's an entirely different ecosystem, so give it the respect it deserves and do your research. Brands that treat NFTs like another marketing campaign have lived to regret it. Don't be like them.





## 04. Tell a good story

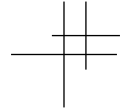
Because NFT projects require an investment of time and money, you have to create something that people want to be a part of. Blind, vapid consumerism is not it. Most successful NFT projects have an angle of positive impact. Some have a % donation to a good cause. Others are explicitly for a specific goal. If you are looking to do some good in the world, you need to connect with people's motivations to also do good. Also, considering the energy consumption of an NFT project even if you offset carbon, you have to ask whether the energy you're using is helping, or hurting. Projects that are a net positive = worth backing. Projects that use energy without justifying it = easy pass.

## 05. Tell a good story

Any NFT project worth its salt has a good roadmap. A roadmap is the vision that the makers want to see, with clear stages along the way. In other words, this is their story about how the future will be if people invest in the project. The quality of how that story is told can be the difference between investing and moving swiftly on to something else. This is why NFT projects typically invest in storytelling and craft. You're building the future, it pays to make it an attractive one.

## 06. Embrace Transparency

Transparency is a fundamental concept of blockchain technology. Ownership, transaction history, value - this is the raw data people use to make decisions. Any brand entering this space would be wise to follow suit. Because people buying into an NFT project require a value judgement, any attempt to hide something can be seen as a reason to not invest. So build like somebody's watching and be open about it as you go.



## 07. Provide value and utility

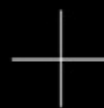
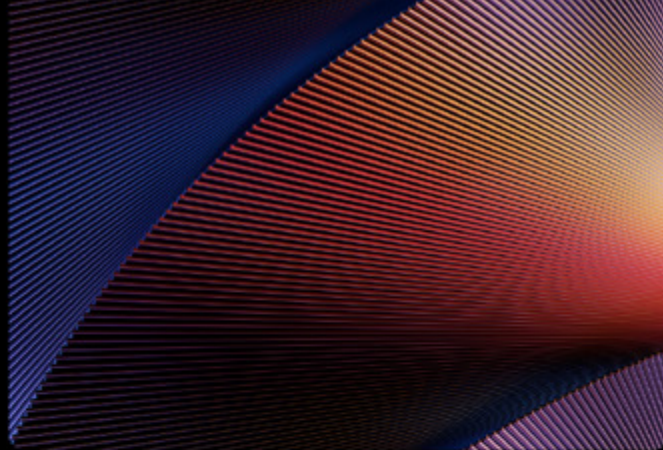
Value and utility are two things a good NFT project must have. What is the project going to be worth to me and what does it allow me to do? For example, Poolsuite's NFT value has increased since mint and the holders are invited to parties in Ibiza. So ownership of the NFT = ROI and it's enriching my life. That makes it a no-brainer.

## 08. Use Discipline Experts

This can't be done by a marketing team. This can't be done by a web developer. Successful NFT projects require people who truly understand blockchain technology and specialists in all of the supporting roles (creative, community management, copywriting, storytelling, financial planning... I could go on) and going cheap on these aspects is a false economy. The risk of ignoring the specialists here is that the entire venture is a waste of time. Trust the experts and use people who truly understand this space.



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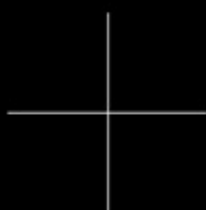


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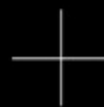
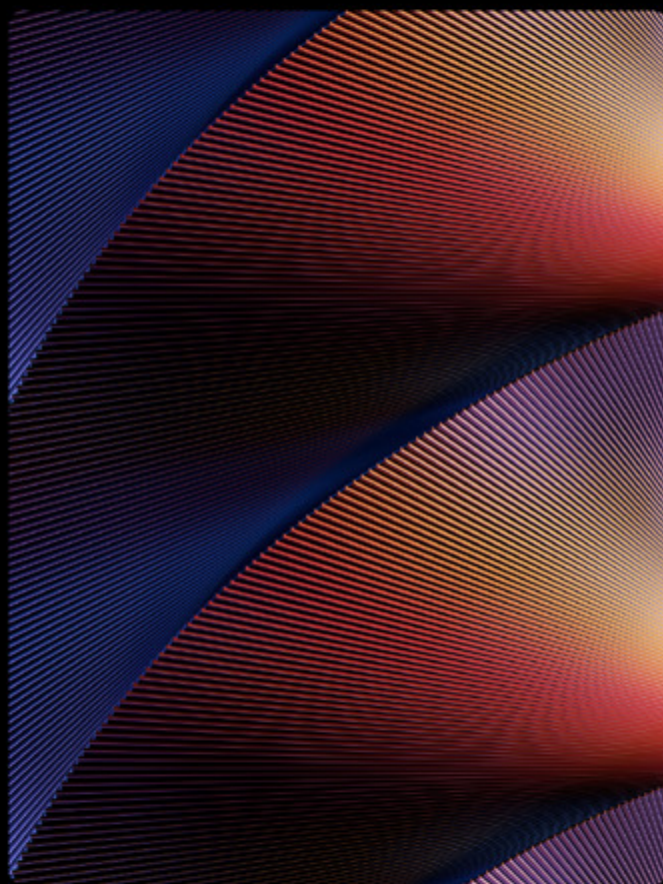
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03

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Metaverse:  
does it exist?

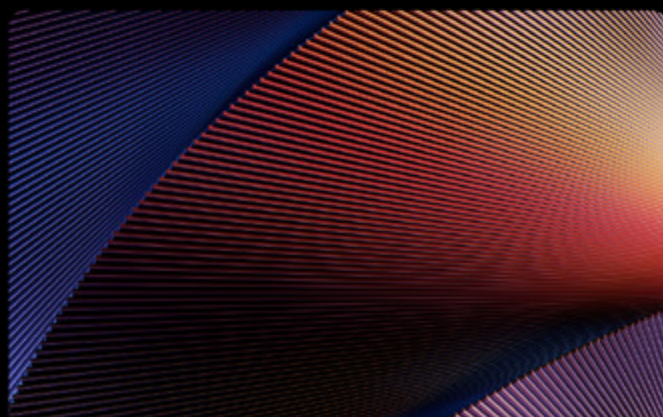


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03





# The Metaverse does it exist?

The Metaverse. Extremely high coverage.  
Extremely low understanding.



SOURCE: Wunderman Thompson

So we have a topic that is very trendy to talk about, with more and more people hearing it everyday, but very few people actually know what the Metaverse is. Even within the 15% of people who 'know what the Metaverse is and can explain it to someone else', it's unlikely that these people would all agree on the same definition. That's because, amidst the media buzz surrounding 'the Metaverse', there's a huge amount of content that often refers to associated things like VR, AR or gaming.



## For the sake of clarity, let's define these things:

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### **VR**

(virtual reality)

Computer technology that provides a realistic three-dimensional image or environment that a human can perceive as real and even interact with in realistic ways

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### **AR**

(augmented reality)

Like VR, but with the blending of the real and virtual worlds

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### **Gaming**

Places you can 'enter' and interact with things and even other players; often mistaken for The Metaverse due to look & feel. Minecraft and Roblox, for example, are in millions of homes already, but are not The Metaverse

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### **'The Metaverse'**

The open, persistent, real-time, interoperable, virtual world that could be built using Web3 technologies. This is key.

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### **Persistent**

Meaning it doesn't reset when users quit. It 'persists' after you leave. Unlike a game, which is 'off' when you turn the Playstation off.

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### **Real-time**

Meaning it's live. A video explaining the Metaverse is not the Metaverse.

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### **Interoperable**

Meaning 'does not exist in a silo'; users can move between experiences because they are connected.



That definition of the Metaverse is from the Bennet Institute for Public Policy, University of Cambridge. The author is Sam Gilbert, who is a trusted authority in this space. Gilbert writes:

“The rebranding of Facebook, Inc. to Meta Platforms, Inc. has encouraged commentators to describe existing VR applications – including those available through Meta’s Oculus headsets – as manifestations of the metaverse. This is incorrect, as such applications are neither persistent (because they reset when users quit them), nor interoperable (because they are siloed and it is not possible to move seamlessly between them). So [unlike other Web3 concepts and technologies], the metaverse can only be discussed in terms of its potential.”





# The metaverse can only be discussed in terms of its potential.

Let that sink in. And then look around at the sensationalist headlines that tell you how prolific the Metaverse already is. Here's one now!

Example:



James Whatley. Photo credit - WSJ's own website, where [this article](#) is remarkably still up.

This article (from June 2022), claims that Metaverse spending is to hit \$5 trillion dollars in 2030. That's according to McKinsey, who seem legitimate. Surely McKinsey - a highly credible consultancy organisation - would be using a definition that aligns with the Bennet Institute for Public Policy? Perhaps they consulted the institute as part of their piece, to fact-check that 5 trillion dollar claim? Seemingly not.

"For the purposes of its study, however, McKinsey defined the Metaverse as primarily online platforms and experiences that don't solely occur in virtual reality or require interoperability between virtual worlds".



Ah. So we have two definitions of the Metaverse and five trillion dollars worth of value between them.

This is why definitions are really, really important. Inflated headlines and warped perceptions (as marketers and as humans) can give us an unrealistic picture of value. Decisions we make can be guided by this information, so this trillion dollar question is more than petty semantics.

**So what about all the brands who have already ‘entered The Metaverse’?**

So, if the Metaverse doesn’t exist, why is it on the front page of AdWeek, Campaign, Marketing Week and the likes, and why was it such a central theme at Cannes 2022? There have been tons of headlines about brands entering the Metaverse - did they not exist?



Marketing activations and brand partnerships have indeed happened, but to use James Whatley's definition, these were 'Metaversal Activities'. Usually in gaming, as the table below explains:

Brand activations in Decentraland	Brand activations in Roblox	Brand Activations in The Metaverse
Dominos	Forever 21	N/A
Kering	Lil Nas X	
Nike	Nascar	
Samsung	Netflix	
Burger King	BBC	
Nintendo	Epic Records	
Sotheby's	Nike	
Atari	Lego	
Walmart	VANS	
Coca Cola	Gucci	

To be clear, Decentraland is a virtual reality platform. Roblox is an online gaming platform.

Brands who activate in these spaces are merely staying as close to innovation as possible. And that in itself is not problematic. What's problematic is when we mislabel and misunderstand what's really happening. And what's important for marketers is to understand this difference.



# So, is the Metaverse all overblown hype?

If 'the Metaverse' doesn't exist yet, is all this talk just overblown hype and nonsense? Well, not exactly. The promise of a persistent, real-time, interoperable experience is huge, and we can't possibly imagine what it will look like by 2033. Brands should not ignore the progress towards the Metaverse that'll happen in the next 5-10 years and should keep AR/VR in mind so that they aren't left behind. Think about it this way: the Metaverse doesn't exist yet, so every brand has an opportunity to help define what it will be.

As the saying goes, the best way to predict the future is to build it.

If you're interested in knowing more, or want to explore the potential of Web3 for your brand, then we'd love to hear from you.

[hello@ignitecreates.com](mailto:hello@ignitecreates.com)



# Author's Note

This information is intended as a brief to overcome common misconceptions and give marketers a high-level understanding of Web3. If you want to learn more, some incredibly useful (and free) resources are listed below.

## Sources and wider reading

### 'The wonders of Web3'

Tim Ferris podcast w/ CDixon and Naval Ravikant

### Metaverse? What Metaverse

James Whatley

### The Bennett Institute for Public Policy

University of Cambridge

### Why Web3 matters

CDixon

### On blockchain technology

PWC infographic and explainer

### On the failings of Web2

Netflix documentary 'the social dilemma'

Author:

David Rapson

Executive Strategy Director at Ignite