

SOFTWARE AND TECHNOLOGY

## Outlook 2022: Online is the universal meeting place

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Facebook rebranded as Meta earlier this year to emphasize the growing metaverse. Image credit: Meta

By NORA HOWE

Digital technology has completely infiltrated human behavior, from business operations to personal communication and buying patterns, and new innovations are expected to take shape over the next year.

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Social media is seeing an overhaul of in-app shopping capabilities, gaming is providing a platform for NFTs and everyone is strategizing ways to address the elephant in the room the metaverse. With new innovation comes uncertainty, however, and 2022 will be a year for online platforms, brands and consumers to test the boundaries and benefits of digital technology.

"Brands will increasingly activate omnichannel video-first strategies that drive increased investments in both CTV and social video," said Hyun Lee-Miller, vice president of media at **Good Apple**, New York.

"Brands are creating social video experiences native to each platform experience, and are also experimenting more with shoppable videos and livestream shopping as these trends gain more traction in the United States."

### Social shopping

In 2021, newer platforms like TikTok began experimenting with shoppable content and other in-app commerce capabilities ([see story](#)), suggesting 2022 may mark the beginning of the end for socializing on social media.

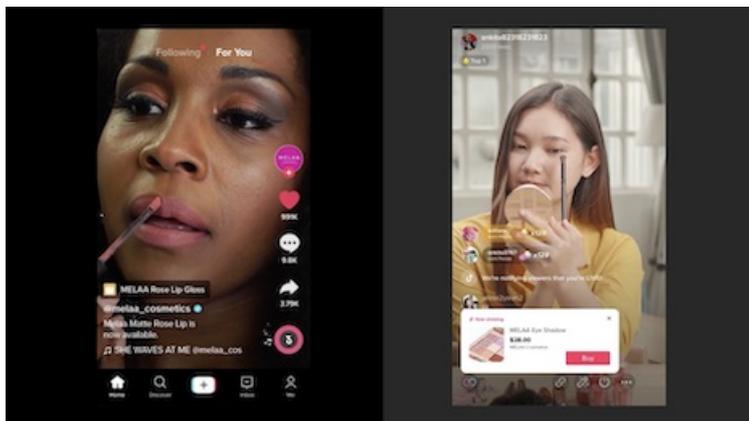
"We expect TikTok to continue growing its audience and engagement, driven by explosive success with younger demographics, but quickly expanding to other audiences," said Andrew Carlson, chief experience officer at **Organic**, New York.

"This growth is driving short-form video as the dominant content format on major social platforms, with clones on Instagram and Youtube reinforcing the trend," he said. "However, we also see a counter-trend of social media users doing most of their actual socializing using messenger apps or closed networks like Discord."

Having launched only five years ago, TikTok has taken over the social media and entertainment space.

"Based on the user growth data, it's clear that TikTok is slated to eclipse Instagram in terms of daily active users

within the next one to two years," said Daniel Pantelo, CEO of **Marpipe**, New York.



*TikTok Shopping gives brands more ways to sell products. Image credit: TikTok*

Popularized in Asia, live commerce, or livestream shopping, is now quickly accelerating within major Western online platforms. According to McKinsey, sales originating from live commerce could account for 10 to 20 percent of all ecommerce by 2026 ([see story](#)).

"As live content becomes more and more popular, we expect that engagements will happen in real-time, with communities forming in the comment sections and feeds of influencer posts," said Dylan Conroy, Chief Revenue Officer at **The Social Standard**, Santa Monica.

#### Into the metaverse

Greater engagement through online media coupled with innovation in augmented and virtual reality technology has created a new destination for online experiences the metaverse.

Some luxury brands have dabbled in the virtual world through gaming partnerships and other augmented projects, such as **Gucci** and **Valentino**, but the implications of the metaverse go beyond VR.

"2022 will be a 'building year' for the metaverse where engineers and R&D budgets will focus on building out the core technology, and only in 2023 will we begin to see scaleable commercial applications and sizable advertising budgets going into this space," Marpipe's Mr. Pantelo said.

"Advertising in the metaverse will be a wild west, and those who get involved earliest will reap the biggest rewards."

As with all new technology or processes, there are challenges.

"The metaverse is full of hype, with not enough consumer participation," The Social Standard's Mr. Conroy said. "It's also inhabited primarily by early adopters or gamers, so it will be imperative that any type of integration or campaign adds value, otherwise it risks being run out of the virtual town."

As it stands, the metaverse is poised to grow and offer new opportunities for all segments, such as unique engagement and shopping experiences, but, as it is still in such an adolescent stage, consumers and brands remain apprehensive. It seems as though comfort in the metaverse will be achieved primarily through comfort in virtual and augmented technology.



*A Roblox avatar exploring the digitized Gucci Gardens Archetypes exhibit. Image credit: Gucci/Roblox*

"Time will tell if HIIT workouts and virtual meetings hold any attraction for a mass audience," Organic's Mr. Carlson

said. "For now, at least, VR is better as an immersive gaming experience than a social or web replacement."

### Non-fungible tokens

In addition to potentially revolutionizing engagement, the metaverse may provide opportunities for the monetization of digital products, such as creating and selling NFTs.

Despite the first NFT having been created in 2014, they only entered the everyday lexicon over the past year, with many dubbing 2021 the year of non-fungible tokens.

"NFTs will continue to captivate attention and cultivate buzz as they hit mainstream culture," said Evan Horowitz, cofounder/CEO of **Movers+Shakers**, Santa Monica. "The power of NFTs is in their ability to create a world full of characters, collectibles and experiences, both on screen and in real life.

"This offers brands the freedom to engage consumers beyond their core products."

Luxury brands are recognizing this power.

In November, British fashion label JW Anderson and xdyrobe announced its first NFT inspired by the brand's Colourblock Patchwork Cardigan, made famous by singer Harry Styles.

There is only one NFT of the cardigan created, available with a reserve price of 10,000 pounds, or \$13,349 at current exchange, sold exclusively through xdyrobe. Proceeds from the sale will be donated to LGBTQ+ youth homelessness charity ([see story](#)).

Britain's Burberry even combined the power of gaming with the power of NFTs by partnering with Mythical Games' Blankos Block Party in August. The brand introduced a limited-edition, limited-quantity Blanko that can be purchased, upgraded and sold within the Blankos Block Party marketplace ([see story](#)).

"Now that the dust has settled a bit, 2022 will be a critical year to test whether NFTs can break through to mass adoption," said Alex Sturtevant, director of brand at **Stink Studios**, New York. "They have yet to prove ongoing value outside of a very niche collector or speculator market, but it is there.

"The next 12 months will show whether those consumers are actually interested in going on that journey."

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