

Metaverse Team 6

Final Presentation



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Outline

01

Introduction

02

Recommendations

03

Research Results

04

Implementation

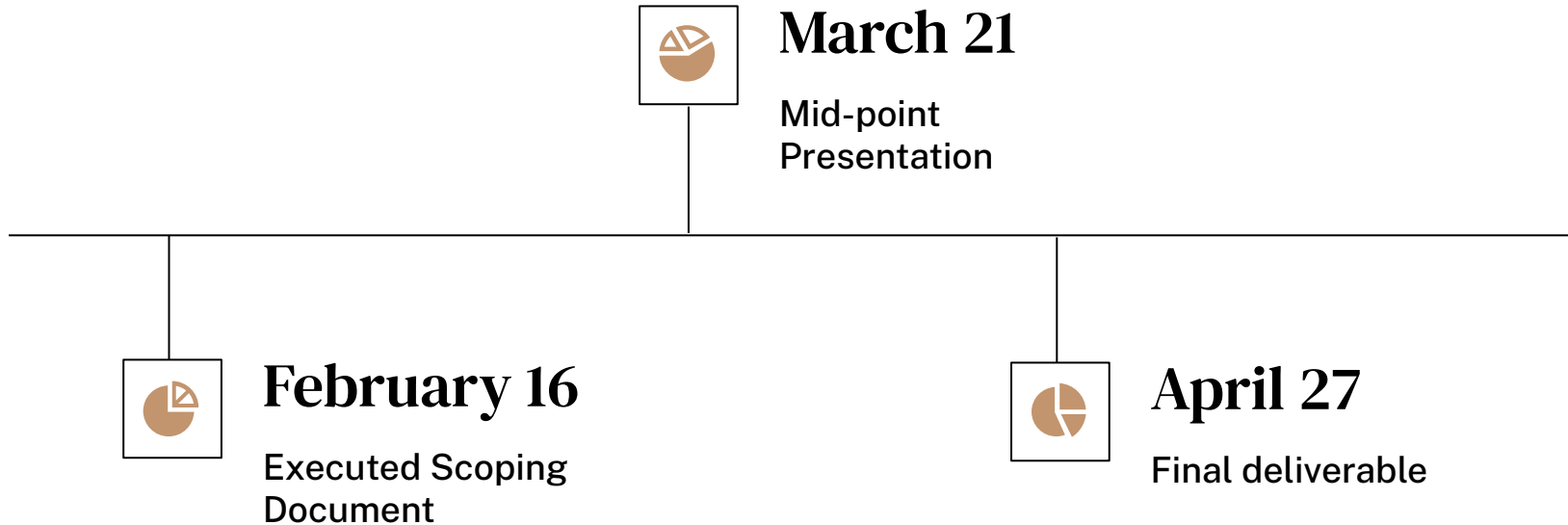


01

Introduction

Nike in the Metaverse

Timeline



Review

- While Metaverse platforms and NFTs are growing rapidly, the market is still too confusing with no universal definition and regulations. This makes it difficult to know whether Nike should sacrifice their resources in hopes of gaining more brand recognition and sales opportunities in a new market
- The Board of Directors wishes to understand the current Metaverse dynamics as it must decide whether to enter this market more aggressively or not

Objectives for Nike

- **Assess** the current Metaverse market landscape, including market size, growth rate, and competitor analysis
- **Understand** the consumer behavior and preferences in the Metaverse, including demographic analysis, user engagement, and purchasing behavior



- **Evaluate** the technology development in the Metaverse, including current capabilities, trends, and future potential
- **Identify** potential opportunities for Nike in the Metaverse, including new revenue streams, increased brand exposure and loyalty, and access to new customer bases



02

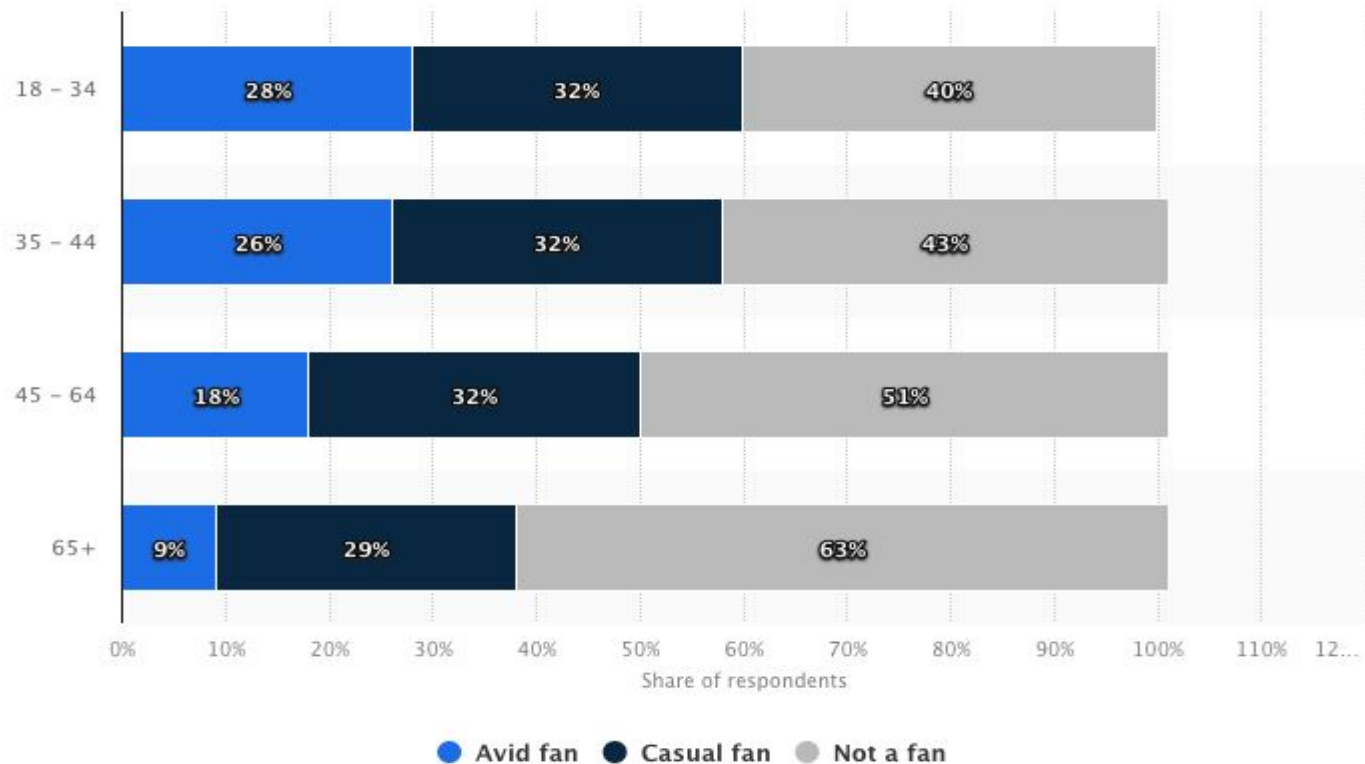
Recommendations

Nike in the Metaverse

Nike Run Club - Recommendations

- Nike should collaborate with Nike Run Club, an existing run-tracking app, to promote its growth in the Metaverse by allowing users to earn tokens by exercising and then spending those tokens in the Metaverse.
- The collaboration will enable Nike to leverage its existing user base on Nike Run Club to drive engagement on its Metaverse platform. The recommended approach will provide a seamless user experience for Nike Run Club users to access the Metaverse and use their earned tokens to purchase Nike products or access Nike experiences.

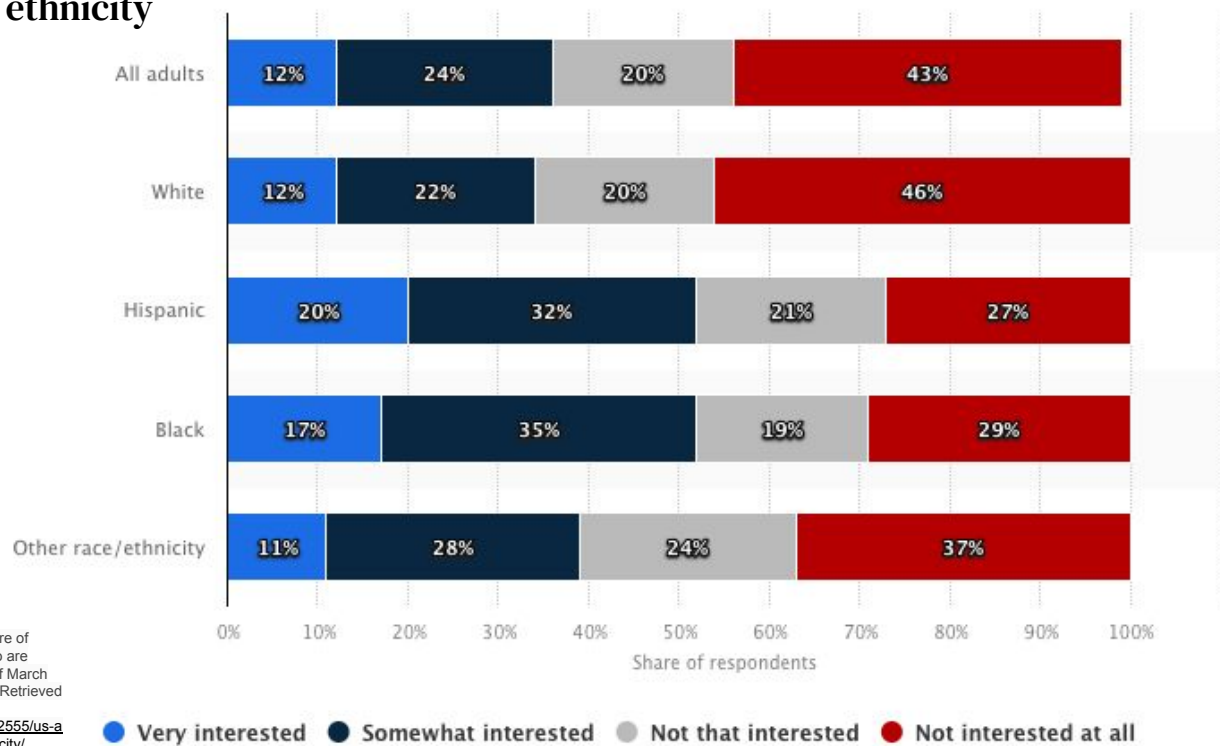
Level of interest in the National Basketball Association in the United States as of March 2023, by age



NBA Lab - Recommendations

- Nike should partner with the NBA and leverage its brand presence in the Metaverse to promote its products and drive engagement. To achieve this, Nike can introduce a purchasable product that can be redeemed for tokens in the Metaverse. For example, Nike could introduce a limited edition pair of sneakers that can only be purchased at NBA games and can be redeemed for tokens in the Metaverse, as well as redeem the shoes in game.

Share of internet users in the United States who are interested in using the metaverse as of March 2022, by ethnicity

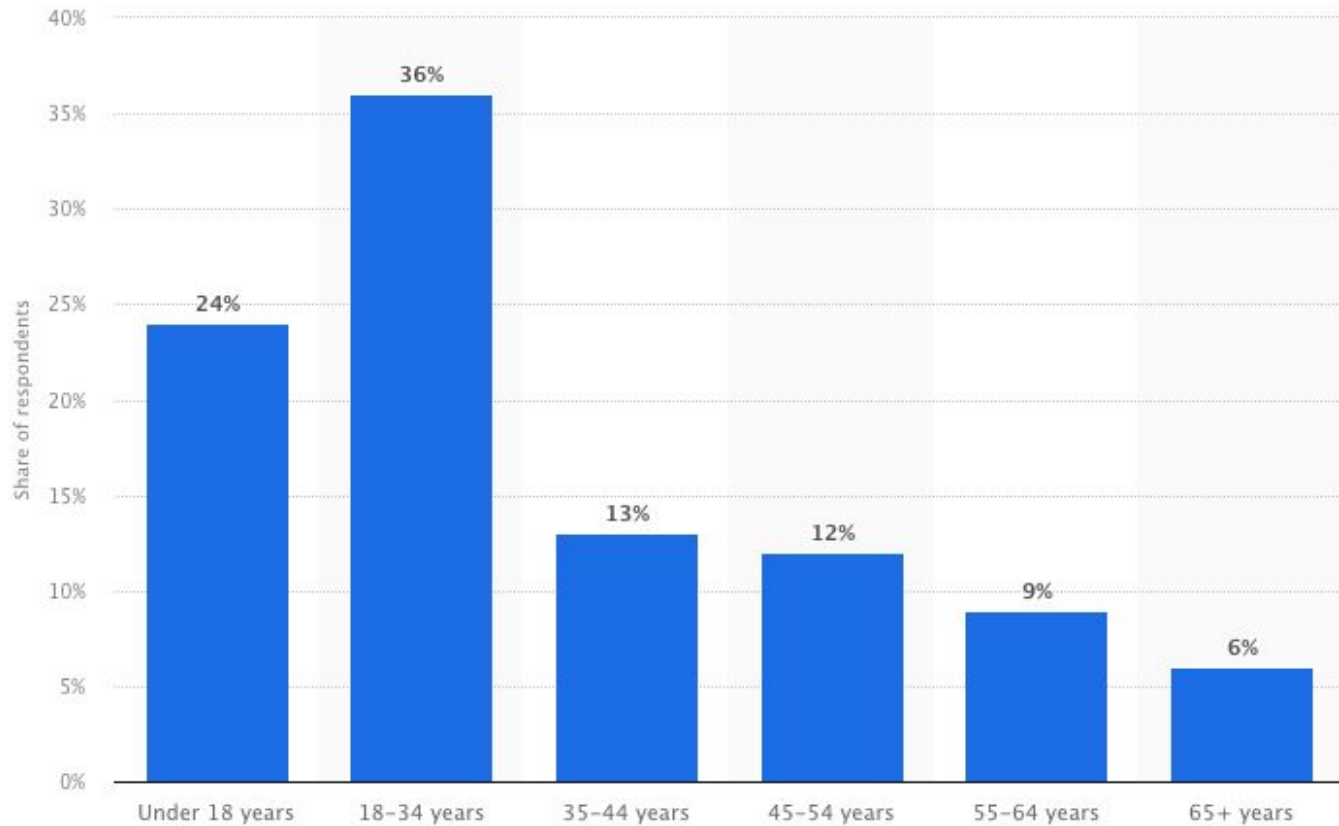


Morning Consult. (April 11, 2022). Share of internet users in the United States who are interested in using the metaverse as of March 2022, by ethnicity [Graph]. In *Statista*. Retrieved March 21, 2023, from <https://www.statista.com/statistics/1302555/us-adults-using-on-the-metaverse-by-ethnicity/>

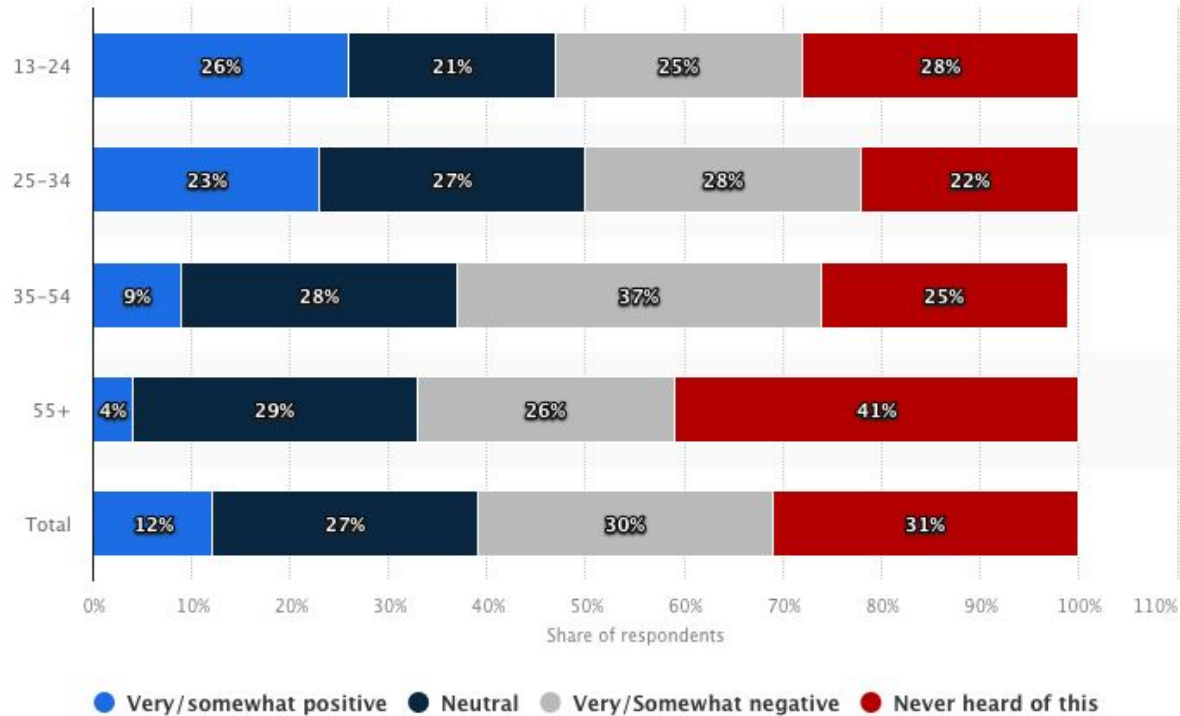
Recommendations: Aggressive Advertising

- Nike should engage in an aggressive advertising campaign that leverages the unique capabilities of the Metaverse to create engaging experiences for users. The recommended approach will allow Nike to reach a wider audience and establish a strong presence in the Metaverse.

Distribution of video gamers in the United States in 2022, by age group



Attitudes toward the metaverse among adults and teens in the United States as of May 2022, by age group



eMarketer. (July 25, 2022). Attitudes toward the metaverse among adults and teens in the United States as of May 2022, by age group [Graph]. In *Statista*. Retrieved March 21, 2023, from <https://www.statista.com/statistics/1322542/us-attitudes-toward-metaverse-among-adults-teens-by-age-group/>



03

Implementations

Nike in the Metaverse

Nike Run Club - Implementation

- The first step in implementing this recommendation would be to integrate Nike Run Club with the Metaverse platform. This integration would enable Nike Run Club users to earn tokens by exercising and then spend those tokens in the Metaverse.
- Nike should establish a token economy where users can earn tokens by exercising, completing challenges, and other activities. These tokens can be spent in the Metaverse to purchase Nike products or access Nike experiences.
- Nike should offer incentives and rewards to Nike Run Club users to encourage them to use the Metaverse platform. For example, Nike could offer exclusive products or experiences that can only be purchased using Metaverse tokens.
- Nike should promote the collaboration and Metaverse platform through various marketing channels, such as social media, email marketing, and paid advertising, to attract new users and encourage existing users to engage with the Metaverse platform.

Predicted Market Growth (Metaverse)

X-Axis

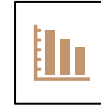
Market size and
predicted output
is listed below



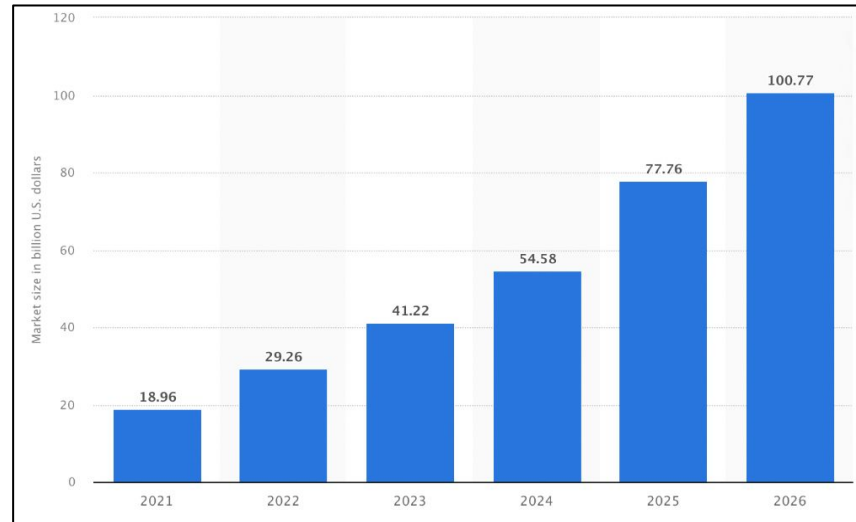
Significant
predicted
market growth
expected in
coming years

Y-Axis

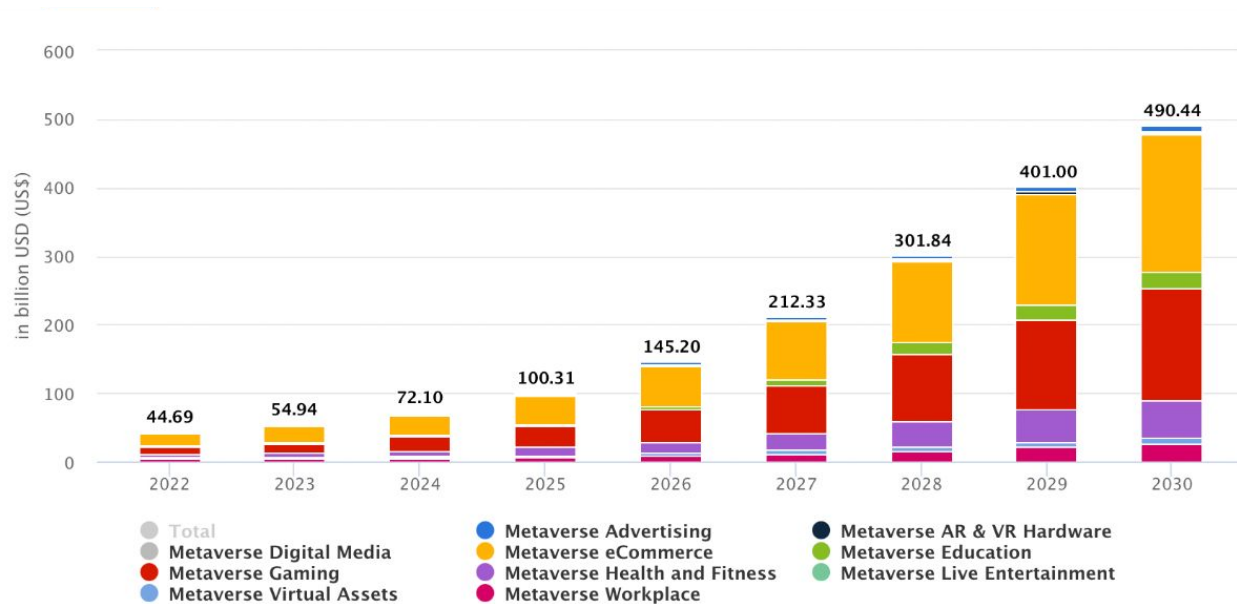
Expected amount
in billions of
dollars \$



An average of
\$16.63 billion
increase per year



Current Revenue Disparity in the Metaverse Market



Notes: Data shown is using current exchange rates and reflects market impacts of the Russia-Ukraine war.

Most recent update: Mar 2023

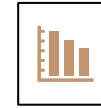
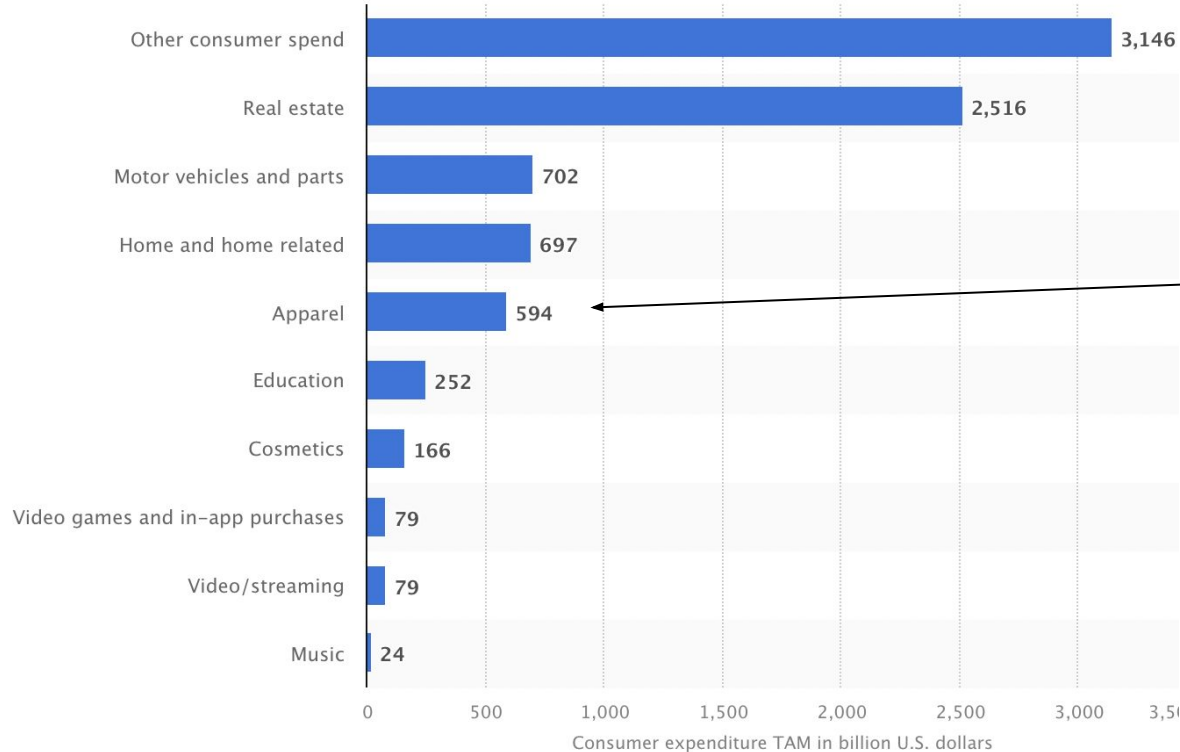
Source: Statista

Metaverse - Worldwide. (n.d.).
Retrieved March 20, 2023, from
<https://www.statista.com/outlook/amo/metaverse/worldwide>

NBA Lab - Implementation

- Nike should work with the NBA to design a limited edition pair of sneakers that can only be purchased at NBA games. These sneakers should be exclusive to the NBA and cannot be purchased anywhere else.
- Nike should allow customers who purchase the limited edition sneakers to redeem their tokens in the Metaverse. These tokens could be used to purchase exclusive Nike products, access Nike experiences, or participate in Nike-sponsored events in the Metaverse.
- Nike should promote this partnership and the limited edition sneakers through social media and in-venue promotions at NBA games
- NBA Lab

Metaverse potential consumer expenditure total addressable market in the United States as of 2022, by segment



Apparel

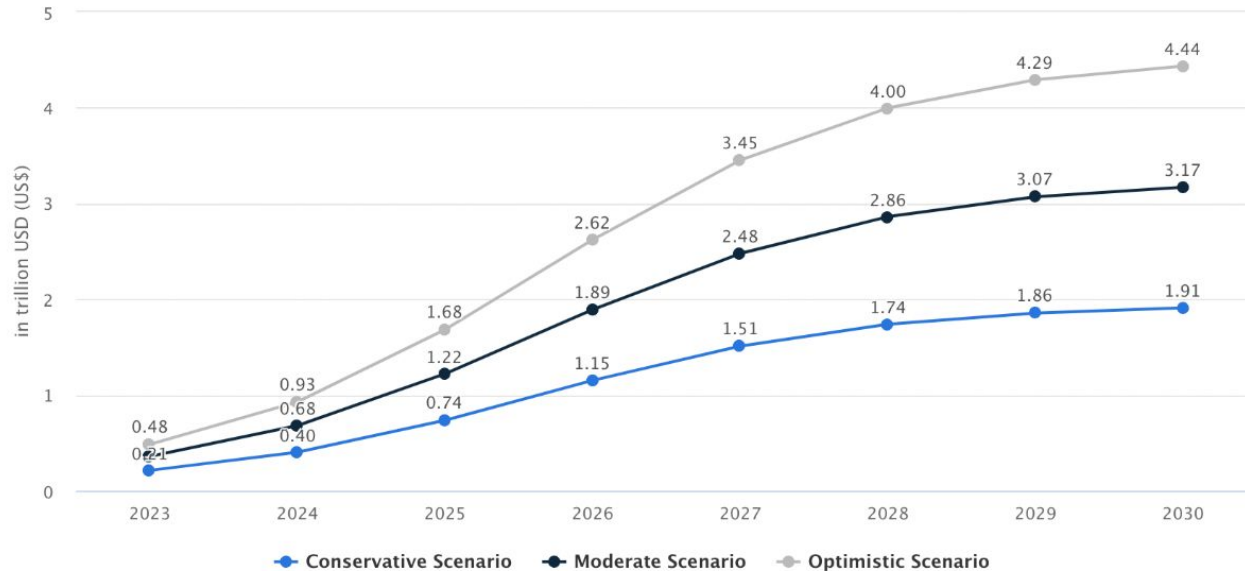
Apparel is the 5th largest potential expenditure total for consumers

Morgan Stanley. (January 24, 2022). Metaverse potential consumer expenditure total addressable market in the United States as of 2022, by segment (in billion U.S. dollars) [Graph]. In *Statista*. Retrieved March 20, 2023, from <https://www.statista.com/statistics/1288655/metaverse-consumer-expenditure-tam-united-states/>

Aggressive Ad. Implementation

- Nike should create branded spaces within the Metaverse that allow users to interact with the brand and its products. These spaces could include virtual stores, product demos, and interactive games.
- Product advertisement during NBA games on jumbotrons
- Advertising a Nike-Metaverse exclusive event - if you purchase this metaverse product, you are eligible to attend said event, as well as collect cosmetics and tokens to use in the Metaverse

Scenario Analysis for Predicted Market Growth



Most recent update: Mar 2023

Source: Statista

Revenue is expected to show an annual growth rate of 36.71%, resulting in a projected market volume of US\$490.40bn by 2030

In the Metaverse market, the number of users is expected to amount to 1,458.00m users by 2030, while The average revenue per user (ARPU) is expected to amount to US\$120.20.

Metaverse - Worldwide. (n.d.). Retrieved March 20, 2023, from <https://www.statista.com/outlook/amo/metaverse/worldwide>



Thank you!
Any questions?

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