

INTERNET

Collaboration, authenticity essential for successful metaverse efforts

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Guerlain created 1,828 cryptobee NFTs for its founding in 1828. Image credit: Guerlain

By SARAH RAMIREZ

Luxury brands must approach the next era of the Internet from a cross-functional perspective to unlock its potential.

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During a session at *Vogue Business* and eBay's **Technology Forum "Fashion's Web3 Future"** on May 26, speakers discussed the differences between Web3 and the metaverse. Luxury brands have already begun to explore these spaces, hoping to be leaders instead of laggards.

"In the metaverse, you're creating memories that rival the physical world, and it's really a change in culture, and a change in the way you live more than the backend tech of how you get there," said Samuel Jordan, digital fashion designer at **Roblox**.

The conversation was moderated by Maghan McDowell, senior innovation editor at *Vogue Business*.

Web3 vs metaverse

Web3 is the next iteration of the Internet.

According to Teddy Pahagbia, founder of digital innovation consultancy **Blvck Pixel**, it has the decentralized aspects of the early Web1 era as well as cross functional aspects of the social web, We2.

"We can consider Web3 as the Internet of value, so we cannot just transmit information and content over the web, but we can also transfer value," Mr. Pahagbia said. "So, this is the real definition of Web3 with the meaning of people getting back the ownership of their identity and who they are in the world."



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

Adoption of technologies such as artificial intelligence, 5G, 6G and machine learning are helping accelerate Web3 and the metaverse for a 3D, decentralized and tokenized future, according to speakers.

While many use the terms Web3 and metaverse interchangeably, this is incorrect.

As Mr. Jordan explained, Web3 is more closely associated with backend technology and metaverse encompasses the culture and how consumers may experience life digitally. While metaverse is a relatively newer term in the lexicon, platforms and games such as Second Life and Roblox have been around for years.

Platforms and brands are increasingly optimistic and ambitious about the metaverse; however, Web3 technology and consumer awareness have not yet caught up with these ambitions to create seamless and scalable experiences.

Half of shoppers are still unfamiliar with the metaverse, according to a recent report from CommerceNext. Only 5 percent of respondents said they were enthusiastic users of the metaverse, indicating that brands and retailers have a way to go in terms of making the space relevant to consumer needs and comprehensible ([see story](#)).

"Everyone is really excited about this space, but it's really early," said Nelly Mensah, vice president of digital innovation at LVMH. "Because we have seen what the Internet and social media can do, I think everyone is almost rushing ahead of themselves.

"We're very much technology optimists," she said. "But the reality is there's a huge consumer base that is not really aware or interested yet."

The panelists agreed that "Web2.5" may be a more fitting term for the current era of the Internet, as technologies and integrations improve to bridge the past and future.

As brands continue investing in Web3 talent and technology, however, it is crucial to remember Web3 and the metaverse require a cross-functional effort. At LVMH for instance, teams from omnichannel and product development to legal and accounting are a few of the departments involved in metaverse projects.

"This is so all-encompassing, I can't think of any team member that is actually not involved [in metaverse efforts]," Ms. Mensah said.



Hennessy has begun dabbling in the metaverse with NFTs. Image courtesy of BlockBar

Research from Adobe shows that businesses with higher personalization maturity are more adept at working across departments to scale their work ([see story](#)), and the same mentality away from corporate silos will likely apply to the

metaverse.

Brands are not yet hiring large internal teams to build digital goods for different platforms instead relying on startups and other partners but luxury may be quicker at adapting to Web3 technologies than Web2 because of the monetization opportunities.

Digital authenticity

With adoption of the metaverse accelerating, Mr. Jordan and Mr. Pahagbia reiterated that brands must be cognizant of the different language of each platform. This awareness is essential for authentic engagement with community members.

In addition to speaking the same language and culture as the platform, luxury must also ensure their metaverse efforts, including NFTs ([see story](#)), are authentic to their brand heritage. Ms. Mensah cited two notable examples from LVMH's Hennessy and Guerlain as authentic NFT activations.

In partnership with direct-to-consumer NFT marketplace BlockBar, Cognac brand Hennessy released a dual drop this January. [The Hennessy 8 NFTs](#) have both physical and digital components, including the Cognac itself as well as a commemorative toolbox and sculpture ([see story](#)).

More recently, French beauty brand Guerlain is supporting conservation efforts with the commissioning of its first NFT project.

As an ode to the year of its founding, Guerlain has commissioned 1,828 unique NFTs in the form of "cryptobees." Nature conservation is a core pillar for Guerlain, and the label is ensuring that its passion for sustainability is incorporated in its NFT initiative, dubbed "[Reaverse](#)" in a play on the metaverse ([see story](#)).

The metaverse remains largely untapped, but professionals cannot remain ignorant of the possibilities.

"Even in physical retail, we're starting to see store associates hop online to become virtual advisors, so truly every single aspect of a company is involved," said LVMH's Ms. Mensah. "I think it's really imperative that everyone starts educating themselves on Web3, the metaverse and try to understand what it entails to actually have a wallet, create an avatar."

"Everyone has to do it on their own to learn because the future will be here before we know it, and this will be part of our day-to-day business."