

**WE KNOW
METAVERSE**

MUSIC FANS VENTURING INTO THE METAVERSE



momentum

MUSIC FANS VENTURING INTO THE METAVERSE

Music consumption has undergone a great evolution over the last century. In the beginning, great music was limited to people who had the means to be present in iconic venues, such as the Paris Opera House.

Then phonographs and radio enabled people to listen to extraordinary pieces from the comfort of their own home. Television enabled us to broadcast performances to anywhere in the world. The Walkman brought portability. Music videos added a new dimension of immersion. But still, live music remains something special for music lovers.

In 2019, nearly 58 million people had attended a live music concert and it looked like things would continue to grow in 2020. But this all changed in March of that year when the onset of the COVID-19 pandemic put a halt to live music experiences. For the next year and a half, fans scrambled to fill that void with virtual streams and unique interactive experiences with their favorite artists.

Fast-forward to today and the world has opened up and live events are back. But the impact of the virtual revolution is here to stay. Fans are realizing that the grainy YouTube video or the overdone HBO special aren't the only options one has to get a taste of the live music experience from the comfort of their own home.



MUSIC CONSUMPTION HAS UNDERGONE A GREAT EVOLUTION OVER THE LAST CENTURY



MUSIC VIDEOS ADDED A NEW DIMENSION OF IMMERSION

MUSIC GOES VIRAL

When concerts were abruptly canceled in March 2020, artists quickly began hosting virtual performances to help fill the void, offer comfort to their fans and stay relevant. These concerts, often staged in living rooms and hastily broadcasted via Zoom, provided a quick fix for fans searching for ways to interact with their favorite artists but also left some things to be desired. Fans still felt disconnected, as the make-shift stages the artists performed from in their homes didn't create the immersive experience of being in a large arena with tens of thousands of other screaming fans. The big question was how to replicate the feeling of togetherness that a Coachella brings while staying safely at home.

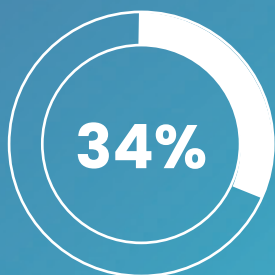
In 2021, Ariana Grande hosted her Rift Tour. Players could snowboard down a hill, fight monsters and travel through space while an everchanging avatar of Ariana Grande performed for more than 70 million players. And *Fortnite* isn't the only platform for concerts. The band Twenty One Pilots hosted a three-day event in *Roblox*. Fans not only got to see avatars of the band perform their hits, but they could also control the set list sequence, complete quests to earn rewards, buy virtual merchandise and participate in photo ops with friends.



FORTNITE ROBLOX

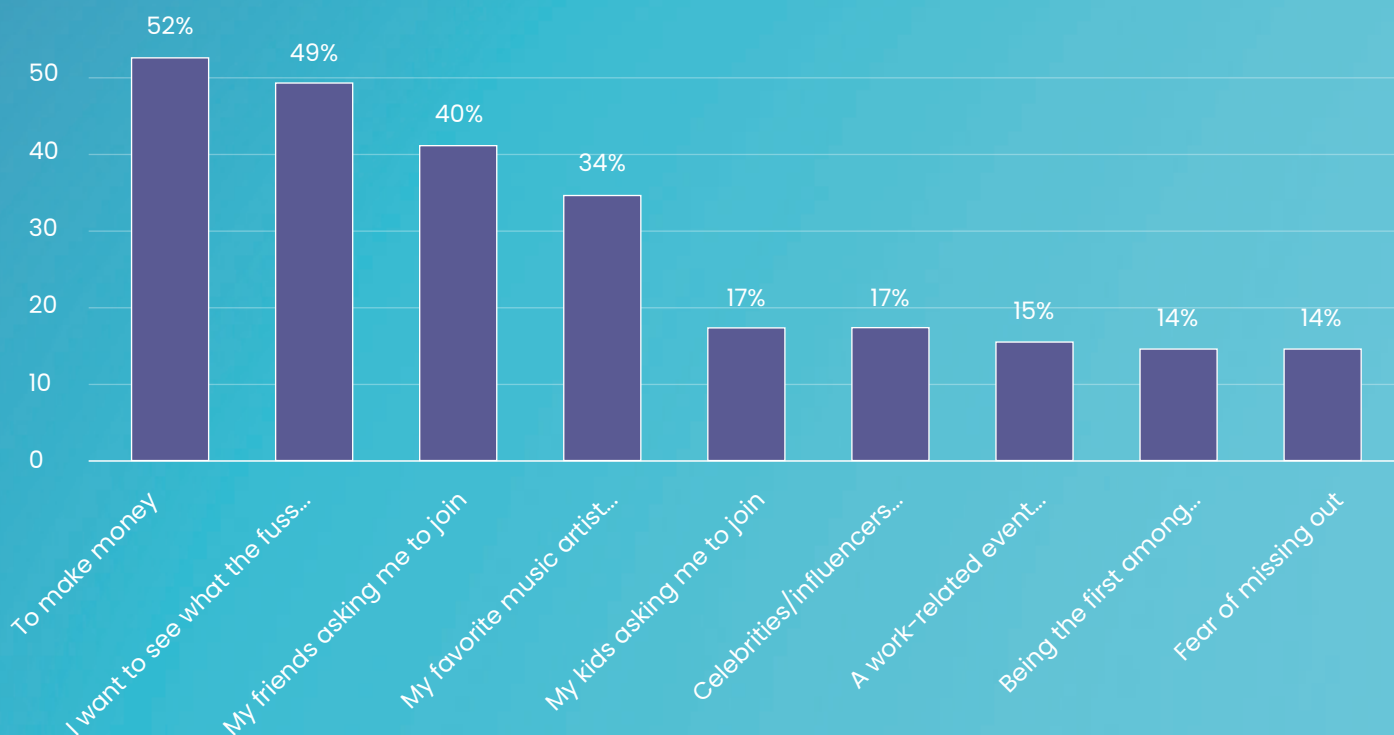
WHAT MUSIC FANS ARE SEEKING IN THE METAVERSE

With creators and brands exploring these open world interactive environments, music fans are beginning to see platforms like *Fortnite* and *Roblox* not just as games, but as opportunities to connect with their passions.



ONE-THIRD (34%) OF MUSIC FANS WHO HAVE YET TO EXPLORE THE METAVERSE ("THE METACURIOUS") SAY THEY ARE WILLING TO EXPLORE A VIRTUAL PLATFORM IF THEIR FAVORITE ARTIST IS HAVING A CONCERT.

MOTIVATIONS TO JOIN METAVERSE (AMONG METACURIOUS MUSIC FANS)

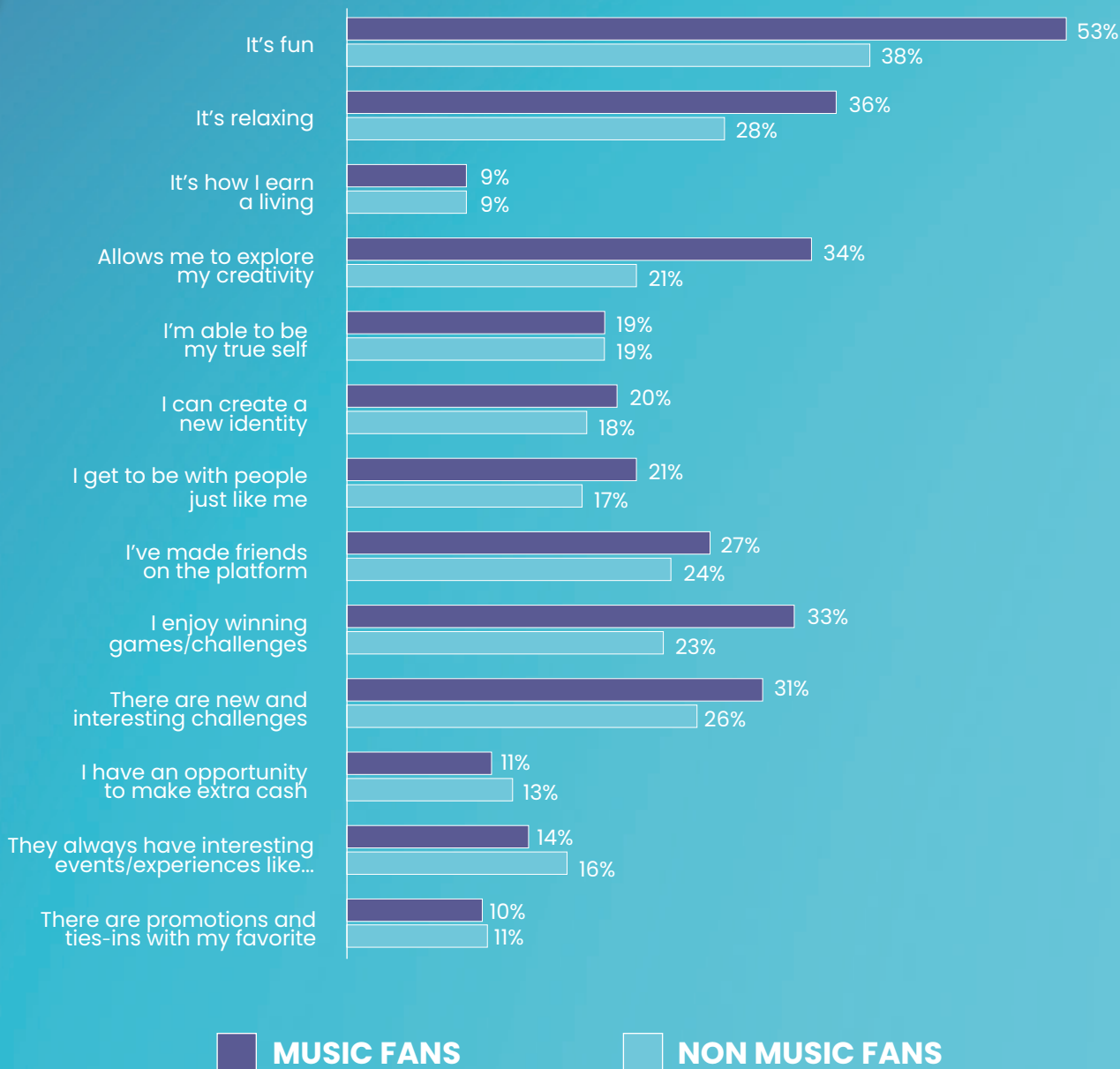


WHAT MUSIC FANS ARE SEEKING IN THE METAVERSE

Once in the platforms, music fans begin to see the benefits. They're more likely to see metaverse platforms as providing fun and relaxation, as well as giving them a chance to explore creativity and engage in fun and interesting challenges, when compared to their non-music-fan counterpart.



WHY THEY KEEP COMING BACK (AMONG METAVERSE MUSIC FANS)



THE APPEAL OF THE METAVERSE MUSIC EXPERIENCE

Even as live concerts and festivals return, many still see the appeal of a metaverse concert experience. Three-quarters of music fans see a metaverse platform as changing the way they consume live music. 50% see it as a complement while 27% view it as a replacement.

Perhaps the biggest appeal is watching on one's own terms. Rather than having to wake up early, stand in line and fight for good seats, you can log on whenever and wherever you want.

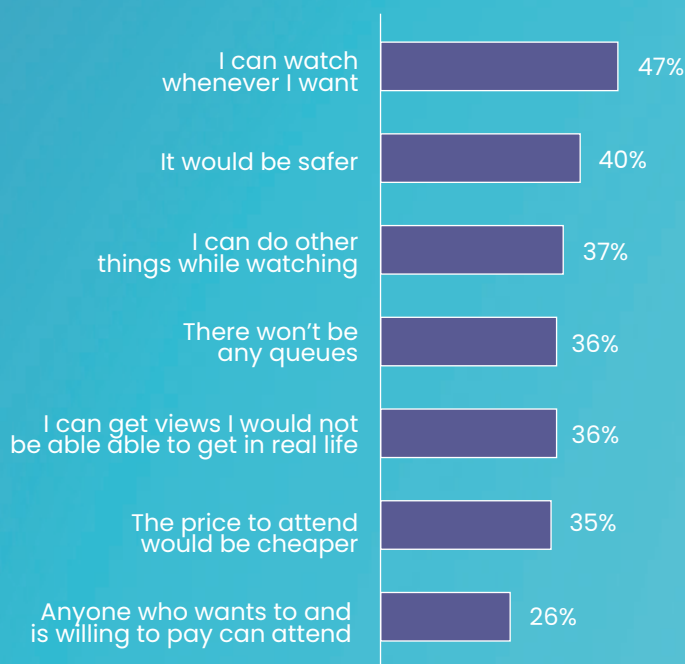
Safety is another draw. Music fans can enjoy the experience from the comfort of their own home rather than getting up close and personal with others in a crowded venue. And even though they're not in a crowded general area, they can still maintain connections with fellow fans.



¾ OF MUSIC FANS SEE A METAVERSE PLATFORM AS CHANGING THE WAY THEY CONSUME LIVE MUSIC



ADVANTAGES OF A METAVERSE CONCERT

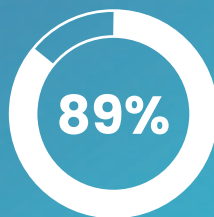


Then there is interactivity. One-third say an advantage of a concert in the metaverse is the ability to do other things. Unlike live concerts where you are limited to your current physical area or a live stream where you are staring at a TV, the metaverse allows music fans to really interact through games, chats with other fans or even explore unique environments.

Curiously, accessibility is a lower appeal. Only one-quarter view the ability of anyone to attend as an advantage for metaverse concerts. As often is the case with live experiences, exclusivity and FOMO can help drive interest in metaverse music experiences. 81% say they are motivated to join a site because of exclusive experiences and 41% would immediately attend an exclusive metaverse experience that is limited to only a select few.

WHAT IT MEANS FOR BRANDS

The metaverse offers an opportunity for brands to connect with music fans by bringing unique experiences. Indeed, fans welcome brands, with 89% of music fans in the metaverse approving of sponsorship of live concerts. 85% are even willing to pay to attend a metaverse experience that is exclusive.



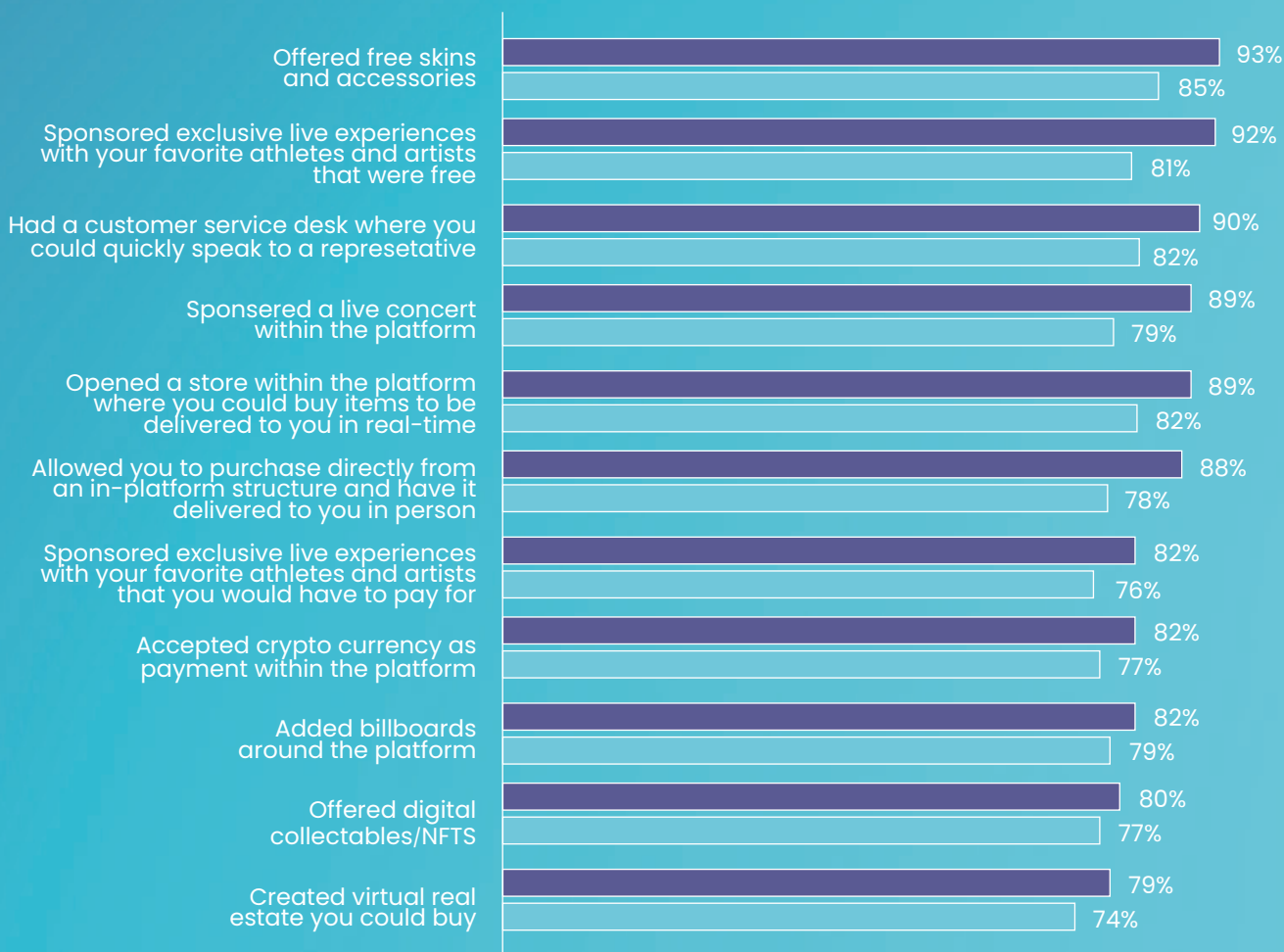
OF MUSIC FANS APPROVE OF SPONSORSHIPS OF LIVE CONCERTS IN THE METAVERSE



ARE EVEN WILLING TO PAY TO ATTEND A METAVERSE EXPERIENCE THAT IS EXCLUSIVE

Just how much are they willing to spend? Tickets for the best seats in the house at a real-world concert can go for nearly \$1,000. However, music fans expect to spend far less for a concert experience in the metaverse. Just 12% are willing to spend anything more than \$20.

% WHO APPROVE

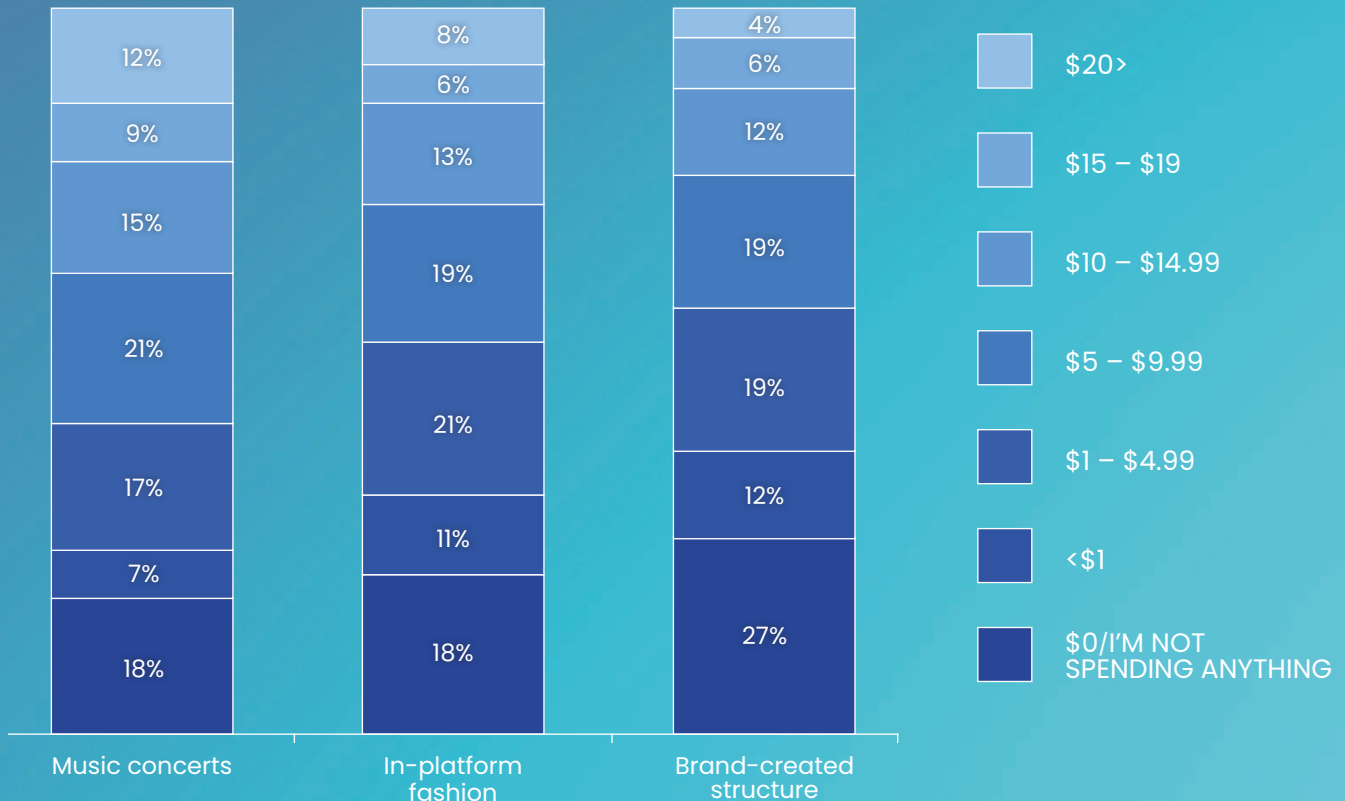


 **MUSIC FANS**

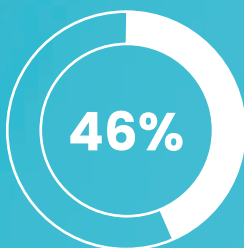
 **NON MUSIC FANS**

WHAT IT MEANS FOR BRANDS

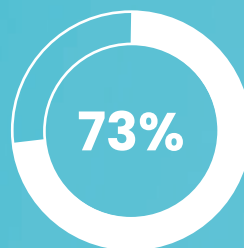
HOW MUCH THEY ARE WILLING TO PAY FOR SOMETHING IN THE METAVERSE



However, as often is the case at many experiences, the real money can come from merchandise. For example, 46% of music fans are willing to pay more than \$5 for in-platform fashion and 73% are willing to pay any fee to visit a brand structure within the platform. This can mean millions, as was the case with Ariana Grande's *Fortnite* experience where, according to *Forbes*, the artist stood to earn \$10 million from merchandise sales.



OF MUSIC FANS ARE WILLING TO PAY MORE THAN \$5 FOR IN-PLATFORM FASHION



ARE WILLING TO PAY ANY FEE TO VISIT A BRAND STRUCTURE WITHIN THE PLATFORM

POTENTIAL PITFALLS

When considering a metaverse music experience, one should acknowledge the potential pitfalls:



Technical issues. Like any virtual stream, there are no guarantees that a metaverse concert won't suffer from the same buffering issues, disconnects and server overloads that plague any popular online event.



Payment. The majority (92%) of music fans have some hesitations about making purchases within the metaverse, such as payment security and cost/price.

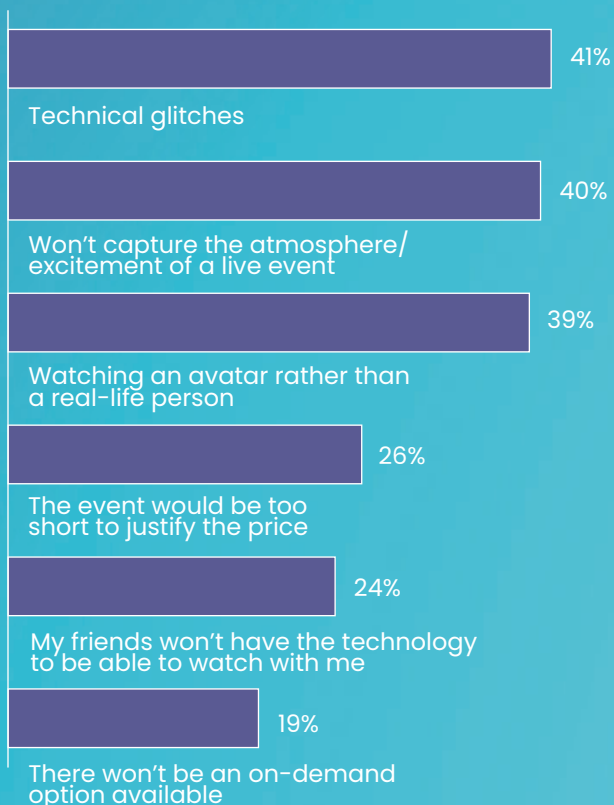


Appropriateness of the platform. The current rating of *Fortnite* may limit access to younger audiences, while more mature artists may not find *Roblox* to be the right environment for their work. Brands need to take this into consideration as they plan out their experience.



The inability of a metaverse event to capture the atmosphere and excitement of a live event. Indeed, two-thirds of music fans (66%) say that a metaverse experience cannot replicate the live experience, and an avatar of Ariana Grande is obviously no substitute for the real thing. It's important that brands ensure that fans at home can feel engaged.

DISADVANTAGES OF A METAVERSE CONCERT



BARRIERS TO MAKING A PURCHASE IN THE METAVERSE



44% PAYMENT
SECURITY



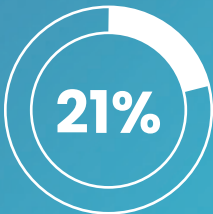
51% COST/
PRICE

BUYER'S
REMORSE

18%

PEOPLE STEALING MY
IN-PLATFORM STUFF

25%



AFRAID OF THE
REAL-WORLD STORE
NOT GETTING
MY ORDER



AFRAID THE
STORE IS FAKE

23%

AFRAID I WON'T BE ABLE TO
USE THE IN-PLATFORM ITEM
NOR BE ABLE TO USE IT IN
THE FUTURE



ENDLESS POSSIBILITIES

Even before the pandemic hit, music fans were already seeking out technology to enhance their music consumption experience.

As the experiences from Travis Scott, Ariana Grande and Twenty One Pilots have shown, the metaverse opens a whole new way for artists to connect with fans and create new and unique moments. Music experiences in the metaverse can blend the exclusivity and interactivity of a live concert with the safety and comfort of a live stream, all while taking fans to places they have never dreamed of going before.



THE POTENTIAL METAVERSE CONCERT-GOER



**55%
MALE**



**AGE
25-34**

HOW LONG THEY HAVE BEEN VISITING PLATFORMS:

54% JOINED IN THE PAST YEAR

HOW THEY WOULD DESCRIBE THEMSELVES IN REAL LIFE:

**INTELLIGENT
38%**

**THOUGHTFUL
33%**

**CREATIVE
37%**

**FUN
33%**

HOW THEY WOULD DESCRIBE THEMSELVES IN THE METAVERSE:

COOL 38%	INTELLIGENT 37%
CREATIVE 33%	CONFIDENT 33%

TECHNOLOGY:



**OWN A
VR HEADSET**



**OF THOSE WHO DON'T
THAT ARE LIKELY TO
BUY ONE SOON**



ABOUT MOMENTUM'S WE KNOW METAVERSE STUDY

WE KNOW Metaverse is Momentum's global research study that connects us with the consumers who engage with a variety of metaverse platforms. The global study collected more than 4,500+ consumer responses and over 100 ethnographic interviews across seven countries.

4,500+

CONSUMER RESPONSES

100+

QUALITATIVE INTERVIEWS

12 COUNTRIES

CANADA, JAPAN, MEXICO, SPAIN, UK,
US, QATAR, UNITED ARAB EMIRATES,
SAUDI ARABIA, EGYPT, JORDAN, OMAN



This approach takes a step away from the means and methods of the metaverse and instead steps toward the meaning and motivators for being there, all while never referencing the word "metaverse" until the very end of their survey journey. With little research conducted on the person, we're left to make assumptions that more than often than not get shared out and mistaken as facts. These eventually become ingrained in all of us as truths.

While many associate the metaverse with video gaming and esports, we see it as a hub for traditional music fans and concert goers as well. Our research took a deep dive into the people in the metaverse that are passionate about music. We'll be taking you through who they are, what their passionate points are and how brands can engage with them.



**WE KNOW
METAVERSE**

**WANT TO
KNOW MORE?**

Email: Info@momentumww.com