mip Trends

The Metaverse

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The Metaverse | OVERVIEW

The 2020s media buzzword is ‘metaverse’. Or is it ‘Mediaverse’? ‘Multiverse’? Whichever…what does it mean and is there a place for television?

Dubit Trends asked kids 2-15 in five countries to list their favourite things at that moment. They named over 1,600 distinct brands. That’s kids’ ‘Mediaverse’ and it’s evolving into a global, immersive ‘Metaverse’ – a space to play, watch, socialize, learn, shop and more. Most important, in the metaverse kids are co-creating the worlds and narratives.

To forecast where we’re going, we need to understand young people’s current relationship with brands, including their desire to engage across all platforms. Everything competes with everything and they decide where they can best fulfil their needs in the moment: game or video; tablet, smartphone or TV; alone or social; consuming or creating.

Dubit’s Adam Woodgate explores where the youth audience is now, where they’re headed, and how to be ‘Metaverse ready’.

Metaverse… Mediaverse… Multiverse - are you ready, what does it all mean and when we get there will there be a place for television?

According to **David Baszucki, CEO and Founder of Roblox, "The metaverse is arguably as big a shift in online communications as the telephone or the internet."**

You will most likely have heard a lot of 'noise' about the Metaverse right now - the pandemic with its lock-downs and stay home orders seems to have surfaced a new buzzword to describe the evolving direction of children and their online behaviours. Isn't the Metaverse just the latest in a long line of terms that basically mean the extension of brands onto additional or emerging platforms? After all, before now we've had 'Trans-media' and '360 commissioning'.

'Transmedia' was defined as telling a single story or creating a story universe across multiple platforms and formats, with each expression uniquely adapted to the specific technology. '360 commissioning' was a demand from broadcasters that new programming should be 'multi-platform,' in order to reach children wherever they turned. By definition, '360 commissioning' was driven from the perspective of content creators, as opposed to satisfying the ways children wanted and expected to engage with their favourite stories and characters. With the metaverse, the roles are reversed: it's the audience - children and teens - taking the medium into their own hands and co-creating the narrative.

To understand where we are going, we need to understand kids' relationship with brands.

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'Kids Mediaverse'

When we launched **Dubit Trends** - a 20-country continuous touchpoint survey of 2-15 year olds' use of media, entertainment and technology - one key objective was to understand their passion for brands and content, and how they consume those specific brands. So we **ask them to tell us their favourites across different platforms: games, apps, social, TV, movies, books, etc.**

Children In The US, UK and Brazil Have A Repertoire More Than A Thousand Brands

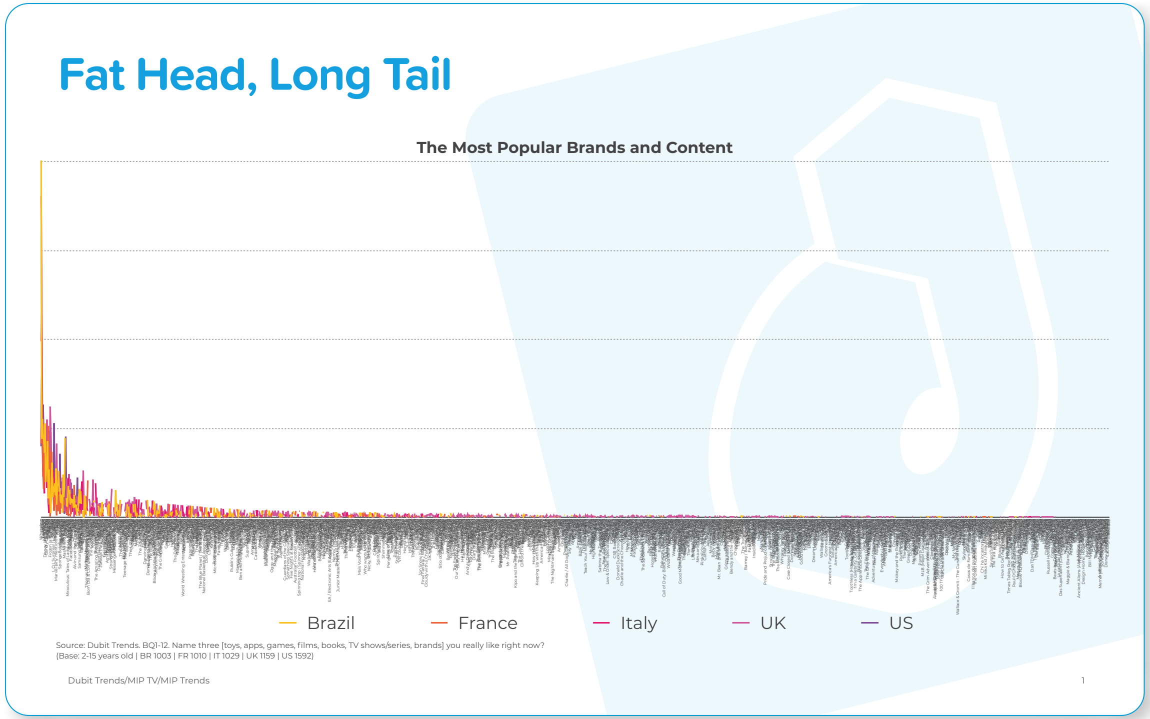
Number of Unique Brands Mentioned by Platform

	Brazil	France	Italy	UK	US
Toys & Games	103	108	121	165	184
App/Video Games	177	133	154	202	243
Messaging/ Social	32	31	27	39	60
TV shows/series	264	224	220	395	456
Films	167	132	158	249	261
Books	95	109	102	126	133
Other	163	134	169	200	234

Dubit Trends/MIP TV/MIP Trends

The number of different brands mentioned in our most recent study can be seen in the table above. It's amazing how many different (unique) brands are mentioned. Kids in the US stated the highest number of brands, by contrast French children named the fewest number.

In order to get a measure overall popularity, we de-duplicate any brands named on multiple platforms (e.g., games, books, movies, etc.), so only count that brand once. This reveals the 'long tail' of kids' content. Right now **more than 1,600 distinct brands make up what Dubit has long been calling the 'Kids' Mediaverse'**.



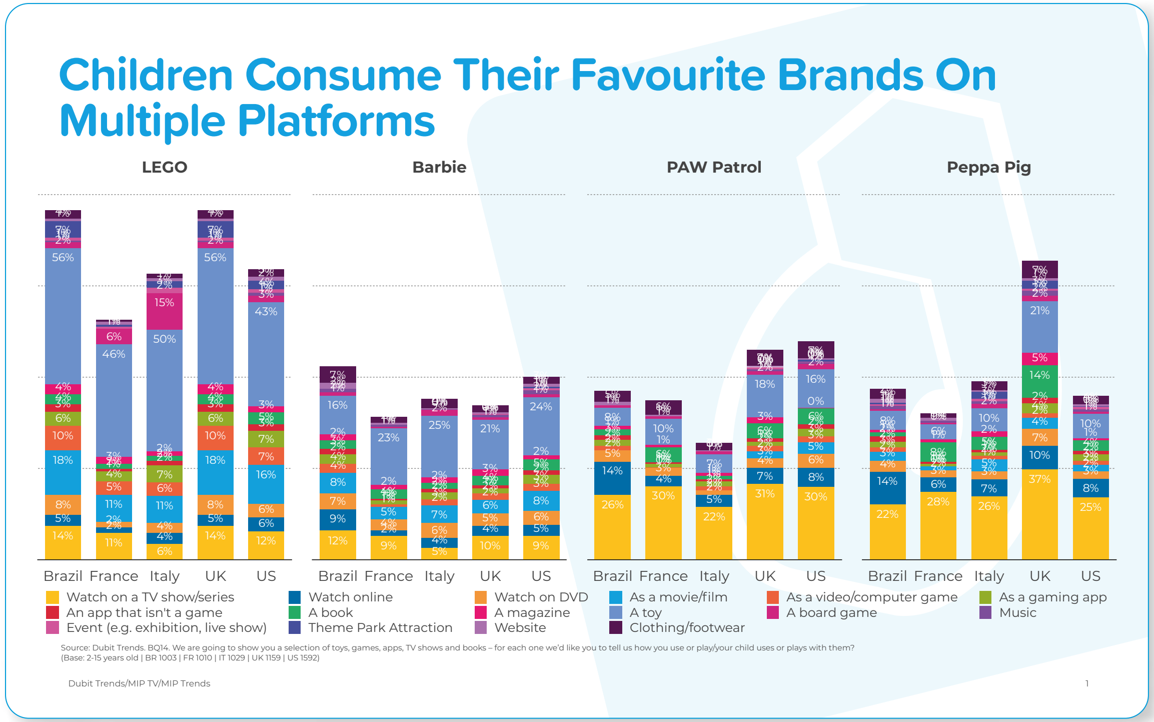
The above chart covers Brazil, France, Italy, the UK and the US, with the most popular brands on the left-hand side. On the right-hand side, we find not only the niche brands, but also those that are emerging. It was here that we first noticed growing interest in the likes of **TikTok**, **Fortnite** and most recently **Among Us**.

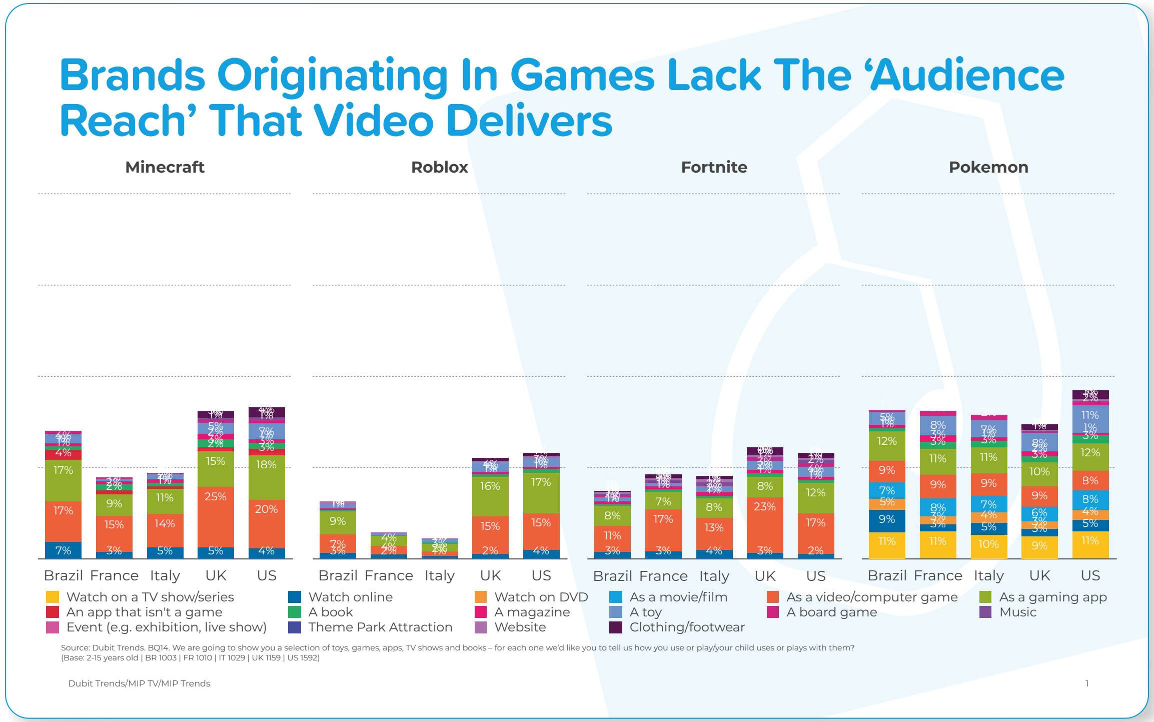
The top Mediaverse brands vary by country, but over time popularity scores for the 'mega-brands' have grown larger, and the top 5 brands in each country now account for at least a quarter of all mentions, if not more - 32% in the UK.

Whilst there are differences in the top 5 brands across the countries, there are also similarities:

- **They all have 'global' presence;**
- **Toy brands dominate the top two places on the list;**
- **LEGO is number one in four of the countries, and where it's not number one it's ranked number four;**
- **The only brands originating in television are ones for preschool children; and**
- **Minecraft and Roblox are ranked third and fourth in the UK and US, third and fifth respectively in Brazil, but have yet to reach the top 5 in France and Italy.**

The highest-passion Mediaverse brands are those kids want to experience across as many platforms as possible. In the pre-digital days, these tended to be consumer products, but digital changed all that.





The chart shows the consumption across platforms of four very popular children's brands, two originating in toy and two in television. The majority of 2-15 year olds in the UK still play with LEGO as a toy, but the company has grown its reach beyond bricks through successful brand extensions: movies, TV series, games and theme parks. **The key takeaway from the chart is that whilst toy is the primary touchpoint in all five countries, LEGO fans want to immerse themselves in the brand**.

Another example to look at would be Peppa Pig - a brand that's been around for less than 20 years - has successfully extended onto other platforms, allowing preschoolers to experience their favourite little pig in lots of different ways.

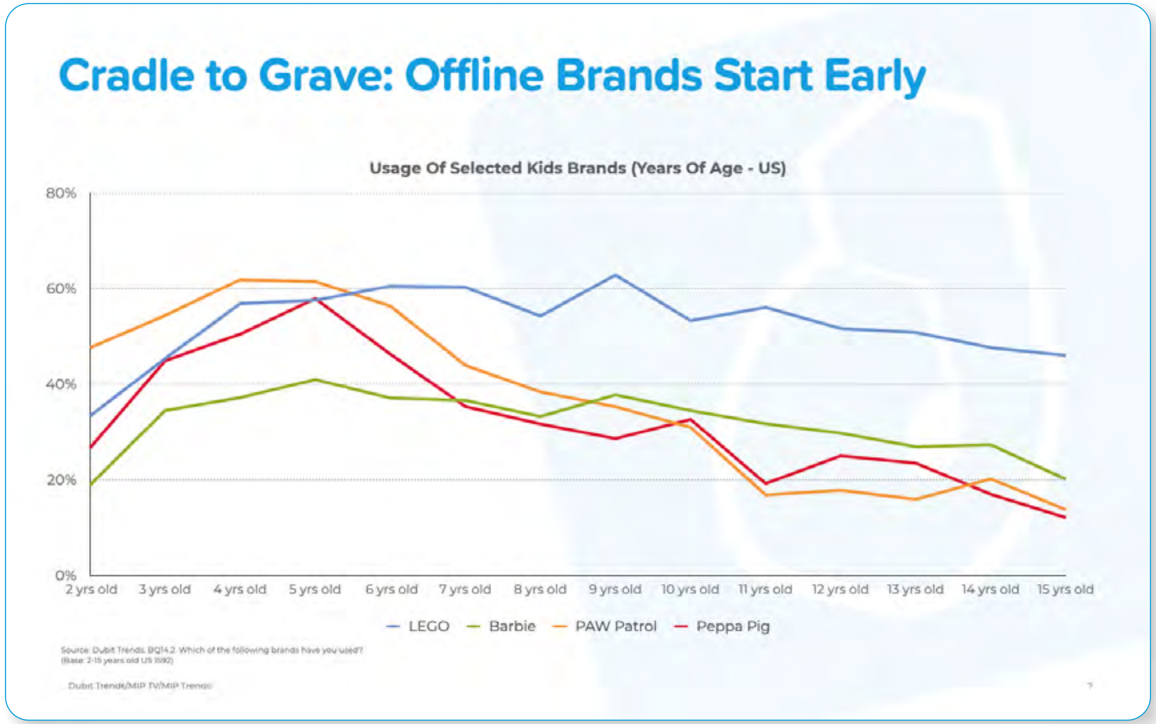
Minecraft, Roblox, Fortnite and Pokemon also appear among children's top 5 brands. Do they engender the same desire for broad engagement? Actually, a very different picture emerges.

The primary platforms for engaging with Minecraft, Roblox and Fortnite are as a game, whether using an app, console or PC. The countless number of videos posted by YouTubers related to the three game brands is no substitute for the lack of a TV series based on the brand. Whilst Minecraft does look to be getting some traction with toys, the audience for these games peaks at an age when children are generally moving away from toys, so they're only likely to have limited success.

Pokemon, which traces its roots back to 'Game Freak' magazine in the early 1980s, has been around more than twice as long as the other three. Although primarily consumed as a game, the brand has engaged 8-10 year olds in particular with a presence on television since 1997; 23 animated and 1 live-action movie; as well as trading cards and a range of toys.

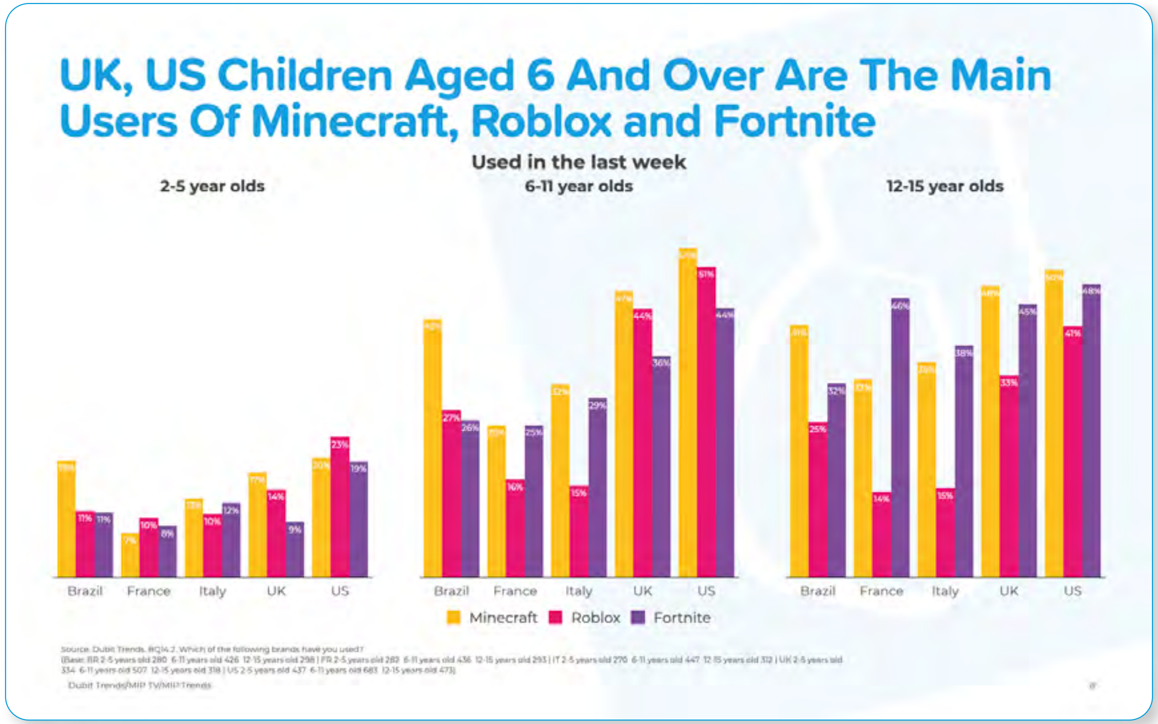
Age is fundamental in brand engagement

It’s not just distribution on platforms that affects how children engage with different brands. The age at which they are first introduced is also a factor.



Preschoolers are generally first introduced to brands by parents and typically consist of made-for pre-schoolers properties (Peppa Pig and PAW Patrol) or heritage brands that parents grew up with (LEGO and Barbie). Console and PC games tend to be too complex for young children, so the market for preschool is dominated by properties more focussed on apps like Toca Boca, Dr Panda and Angry Birds.

It’s not until around the age of six or seven that that regular use of Minecraft or Roblox (and a little later on Fortnite) begins. The chart below reveals Minecraft achieves the highest use, and that to date, the three game brands have gained most traction in the UK and the US.



Everything about Fortnite is designed to keep players coming back, to maximise engagement. I**t was the first game brand to schedule children in an unscheduled world: when schools were open, you would likely hear children say “make sure you finish your homework so we can all meet on Fortnite at 6:00.”** It copied linear television with seasons and cliffhanger endings. If you’re knocked out of the game, there’s a new one starting momentarily. Even the famous ‘black hole’ of October 2019 had players clicking ‘refresh’ as they anxiously awaited the game’s return.

Fortnite didn’t stop there in copying successful entertainment formats. It was the first game brand to present a music concert in 2019 with Marshmello and again in 2020 with Travis Scott. In February 2021, it hosted a film festival of shorts at the Big Screen within Fortnite’s no-combat Party Royale mode. With all these entertainment options in one platform, it’s no wonder Fortnite (together with Roblox and Minecraft) are often cited as fore-runners of the “Metaverse.”

What is the Metaverse?

Matthew Ball, the former head of strategy at Amazon Studios, suggests that that we need to reinvent entertainment for a generation that's never been without touchscreen, mobile, interactive media. "Today's generation thinks very differently because they're 'wired' for interaction, for creation, to participation, for marketplaces, to be a click away for communicating with their friends for shared experiences anywhere."

Right now there is no true Metaverse, nor even a universally agreed-upon definition. It can be thought of as a persistent online world that offers participants a wide range of experiences and avenues for self-expression, such work, play, creation, shopping, learning and socialising. You can see in that definition why Roblox, Fortnite and Minecraft are described in some circles as representing its beginning.

Ball identifies seven commonly-recognised characteristics of a Metaverse:

1. **always on;**
2. **experienced live and in real-time;**
3. **able to host any size audience;**
4. **having a fully functioning economy;**
5. **spanning platforms as well as digital and physical spaces;**
6. **allowing digital assets to be carried across platforms; and**
7. **with experiences and content created by individual users and huge corporations alike.**

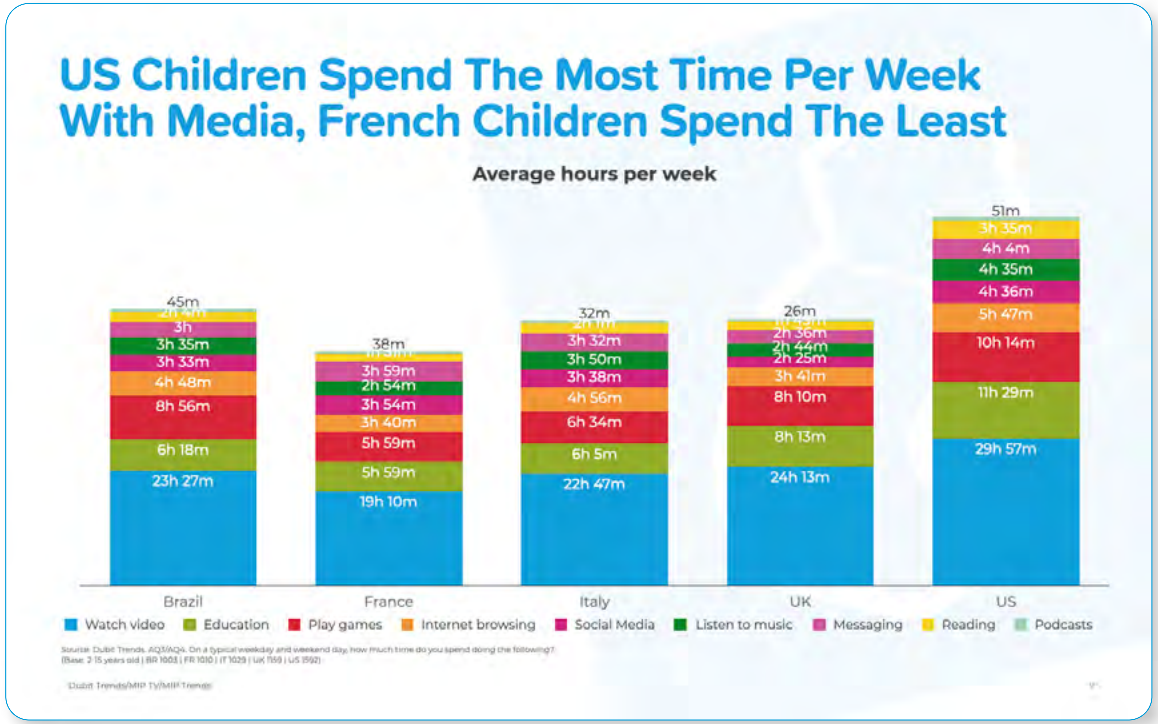
David Baszucki - CEO and Founder of Roblox, cites '8 key tenets of the Metaverse' that reflect players' desired experience. These are:

1. **Identity -** my avatar reflects my real or imagined self and is present and consistent wherever I go;
2. **Friends -** I can socialise and play with real-world friends and also befriend and interact with others in-world;
3. **Immersion -** the Metaverse removes me from my day-to-day, into a fully-formed alternative world;
4. **Anywhere -** I can create and play from anywhere, across all types of devices;
5. **Variety -** content and experiences are both deep and wide, accommodating diverse and curious users;
6. **Low friction -** onboarding and transitions are easy, to encourage trying new things;
7. **Economy -** I can acquire goods or services entirely within the Metaverse, and those who provide them are paid for their efforts; and
8. **Trust and Civility -** the Metaverse is welcoming, equitable, diverse and kind - and fully respects GDPR, COPPA and other youth safety regulations.

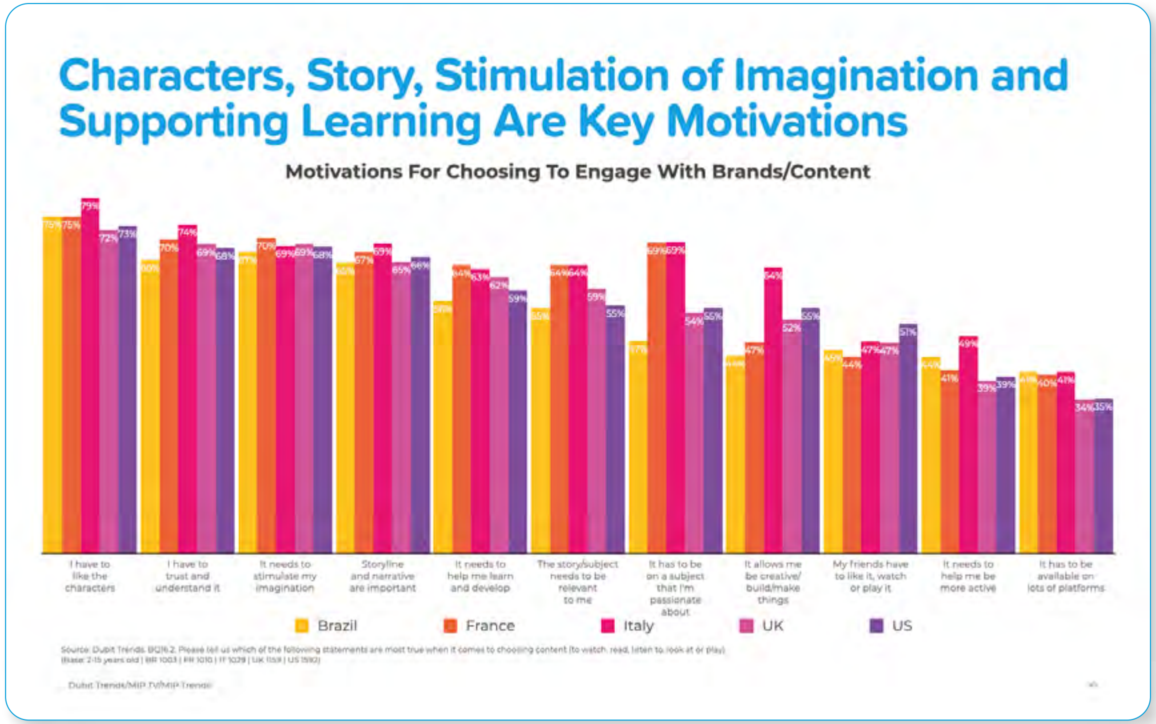
Right now, not even the biggest of the tech companies - Apple, Amazon, Microsoft - have all the resources necessary to build a true Metaverse. It will take massive server space, immersive programming; ongoing development of content to simulate a boundless, borderless world where you can take on almost any task or adventure; and of course intense moderation. That said, it's time to start thinking about the brands in your portfolio that appeal to and are used by children, and the impact the Metaverse will have on them.

What does a Metaverse mean for children and teens?

In order to answer this question, we need to understand how they spend their time across the week on different activities related to media and entertainment .



In Dubit Trends, we ask respondents to tell us how much time they spend doing various activities on different devices. The above chart shows the average time per week 2-15 year olds spend doing nine different activities, regardless of screen. Watching video (including linear TV, home recordings, streaming services of all kinds, and YouTube) accounts for between 40-45% of media time. Games used to be a solid second, but the pandemic has increased share of time on dynamic and learning-related activities to equal gaming at 14%. So around 70% of kids' time on devices is spent on these top 3 activities.



Getting ready for the Metaverse

Over the last two decades, the media environment has become increasingly fragmented across multiple devices and platforms. In the mid-1980s, the UK only had 4 broadcast television channels. Now, there are hundreds of linear channels; dozens of subscription, premium, broadcaster and ad-funded streaming video platforms; YouTube and other video streaming sites. All these are what we once simply called 'television'. The internet and app stores are awash with games and other content, ready to be downloaded with a tap or click. **Living in a world with more options than can possibly be consumed means content discovery has become incredibly difficult**. In Dubit's Trends studies, in excess of 60% of 2-15 year olds said they're often or sometimes frustrated looking for something new to play, watch or listen to.

At present, content discovery is like being given a paper map and told to find a specific location and the best way to get there. **A Metaverse will be more like navigation software, with places and routes connected beneath the surface by prompts, algorithms and AI to guide the route and recommend other places of interest**. Alternatively, it may be more like a 'tesser' or Harry Potter-esque 'apparation', enabling instant transport from place to place.

At Dubit we talk about Emotional Scheduling - the idea that children choose activities or engage with brands at different times of the day based on their moods and needs. Content options in a Metaverse would suit many kids' motivations given for engaging with a brand, with the difference that different needs can all be satisfied in a single immersive space.

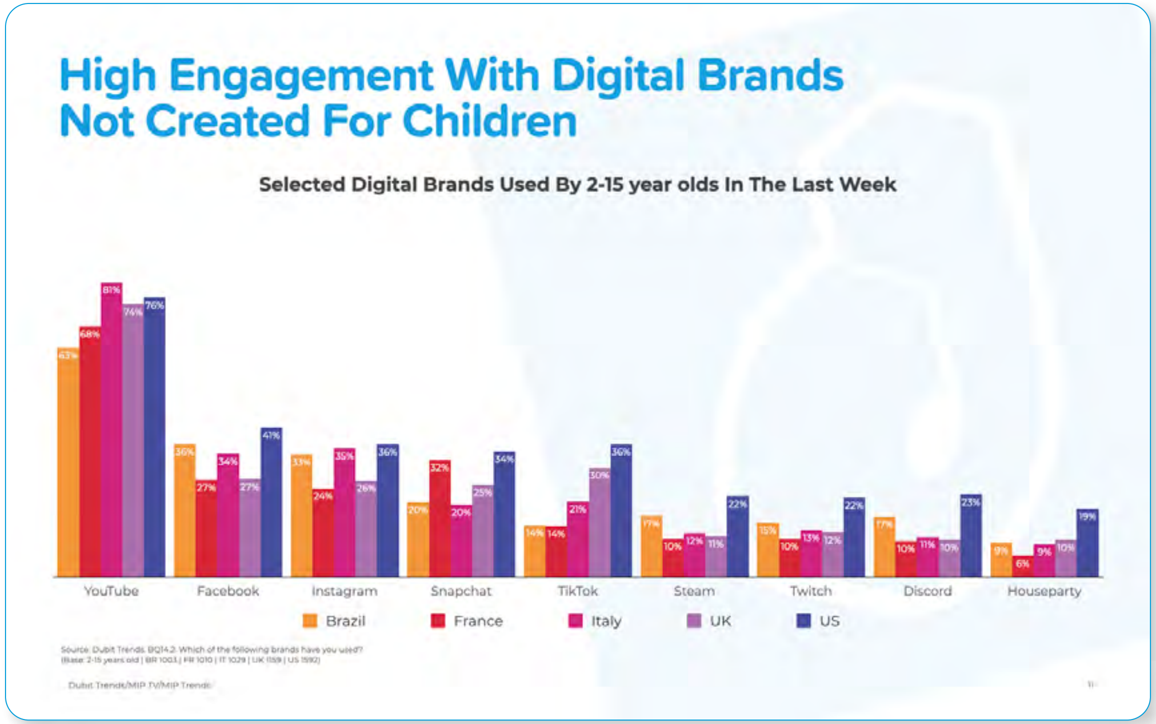
The chart shows that children's top reason for engaging with a brand is because they like the characters. Our Dubit Trends 'Radar' finds over 300 character led brands unofficially represented in Roblox. Many, like DragonBall Z, Star Wars, Fortnite and Minecraft have over 100 million plays. As the so-called 'proto-Metaverse', Roblox satisfies many of the kids' other motivations children give, including stimulating the imagination, facilitating learning, satisfying a passion, supporting creativity, and sharing a fandom with friends.

Why is it coming to the fore now?

Internet use can be a solitary experience. It's used to keep in contact but you don't feel 'together'. By contrast, the Metaverse satisfies a human need to be social. **We are entering a new stage of digital media where the virtual worlds of games expand to become our mainstream hubs for social interaction and entertainment**. The numbers of children using Minecraft, Roblox and Fortnite had been increasing before the outbreak of the pandemic. Digital 'came to the rescue' to support learning, entertainment and social connection when families were placed under restrictions. Still, children were sometimes frustrated that their various online activities existed in fragmented and silo-ed platforms.

Children and the Metaverse

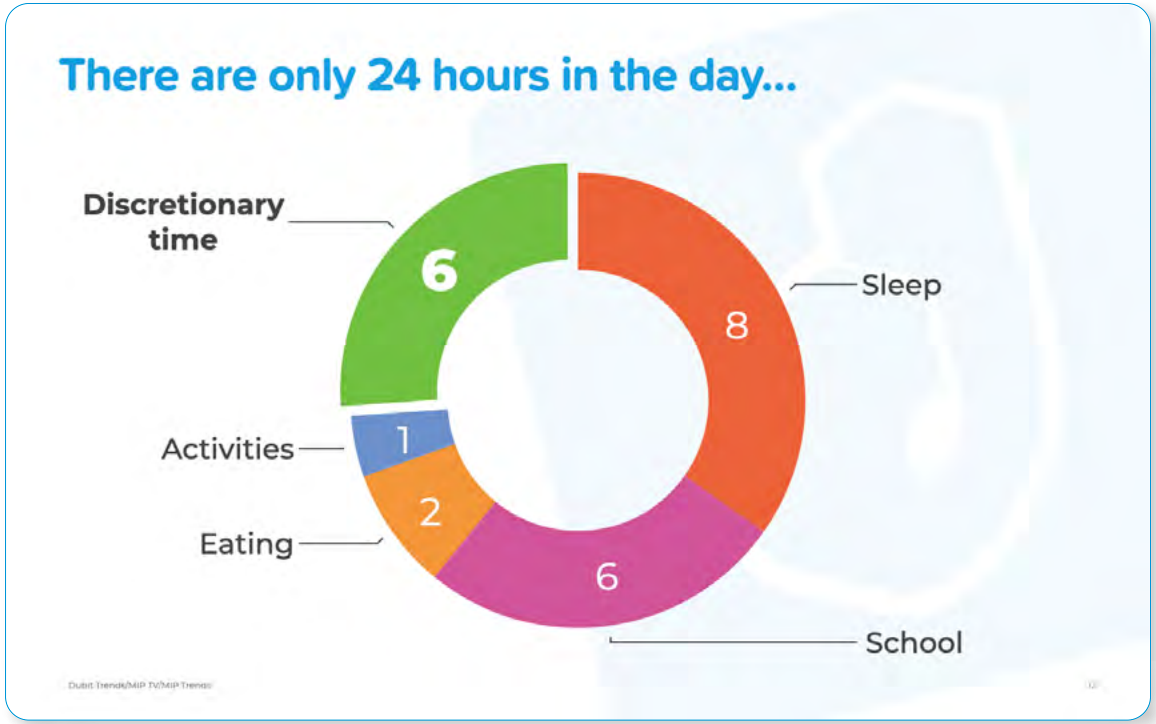
Children are adept at 'hacking' brands and technologies to meet their needs. They've done this with television, tablets and smartphones, and they're doing the same with smart speakers and digital assistants. They've adopted brands that were never intended for their use - Facebook to post pictures and connect with family, WhatsApp to chat with friends, and YouTube to watch 'how-to' videos.



As with any medium, there will be parts of the Metaverse suitable for children and 'neighbourhoods' that are distinctly adults only. During the pandemic, though, 'down on the corner' pivoted to 'up on the server' with children and teens accelerating their adoption of 13+/16+ platforms. They turned to Zoom to chat with grandma and used Discord to enhance their social gaming. They're building the Metaverse piece by piece, solving with tech for the challenges in their lives.

Children's frustrations around discovery have already been noted, but one effect of media fragmentation is that access to their favourite brands may be impeded by the proliferation of direct-to-consumer platforms. Twenty years ago when a child wanted to watch SpongeBob SquarePants or Rugrats, there was only one option - Nickelodeon. Now, children have to chase brands across services to see if they have access, and they're often left disappointed.

Children would benefit from a place of 'convergence' (as opposed to fragmentation) - a coherent, connected, easy-to-navigate world of entertainment, play, creation and learning that includes their favourite brands and content.



For children, everything competes with everything, and everything is competing for the roughly 6 hours per day - what could be described as children's discretionary time. **Reed Hastings, CEO of Netflix** says, "we compete with Fortnite, and we lose." It's no longer a case of choosing between Cartoon Network and Nickelodeon. Children decide where they can best get what they need at that moment with the time they have to spare. That might be a game or a video; on a tablet, smartphone or the television; and something they consume or something they create.

With young people leading the way, the Metaverse will have massive responsibility for safety, following both the letter and spirit of laws, regulations and terms of service. Communication and social play being inherent to immersive worlds, this creates a design and development challenge to have foolproof identifiers, persistent throughout the Metaverse, carrying a player's permissions (including age) to enable access to appropriate areas and levelling modes of connection and communication.

Roblox - Proto-Metaverse:

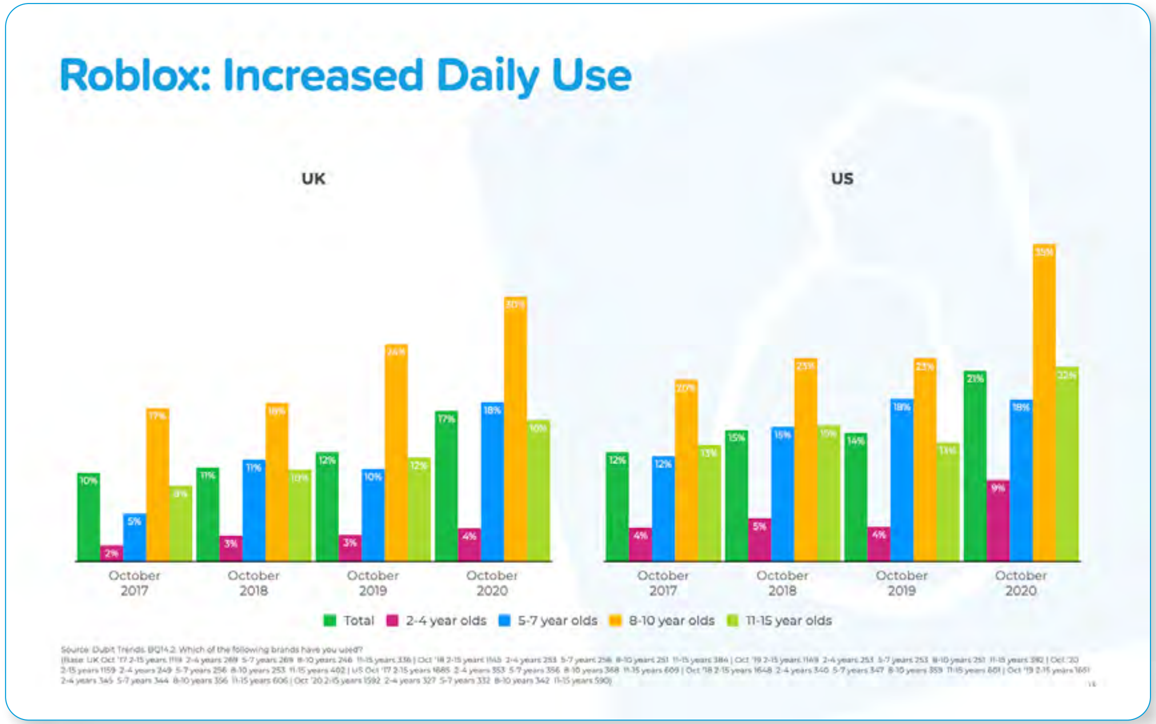
Based on the definitions above, we can see the seeds of the Metaverse in Roblox. Obviously, Roblox isn't 'television' – the primary focus of this article. But, nor is Roblox a 'game' per se. It's a platform with over 20 million multiplayer games and experiences, perhaps most analogous to YouTube, as the platform is populated largely with user-generated, multiplayer 3D worlds.

If we want to consider what 'television' will be in the metaverse, Roblox is a good place to start. The platform is host to live events that bring gamers out of their play, where they become…'viewers'.

The 2021 Bloxy Awards ceremony, honouring the developer community while fundraising for important causes, drew two million viewers in the first 24 hours. Last year Roblox also hosted one of the world's biggest concerts of all time with L'il Nas X, streamed by 33 million Roblox accounts. Ernest Cline's "Ready Player 2" sequel launched with a combination book tour and treasure hunt on the platform.

For audiences that have – throughout their lives – interacted with media, multi-tasked video and other activities, and socialised while viewing, Roblox may be the model for how we'll watch TV in the future. Ignore it at your peril.

Though it launched in September 2006, it wasn't until April 2018 that we started to see sizeable growth for Roblox, in Dubit Trends. Since then, daily use amongst 2-15 year olds in the US has doubled and in the UK is up over 60% - worldwide, it has 32 million daily active users.



As television viewing has fragmented, platforms like Roblox have become the community that TV once was. In particular, the pandemic spiked its popularity as social gaming replaced meet-ups in person. Young people tell us that Roblox has been 'a lifeline' helping keep in touch with extended family and friends, whilst also making new friends. In a Roblox-commissioned survey of its users, 62% said conversations with their real-life friends were among their top activities when they got together on the platform.

How brands originating in television can find their place in the Metaverse

Immersive worlds like Fortnite, Roblox and Minecraft are capable of attracting huge audiences for appointment-to-view events. An audience of 10.7 million players showed up for the Marshmello concert in Fortnite, which broke the game's concurrent player count by about 2.5 million players. Over 12.3 million concurrent players participated live in Travis Scott's "Astronomical" virtual performance. Nate Nanzer, Fortnite's Head of Global Partnerships, expects any of the three platforms to be part of future band promotional tours.

Will watching television take place in the Metaverse? To some extent there are early iterations of a video Metaverse:

- **Forward thinking, legacy distribution platforms like Sky are aggregating content from linear broadcasters, own channels, subscription streaming services like Netflix and Disney+, Catch-up services like BBC iPlayer and All4, YouTube and YouTube Kids**
- **Multi-channel Networks (MCNs) such as WildBrain Spark, Moonbug and YouTube offer countless 'channels' of content contained in a single platform**
- **Direct to consumer services like Netflix, HBO Max, Disney+, Paramount+ offer deep libraries of content**

Could the legacy operators take the next step and offer non-video based interactive experiences through their platforms? 25 years ago a set-top box simply gave you access to scores of TV channels, but it wasn't long before innovations were introduced, such as near on-demand (box office movies starting every 15 minutes), pausing live TV, and interactive services. The current main menu is a mixture of tiles representing TV series, content genres, timely themes and channels. No doubt this is a starting point from which things will evolve. It's conceivable that, not only to protect the long-term viability of their business, and broaden the appeal to younger audiences that a 'games' section is added to the main menu and tiles for Roblox, Minecraft and Fortnite, amongst others start appearing.

The age at which games like Roblox and Minecraft typically 'kick-in' is around 7 years, so for MCNs targeting younger audiences, whilst games have a place (e.g. Hopster offers video and games in a single app), the non-video opportunity might be limited. However, for YouTube with its long established links to games, game walkthroughs, how-to (beat the monster, complete level 2, etc.), and its countless game-playing YouTubers, the YouTube Gaming app seems a very natural progression.

Direct-to-consumer services present something of a conundrum. Netflix not only commissions its own shows, but acts as a portal for other producers' content, which not so long ago included a library of Disney productions. **As content owners have recognised the value of a direct-to-consumer relationship (with their own fans and the wider audience), they have started to reframe established relationships with distributors**. Some media owners are creating a 'multiverse' offer, for example ViacomCBS acquired PlutoTV, which originally launched in 2013 as an ad-supported streaming service offering in excess of 100 TV channels and 1,000 movies; whilst also offering CBS All-Access rebranded as Paramount+, its subscription based over-the-top streaming service. NBCUniversal, with its US AVOD platform 'Peacock' looks likely to be joined by another subscription streaming service - likely to be under the 'Universal' brand.

Before any single platform becomes dominant it's likely that television in the Metaverse will consist of established, familiar channels (like Cartoon Network and Nickelodeon), deep content brands (like Harry Potter or LEGO), streaming services (like Netflix and YouTube) and stand-alone properties originating as video (e.g. Peppa Pig, Scooby Doo or Power Rangers).

The Metaverse offers a great opportunity to leverage affection for many of the brands that originated on TV, that to date have only achieved limited success as game brand extensions. Owners of brands like Scooby Doo, SpongeBob SquarePants, Loud House, Teen Titans Go!, Teenage Mutant Ninja Turtles, and Amazing World of Gumball will be able to offer a fully-interactive experience where fans can watch, play, create, learn, interact and even make transactions.

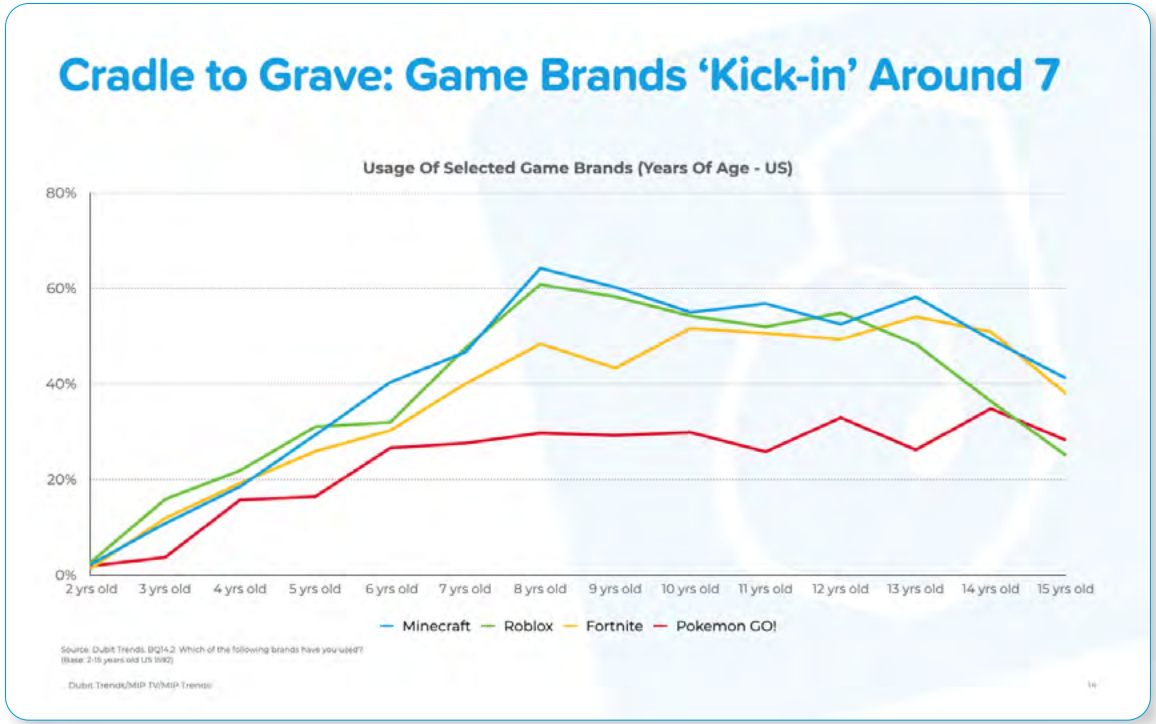
Television may not be entirely the same 'lean back' experience in the Metaverse, but young audiences want an opportunity to be involved in the story. Virtual, immersive worlds enable audience participation in interactive stories, creating the sense of truly being part of the action. Bandersnatch was Netflix' first foray into interactive media; since then, they've launched several interactive shows including a choose-your-adventure animated TV series based on Minecraft.

Moving closer to the 'gaming' side of interactive media, Rival Peak launched in 2020 with a massive game-like reality show starring 12 Artificial Intelligence characters - a sort of Big Brother meets Animal Crossing. In this quasi-reality show, the characters are contestants in a Survivor-type competition where the audience can influence the outcome by completing tasks and helping their favourite characters win.

How Media Owners and Content Creators Can Be Metaverse Ready

Children and teens are spending more time than ever on screens and in digital spaces. All the evidence suggests that this trend will continue to do so. In order to play games with friends, interact with stories, to 'attend' concerts, take part in film festivals, to learn, to create and to be social. It may not all be fully immersive, but it will be deeply engaging.

It's inevitable that the spaces described as being like a Metaverse will evolve and develop over time. It's also likely that the Metaverse may not be uniform across all ages of children - even in the US, we know that children are not engaging with brands like Roblox and Minecraft until they reach around the age of 7. The rate of progress will vary by country; children in the US are the earliest of 'Early Adopters', but parents in France, Germany and other countries are more protective of their children's online presence.



Matthew Ball's assertion of the need to reinvent entertainment for the touchscreen generation seems to hit a chord when you consider that for children born after the launch of the iPad in April 2010, just watching a TV show may seem mundane compared with socialising in Among Us, winning a Fortnite Battle Royale, or completing a Roblox 'obby'. Even when they're not playing a game, they're often watching someone else play, on Twitch or YouTube.

Over-crowded app stores and millions of hours of video on social and streaming services, mean the Metaverse will be the platform to launch and incubate new brands and content.

Instantly you have a direct line to the audience - no need to go through an intermediary. You can develop and expand the brand from a single point of contact based on direct audience feedback (number of plays, length of engagement, comments, etc). Build in a feedback loop to allow fans space to shape your development. Television was always a one-way medium - the only way fans could contribute was by writing to the producers and showing the love of the show by being counted in the ratings.

In developing your plan, you need to imagine what your brands and properties would look like in a Metaverse:

1. Content development
- How do you make it familiar to new entrants?
- How do you make it easy to navigate?
- How to you build 'time spent using/playing'?
- How do you ensure the audience doesn't fatigue?
- How do you ensure there is a reason for the audience to keep coming back?

2. Monetisation
- What is the pricing strategy?
- What is the transactional medium?

3.Distribution
- What is the relationship with existing partners - does it allow flexibility?
- What is the starting point for a user?
- Where would fans engage with your brands and properties?

4. Marketing and Messaging
- How to you promote your presence to the audience (old and new)?
- How do you create 'playground chatter'?
- How do you make it 'shareable'?

As noted previously, 'everything competes with everything' for today's children and teens. Video and games, digital and physical, the brands that live at the 'fat head' and those niche brands at the end of the 'long-tail', brand and user-generated, learning and play, accompanied and solo consumption – audiences select brands and content based on how they feel and their needs in the moment. The Metaverse will reduce the friction of crossing from one platform to another. Big studios already supplement their traditional brand-building in co-creation spaces like Roblox, facilitating organic content influenced by real-time interactions. Conversely, new storytellers are launching IP directly into this space. As viewers become players, and players become creators, a world of brands and brand fandom will be manufactured.

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Metaverse… Mediaverse… Multiverse - are you ready, what does it all mean and when we get there will there be a place for television?

AUTHOR:

Adam Woodgate – Senior Vice President Media Insights, Dubit

Adam has 30 years media, marketing and insight, 15 years of which was spent in senior operational roles.

Initially working with programme teams and audience research for London Weekend Television. Then moved into creating content and senior programming roles for broadcasters. In 2001 he became Group Head of Research for Emap's (now Bauer) broadcast properties. Following a period of time spent with Guardian Media Group, he went on to work for BBC Worldwide (now BBC Studios).

He joined Dubit in 2013 bringing his knowledge of programming, content creation and media research to the many client projects he's managed. He heads up Dubit Trends - the global children's media trends tracker, now covering 20 countries. He works closely with broadcasters, publishers, media buyers and content creators advising on strategy based on media consumption and emerging trends

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DUBIT

Dubit is a global kids' research agency and digital development studio, that helps create #1 products for global brands and innovative start-ups. We have gathered over 20 years of insight, experience of kids behaviours and their digital lives. With offices in Leeds, London, Washington, D.C. and Melbourne, Dubit have world class teams that deliver at every stage of the journey, from initial ideation, through design and development, to launch strategy.

Dubit Website: https://www.dubitlimited.com/

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