

Into the

Chinaverse

How the Meta wave is hitting China



FOREWORD

Once imagined as utopian or dystopian virtual spaces, the concept of Metaverse is becoming reality. Tech giants have already started to build it, from the hardware and infrastructure to the 3-dimensional content. Companies, such as Nike, Dior, L'Oréal, Moncler, and Tesla are racing to test and experiment in this new field.

According to analysts, by 2024 the Metaverse market could approach a **\$800 billion valuation**, compared to \$500 billion in 2020 (Bloomberg). Investors can even trade Metaverse ETFs on financial markets.

A new internet economy is on the rise where Internet giants continue to be driving forces along with emerging companies, providing infrastructure, human interface solutions (VR, AR, XR), decentralized platforms, AI, and content (avatar, NFTs..) for persistent, 3D and synchronous online social UGC platforms.

The Metaverse being widely considered to be a potential **future of the Internet**, FABERNOVEL has taken the opportunity to explore how China is embracing this new wave.

This study, **Into the Chinaverse**, will help entrepreneurs and decision makers better understand how Chinese tech giants, (Alibaba, Tencent, Baidu, ByteDance) have planned to participate in this new market. Which next-gen startups to watch? What have brands experimented to capture Gen-Z in China or re-invent new consumers scenarios? And, in a government-led economy, how to navigate in market where the usage of cryptocurrencies and NFTs is restricted?

We wish you to enjoy the reading!



Patrice Nordey
Managing Partner
Fabernovel





The Metaverse wave: A journey to the East



In the near or far future,

**the Metaverse will become
a part of our daily lives as
integrated reality
where **the physical and virtual
worlds converge.****

Be prepared for a
new digital era
to become...

Decentralized

The Metaverse will be made up of **countless persistent virtual worlds interacting with each other as well as with the physical world.**

Device agnostic

Experiences will be accessible through multiple devices: Mobile devices, Computers, Eyeglasses, VR headsets, Sound devices, Television...

Perception centric

Immersive experiences will infiltrate and reshape **B2C & B2B business**, where users will interact and switch between virtual & physical worlds and enrich universes from one world to another.



Global tech companies are turning this vision into reality...



Mark Zuckerberg, CEO of Meta

The Metaverse is an embedded internet, where instead of just viewing content — you are in it. And you feel present with other people, as if you were somewhere else, having different experiences that you couldn't necessarily have on a 2D app or webpage.



2.9 billion
MAU on Facebook



1.2 billion
MS Office users

Satya Nadella, CEO of Microsoft

As the digital and physical worlds converge, we are leading a new layer of the infrastructure stack, the 'enterprise Metaverse'.



Carolina Arguelles, AR Marketing Lead of Snap

At Snapchat we imagine a world where computing is seamlessly overlaid onto the physical world around us. The Metaverse is where you can take and see and interact with things that are both physically in front of you with a digital content overlay.



557 million
MAU on Snapchat





...and so are industry leaders in China



Huateng Ma, Chairman & CEO of Tencent

The Metaverse attempts to actualize the virtual space to bring virtual experience to the real world. When the gates to both ends are wide open, the progression is geared towards a mutual integration.



1.3 billion
MAU on Wechat



Jie Ma, Vice President of Baidu

665 million
MAU on the Baidu
search engine

Metaverse development will not happen overnight, but will be accomplished in three gradual steps. First, elements such as identity, friends, and immersion will be realized, then an economic system will be built, and finally a value to civilization will be achieved.



Rui Chen, CEO of Bilibili

Metaverse is a concept, not a product. When we talk about the Metaverse, we do not think this is something that can be done by any one company. You need to have the ability to produce a massive amount of content to produce another world.



293 million
MAU on Bilibili

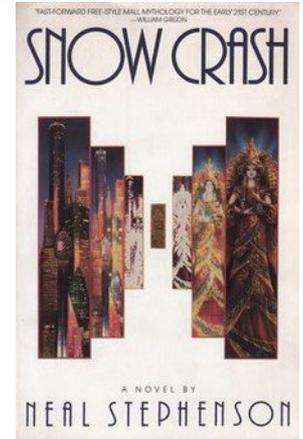
Initially,
**literature and
 cinema** posed the
 conceptual
 fundamentals, back
 in the 60s.

In 1968, the
 Metaverse was first
 imagined as a
 concept



1968 -Simulacron 3 by Daniel F. Galouye was published in France.

In 1992, the term
 “Metaverse” was
 coined for the first
 time



1992 - Neal Stephenson released Snow Crash.

1973 - It was adapted to the silver screen by Rainer Werner Fassbinder.



Over time, it evolved into a possibility for users across the world

FABERNOVEL

1992
Snow Crash


1997
Le Deuxième Monde


1999
The Matrix


2003
Second Life


2006
Roblox


2011
Minecraft

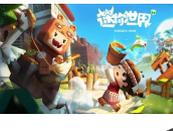

2020
NetEase - First Event using NFT Tickets


2019
LuobuLesi (Roblox in China)

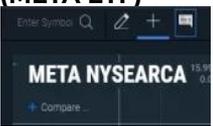

2018
Ready Player One


2017
Fortnite


2017
NetEase - Minecraft in China


2015
Tencent - Miniworld


2020
Decentraland


2021
Roundhill Ball Metaverse ETF (META ETF)


2021
Facebook rebranded as Meta


2021
The Sandbox - Alpha release


2021
Baidu - Xirang


2022
Tencent - First Virtual Concert




Metaverse will disrupt multiple industries

Video Games



USA: In Minecraft, the city of Albi was recreated by volunteers.



China: Mini World cooperated with the Inner Mongolia Alxa NGO to promote desertification to players.

Music



USA: 12 million players attend a live virtual concert organized by Fortnite.



China: 1 million TMELAND users attended the first virtual music carnival Virtual New Year's Eve Music Festival by Tencent.

Social Media



USA: Vans World on Roblox animated a community in virtual reality.



China: ByteDance's Pixsoul can help users create personalized avatars and use them to socialize.



Metaverse will disrupt multiple industries

Manufacturing



USA: AB InBev used Azure Digital Twins to create a digital model of their breweries and supply chain.



China: The Chinese Mars probe Tianwen-1 tested its subsystems, the trajectory, and landing zone environment with digital twin.

Urban Planning



USA: Zaha Hadid Architects will make a virtual city called Liberland Metaverse.



China: Xiong'an New Area used BIM model to simulate all construction and urban planning for their practicality and costs.

Healthcare



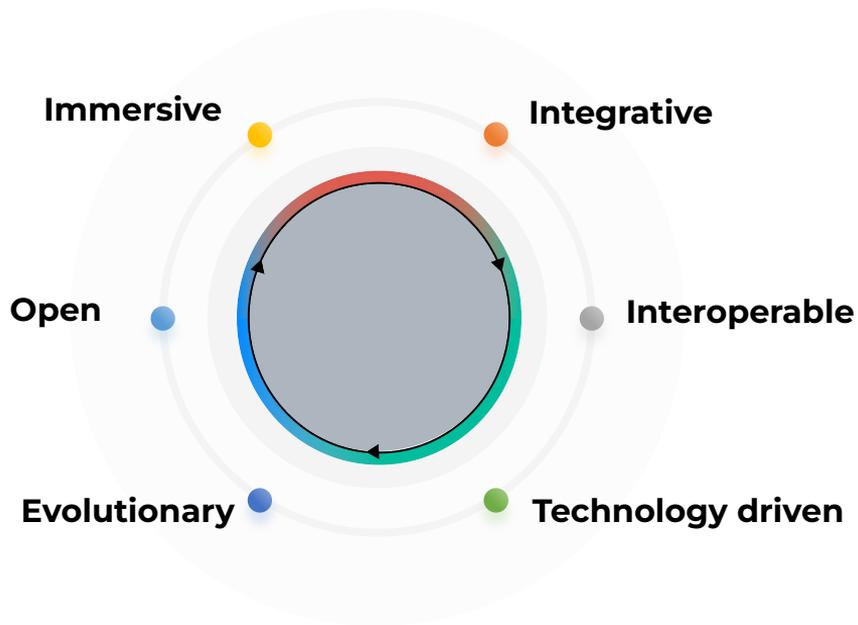
USA: Meta's R&D incubator designed a mobile app for teaching healthcare workers.



China: China's first closed-loop brain-computer interface-based neurostimulator (Epicure™) was developed and used in epilepsy surgery.



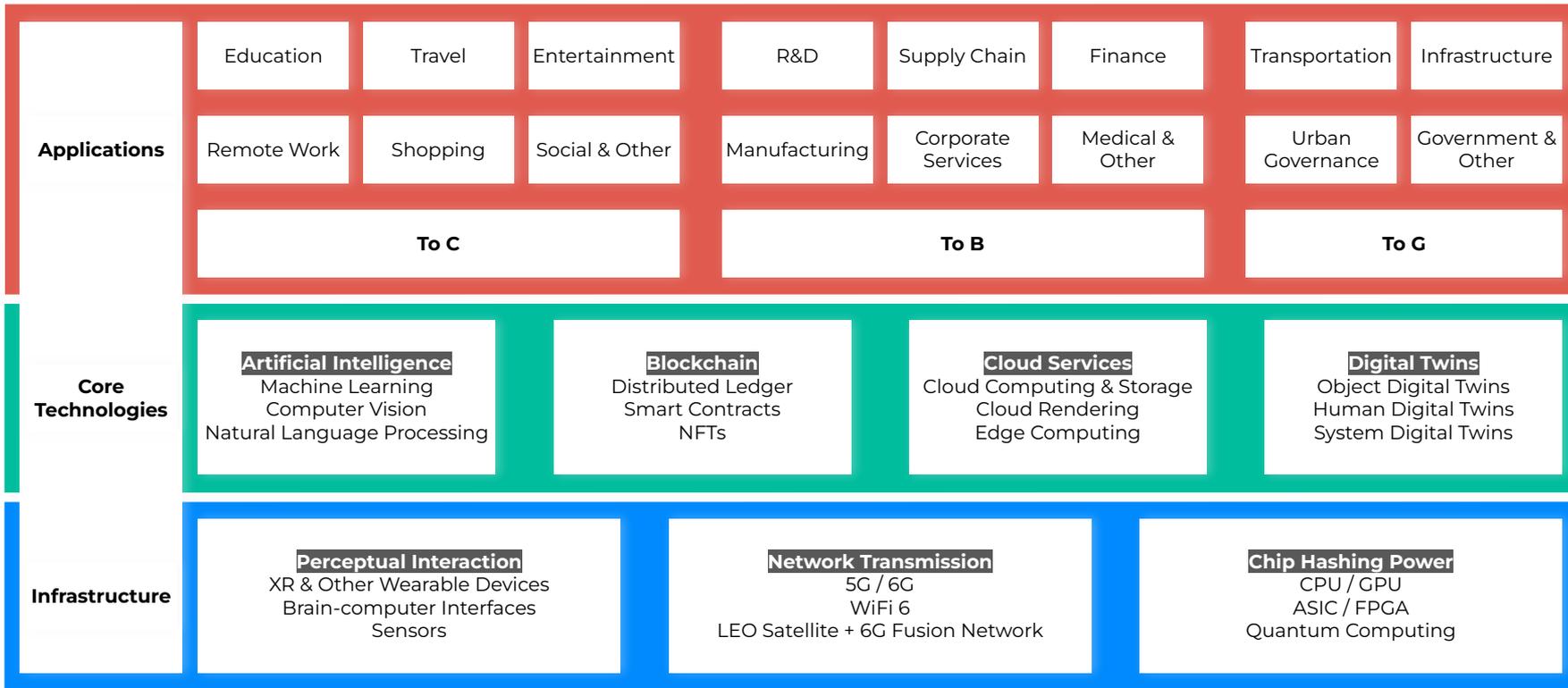
The Metaverse is attached with certain core features





And supported by core technologies and infrastructure

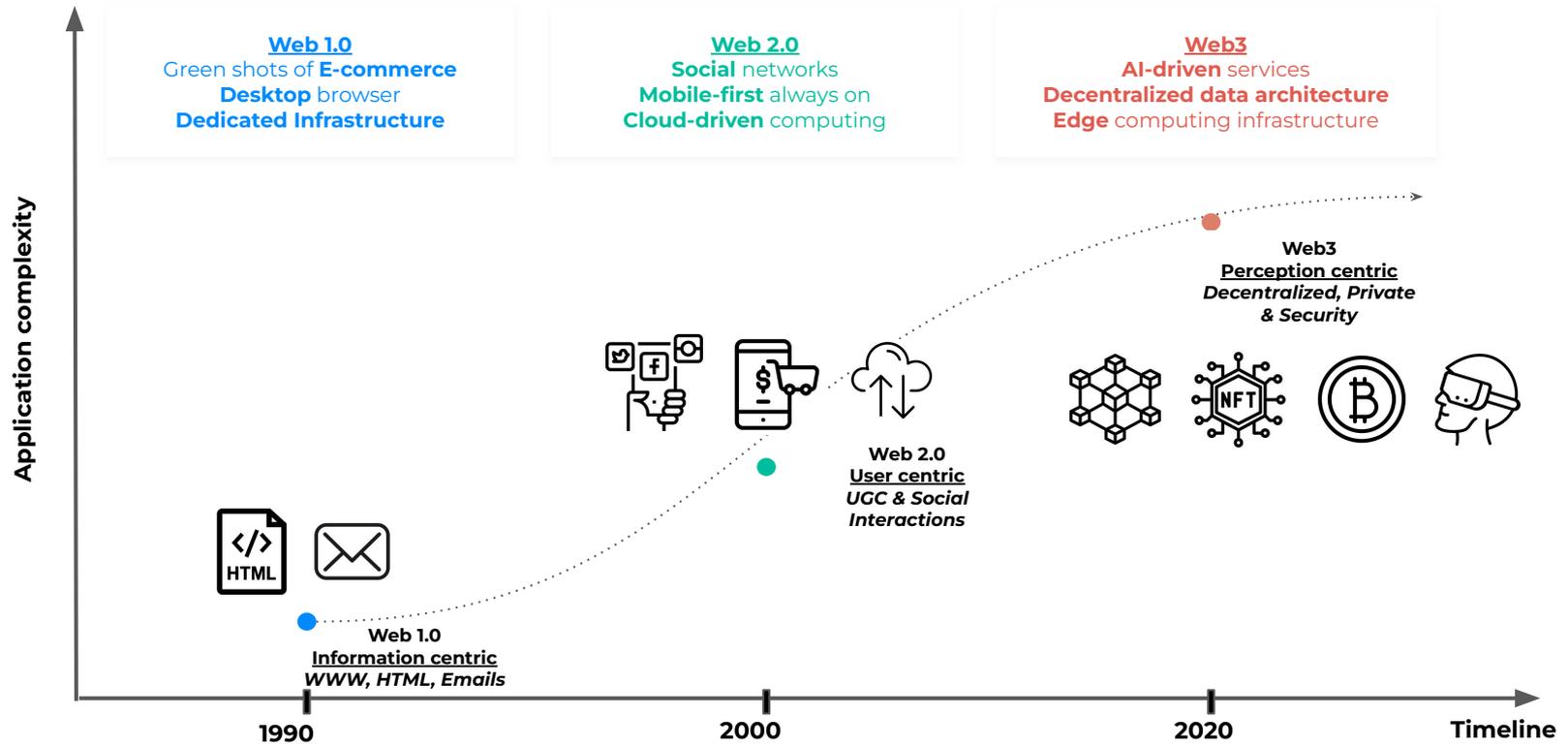
FABERNOVEL





As a key part of Web3, it is the next possible iteration of the Internet

FABERNOVEL



Diving into the China Metaverse





The Meta wave has reached China...

~37 million

Chinese online users

will have a virtual identity on Metaverse platforms **by 2025**, predicted by IDC.

500+

Metaverse companies

were named after the Metaverse and **93% of them** were registered in 2021.

\$8 trillion

Market value

is the estimated market size of the **Metaverse industry in China** by **Morgan Stanley**.



...and is already regulated by the government...



Crypto mining & trading were prohibited in China in 2021 to **prevent environmental damage, fraud & money laundering**. The government is now pushing its own **digital Yuan currency**, and making it more widely available.



Due to the popularity of NFT, its minting, publishing, sales, and transactions will be regulated in the future. NFTs will act **more as collectibles** than financial products in China.



NFTs development will follow a cryptoless path in China, and NFTs will serve more as **certificates of ownership for digital assets and IP protection**.



Financial NFT products in China will be regulated for **licensed trading only**. The owner of the NFT should not exceed 200 persons within a T+5 trading period and cannot be traded with Standardization Contracts.



...and part of China central plans



In 2021, **China's 14th 5-Year-Plan** specifically named the **blockchain, VR/AR, AI, and cloud computing** as key to building China's digital economy.



In 2021, China established its **first metaverse association, the Metaverse Industry Committee**, under the state-supervised China Mobile Communications Association (CMAC).



Local governments in **Shanghai, Zhejiang, Anhui, Hubei, and Sichuan** Provinces also incorporated the **metaverse** in their economic planning documents.



In January 2022, the Ministry of Industry and Information Technology (MIIT) plans to **cultivate 3,000 startups** in the fields of **metaverse, blockchain and AI**.



China tech giants embrace the trend

FABERNOVEL

Hardware portals

Acquired Pico, a leading VR manufacturer in China with a complete product matrix.

Underlying architecture

Became a strategic investor in Code View Technology, the developer of Reworld UGC platform.

Content

Top **short video** platforms in China: Douyin, Tik Tok, Xigua, Toutiao, etc. Owned **gaming** platforms: Ohayoo, Pixmain & Nuverse.

Underlying architecture

Cloud computing-based underlying technology: Expansive technological solutions in the Metaverse field, such as cloud gaming.

Multi-scenario e-commerce

E-commerce based experience optimization: VR shopping, VR gears, virtual idol marketing, etc.



China Metaverse



Underlying architecture

Acquired a 40% share in Epic Games, and its Unreal Engine is one of two world's leading gaming engine providers.

Backend infrastructure

Cloud gaming related technologies: Start & GameMatrix.

Tencent Cloud To B: Deployed all-scenario IDC capabilities

Content

Social media platforms: WeChat & QQ

Gaming: Tencent Games

Services: Payment (WeChat Pay), Smart Retail & Corporate Services

Artificial Intelligence

Comprehensive AI layout: Search engines, AI chips, AI open source algorithms, intelligent driving, etc.

Hardware portals

To B: Baidu VR

To C: iQiyi VR

Virtual interactive spaces: Xi'rang



ByteDance: Consolidates capabilities in social engagement and hardware operations



In August 2021, ByteDance acquired leading domestic VR equipment manufacturer Pico for 9 billion yuan (USD 1.4 billion). Pico would continue to focus on the Chinese consumer market while ByteDance has yet to solidify plans for its VR strategy.



In April 2021, ByteDance invested US\$58.3 million into Chinese Roblox competitor Reworld, with its own platform for making and playing games.



ByteDance entered the game market in 2019 though casual games and has been aggressively expanding into gaming in 2021, racing against Tencent to create the Metaverse.



In Jan 2022, ByteDance launched a Metaverse social networking app called Party Island, which allows users to connect to a virtual community using avatars to hang out with friends whenever they want.



Users can interact in real time together, gaining a sense of companionship and participation.



Tencent: Deploys with combined advantages in capital & traffic



Gaming &
3D Experience



Tencent acquired a 40% stake in Epic for more than \$330 million in 2012 and creates new games through Unreal Engine



In May 2019, Tencent partnered with Roblox to announce LuobuLesi (Chinese version of Roblox), emphasized its educational feature.



Social
engagement



On December 31, 2022, Tencent Music launched the first Chinese virtual music festival, TMELAND. Users could create their own avatar to interact with musicians



In February 2022, Tencent upgraded its QQ Show with the 3D Metaverse. Users can now DIY expressions based on avatars, or use them to achieve chat functions



Smart City



In April 2020, Tencent published the first smart city solution CityBase in City Information Modelling. With government policy support, Tencent has tailored 7 projects in over 4 cities



In Shenzhen, Tencent CityBase has modelled the digital twin of Nanshan Tech Park, which could dynamically restore real information on the web



Baidu: Seeks to establish its own version of the Metaverse



In 2021, **Baidu VR 2.0** was launched for 2B scenarios in education, marketing, and training. It has now collaborated with People's Daily to announce the virtual space 100 Fuxing Avenue



As the first video content company to develop a VR ecosystem, **iQIYI** unveiled a number of industry firsts, such as the world's first 4K VR all-in-one and the world's first 5G+8K VR live streaming



Baidu, China's leading search engine site and known as the country's Google, **filed 3,094 applications in the past two years** and launched its own Metaverse called **Xi'Rang**, or the Land of Hope.



Xi'Rang can be accessed with VR devices. It allows users to create avatars and chat with others. Set in various city and nature landscapes, visitors can reach different floors by "elevators" and play fortune hunting games under different scenarios.



Baidu has formed a comprehensive AI ecosystem, with **Baidu Brain** as the core engine of the underlying technology, supported by the **Flying Paddle deep learning platform, Baidu Kunlun chip, DuerOS platform, and smart hardware**, to further AI technology commercialization on the B-side of the customer.



Alibaba: Pioneers cloud computing and optimizes e-commerce



Earlier, Alibaba launched a full **VR shopping experience with Buy+**. This allows customers to browse 3D images of products and make real-time payments in a virtual mall, as if they were shopping in actual stores worldwide with simple equipment requirements.



Buy+ has opened experience stores with Macy's, Costco, Target, and Supature



In September 2021, Alibaba launched the **Metahuman AYAYI** as its first digital employee and collaborated with Guerlain. In the future, Alibaba will provide digital human solutions in live streaming scenarios.



For Olympic Winter Games, virtual influencer Dong Dong was also unveiled by Alibaba, providing human-like responses and promoting Olympic merchandise.



Combining art with online shopping, Alibaba took Singles' Day further into the online sphere in 2021 with the **Metaverse Art Exhibition**, featuring NFTs from luxury brands, such as **Digital Collectibles**.



High-end brands like Qeelin, Breathing, Panerai, Piaget, Burberry, and Qeelin released digital collectibles in the exhibition.



Next gen startups to watch

FABERNOVEL

XR

MADGAZE



PERFECT



ARTIVIVE

NOLO

nreal



LINGXI-AR

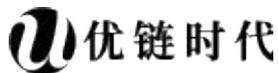
PICO



Avatar



AI



Social Media



Vyou 微你

XRSPACE

Games

MetaApp



NFT / Blockchain

cocafe





Next gen startups to watch

Name	Description	Founding Year	HQ	Application	Core Technologies	Infrastructure	Funding	Financing Period
MAD GAZE	MAD Gaze manufactures augmented reality smart glasses and builds ecosystem for enterprises and consumers.	2013	Hong Kong	To C: Sports, gaming, entertainment & remote work To B: Supply chain, finance, medical, education & retail	Computer vision	XR	\$97M	Series A DNS Capital Black30 Venture
Kivisense 弥知科技	All in one Kivisense AR engines	2018	Chengdu	To B: Retail, advertising & sales	Computer vision	XR	N/A	Angel
Bebeetech 上海赢赞数字科技	Bebeetech has core technologies: somatosensory recognition, 3D MAPPING, holographic projection, and AR augmented reality	2015	Shanghai	To B: Retail, advertising & displays	Computer vision	XR	N/A	N/A
Perfect Corp	Leader in AI & AR-powered Beauty & Fashion Tech, Expert in Transforming Consumer Experiences	2014	Taipei	To C: Entertainment & social To B: Retail	Computer vision	XR	\$1.4B	Series C Alibaba Group & etc Early Stage VC NextBlue Berkeley SkyDeck Dan Masca Global Incubator Network
Artvive	Artvive is an augmented reality platform that allows artists to create new dimensions of art by linking classical art with digital art.	2017	Vienna	To B: Corporate services To C: Education	Computer vision	XR	N/A	Series C Alibaba Group Early Stage VC NextBlue Berkeley SkyDeck Dan Masca Global Incubator Network
Nreal	Specializes in AR/MR equipment	2017	Beijing	To C: Shopping & smart homes	Computer vision	XR	\$700M	Series C Alibaba Group
PICO	VR equipment, VR custom system	2015	San Francisco	To C: Gaming, entertainment & social	Computer vision	XR	\$37.4M	Series B Co-stone VC & etc
4DAGE 四维时代	4DAGE is dedicated to the study and application of artificial intelligence in the field of 3D reconstruction and digitization algorithms.	2014	Zhuhai	To B: Corporate services To G: Urban governance, government & other	Computer vision Cloud Rendering	XR	N/A	Pre-A
WIMI Hologram 微美全息	WiMi is one of China's outstanding Hologram Cloud industry entities in terms of scale, industrial chain and performance.	2015	Beijing	To B: Education, retail & advertising	Computer vision	XR	Listed	
Fengyuzhu 风语筑	The company is committed to digital new media technology R & D and digital content production, distribution and management.	2003	Shanghai	To B: Corporate services To G: Urban governance	Computer vision	XR	Listed	
SilkRoad 丝路视觉	Based on CG, VR, AR, and other digital visual technology applications, Silk Road provides digital creative services for design visualization, digital marketing, and exhibitions.	2000	Shenzhen	To B: Corporate service To G: Urban governance	Computer vision	XR	Listed	
NOLO	NOLO VR is a technology company focusing on VR/AR interaction	2015	Beijing	To C: Gaming & entertainment	Computer vision	XR	N/A	Series B China Mobile
Lingxi-AR 灵犀微光	Lingxi AR is an underlying optical engine technology developer, consumer-grade AR core display, and optical solution service provider.	2014	Beijing	To B: Manufacturing, medical, education & security services	Computer vision	XR	N/A	Series B Shenzhen Capital Group & etc
Ugion 域圆科技	Ugion specializes in VR training for medical, teaching, etc.	2014	Shanghai	To B: Medical & education	Computer vision	XR	N/A	Series A CSR Ventures & etc
xiaoice 小冰公司	Xiaoice digital avatar and digital content capabilities provide commercial solutions for live streaming & content editing.	2013	Beijing	To C: Entertainment To B: Corporate services, retail, advertising & sales	AI/Cloud services	N/A	\$1B	Series A Hillhouse Capital Management
Faceunity 相芯科技	FaceUnity is a digital avatar technology solution provider focused on providing supporting technology for VR/AR/mobile applications, specifically 3D face motion capture and animation drivers.	2016	Hangzhou	To B: Corporate services, retail, advertising & sales	AI/Cloud services	XR	N/A	Series A Cybernat

Source: Fabernovel Database extraction. Valuation is based on the latest figures published online.



Next gen startups to watch

Name	Description	Founding Year	HQ	Application	Core Technologies	Infrastructure	Funding	Financing Period
Xmov 魔法	Xmov is a company providing intelligence and industrialised infrastructure solutions for digital avatar and 3D virtual content production.	2017	Shanghai	To C: Entertainment, social To B: Corporate services, retail, advertising & sales	AI/Cloud services	N/A	N/A	Series C SoftBank Vision Fund
BUD	BUD Technologies created the UGC virtual social platform to create and share 3D interactive experiences.	2019	Shenzhen	To C: Entertainment, social	AI/Cloud services	N/A	N/A	Series A+ Qiming Venture Partners
Poliq Inc (Vyou)	PoliQ focuses on building a virtual world. Its popular product Vyou provides digital social platforms with personal avatars.	2019	Beijing	To C: Entertainment, social	AI/Cloud services	N/A	N/A	Series A Matrix Partners China
XRSpace	XRSPACE is pioneering the next generation of social reality through XR in the metaverse. XRSpace provides 3D showrooms, events, virtual tours, and virtual social world solutions	2017	Taipei	To B: Corporate services To C: Entertainment & social	AI/Cloud services	XR, 5G & WiFi	N/A	Corporate Foxconn Technology Group
MetaApp	MetaApp provides a digital social platform and 3D social content creator platform for all ages.	2017	Beijing	To C: Entertainment, social & gaming	N/A	N/A	\$10B	Series C SIG
Yahaha Studios 上海悉喵科技有限公司	Yahaha has developed a platform where developers and gamers can use the engine to develop & publish their own games	2020	Shanghai	To C: Entertainment, social & gaming	N/A	3D	\$300-500 M	Series A+ Coatue Management
Reworld 代码乾坤科技有限公司	Reworld is a Metaverse UGC game creation platform developed by Code View Technology.	2018	Beijing	To C: Entertainment, social & gaming	N/A	N/A	\$75M	Series B Joy Capital
Animoca Brands	Animoca Brands develops and publishes mobile games and products based on popular intellectual properties.	2014	Hong Kong	To C: Entertainment, social & gaming	NFT/Blockchain	N/A	\$5B	Series C Ion Pacific Stable Asset Management Provident Capital
Cocafe 咖啡科技	Cocafe is dedicated to Metaverse marketing & the content creator economy. Its business ranges from creative production to distribution and sales networks.	2021	Shanghai	To C: Entertainment, shopping, social & other	NFT/Blockchain	N/A	N/A	N/A
HYPERCHAIN 趣链科技	Hyperchain is a world-leading supplier of blockchain products and application solutions. Its BaaS system has been implemented in various sectors	2016	Hangzhou	To B: Supply Chain, finance, manufacturing To G: Urban Governance	Blockchain	N/A	\$1B	Series C
Ustyle 优链时代科技	Ustyle focuses on the research and application of AI and 3D technology. Its uCamera 3D and human body digitization are leading the industry.	2020	Hangzhou	To C: Entertainment, shopping, travel	Computer Vision Cloud Computing & Storage Cloud Rendering	XR & Other Wearable Devices	N/A	N/A
Intellindust 英特灵达	Intellindust leverages optical imaging and visual AI technology to develop intelligent optical imaging equipment, technical consulting and other services, and is committed to providing users with a full range of product services.	2018	Shenzhen	To G: Government, transportation & other To B: Manufacturing, medical & other	AI	ASIC, FPGA	~\$15M	Pre-A Beijing Yufei Timesbole Wozhibo Shenzhen Everwin Precision Technology



FOCUS XR - Kivisense

AR

AI

3D Tech

Company



Chengdu, China

Angel

2018

Overview

Kivisense focuses on technology research and development for **computer vision** and **AR**. It is a leading provider of AR and visual interaction solutions.

Business scenarios

Virtual Fitting

3D rendering

Visual interactions



Virtual Fitting

Kivisense uses AR technology to create better buying experiences and visualized engagement. Given that AR shoes fitting, AR eyewear fitting, AR jewelry fitting, etc., will be ubiquitous across retail categories and consumer online experiences, AR technology can serve DTC brands as a channel for growth in digital marketing.



Visual interactions

Kivisense succeeds the limitations of traditional marketing by helping brands present their products with AR packaging and AR storytelling, a super-realistic 3-dimensional way to show products and digitally tell the stories behind them. Visual interactions allow immersive experiences to enhance engagement and omnichannel sales.

Focus Avatar - XMOV

Avatars

AI

Company



Shanghai, China

Series C

2017

Overview

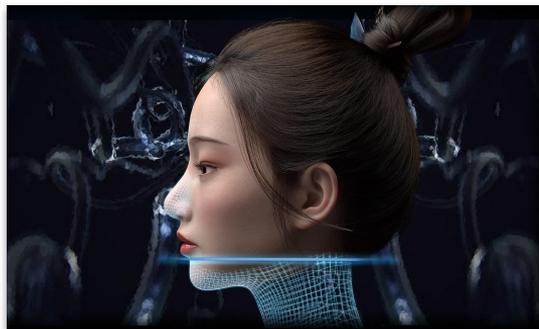
Xmov is a company providing intelligence and industrialized infrastructure solutions for **digital avatar** and **3D virtual content** production.

Business scenarios

Content IP

Corporate virtual humans

Idol IP



Virtual Humans

Based on an intelligent and industrialized creation pipeline and a strong art team, Xmov can create efficient and high-quality production for all manner of virtual humans that can be implemented in advertising and live streaming for brands.

Virtual Content

Xmov begins with intelligence, and streamlines industrialization of virtual content production. The company seeks to form a platform for intelligent creation and interaction of 3D virtual content like videos, games, and posts for brands.



AI

3D Tech

Digital Avatar

Company

 优链时代

 Hangzhou, China

 2020

Overview

Ustyle focuses on the research and application of **AI** and **3D** technology. Its **uCamera 3D** and **human body digitization** are leading the industry.

Business scenarios

-  Travel videos
-  Brand advertising
-  Game implants
-  Avatars



uCamera 3D

This is an emerging integrated human body 3D data acquisition device. Several game companies have begun cooperating with Ustyle on applying the uCamera 3D, which is used to create a player's digital identity and implant it into the game settings.



AI-optimised Digital Avatar

With the uCamera 3D and AI algorithms integrated, Ustyle is capable of creating super realistic digital avatars that are currently being used by brands/industries as customer support in automobile showrooms, commentators for travel/museum videos, and more.



Focus Social Media - BUD

FABERNOVEL

Social Media

UGC

Company



Shenzhen, China

Series A+

2017

Overview

BUD Technologies has built a UGC virtual social media platform to create and share 3D interactive experiences.

Business scenarios

Social Spaces

UGC



UGC World

BUD offers built-in codeless editing tools that enables people with no technical background to easily create customized 3D worlds in a drag-and-drop fashion. BUD also encourages users to decorate their own worlds with tradable works. Brands can also cooperate to create digital showrooms.

Virtual Social Platform

The diverse digital materials available from BUD allow for building different styles and gameplay scenario maps. Players can choose to set up private servers and invite friends. In the future, BUD hopes to combine more elements, such as games, AI, avatars to enrich user expression.

Games

UGC

3D Content

Company



Beijing, China

Series B

2018

Overview

Beijing Code View Technology Co.,Ltd focuses on gaming.. It is renowned for the Metaverse UGC game creation platform **Reworld**.

Business scenarios

Games

UGC



One-stop Game Engine Platform

Built around an interactive physics engine technology system and user-friendly interface, Reworld allows users to create and publish their own gaming spaces freely and openly without needing any technical or artistic skills.



Metaverse Gaming Space

Similar to Roblox, Reworld integrates creative content, entertainment experiences, and social interactions together. Users can enjoy an immersive 3D gaming experience by joining public spaces or creating private rooms.



Focus Blockchain - Hyperchain

Blockchain

Company



Hangzhou, China

Series C

2016

Overview

Hyperchain is a world-leading supplier of **blockchain** products and application solutions. Its **BaaS** system are implemented in various sectors

Business scenarios

Blockchain

Smart Contracts



Blockchain Platform

Hyperchain has already launched its own **BaaS BlockFace** and **blockchain platform solution Hyperlink** to provide comprehensive blockchain solutions on enterprise-level networks for enterprises, governments, and industrial alliances that boasts high performance.



Data Collaboration Platform

BitXMesh is a blockchain native data collaboration platform aimed at data rights confirmation, incentive and privacy protection in the data sharing process by utilizing state-of-the-art cryptography algorithms and distributed ledger technology.

Brand strategies in China



CAROL ZHOU

Senior VP, China Business Innovation
& Investments | Shiseido



“

Just like how we imagined consumers want a seamless online to offline experience, the future will likely be a seamless real to virtual experience. Brands have the opportunity to build another multi-dimensional customer journey in the Metaverse, and potentially uncover consumer behaviours that are not observed in real life. They can engage with consumers on another level, which can complement their overall communication strategy and business objectives.

”

REGINA ZENG

Digital Innovation Lead |
LVMH Digital APAC



“

The Metaverse is an interesting and high potential field for all businesses, a way to engage with young consumers and generations to come. We'll explore Metaverse-related opportunities boldly yet methodically, enabling our customers to unlock luxury experiences through virtualization.

”



M·A·C The Metaverse Glow

FABERNOVEL



M·A·C Metaverse-themed pop-up store in Shanghai

📍 Shanghai, China 📅 Feb, 2022

Awareness

Consideration

Purchases

Service

Loyalty



M·A·C Cosmetics, stylized as M·A·C, is an American cosmetics manufacturer under the Estée Lauder Group.

Background

The super-realistic Metahuman, Ayayi has been embraced by leading brands. Her recent **endorsement for M·A·C Lightful C3 line** reached a new high, followed by a **Metaverse-themed pop-up in Shanghai and branded social media campaign #MetaverseGlow.**

Figures

Currently on the lifestyle platform RED, there are over **1,200** posts of “Metaverse Makeup” with DIY tips on creating avatar like makeup looks.

Keywords

#Beauty #VirtualIdol #Gen-Z #RED #Pop-up



Dior: Virtual twin idols

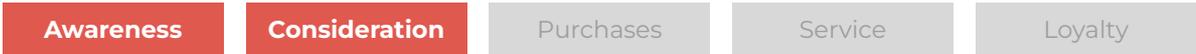
FABERNOVEL



Angela3.0, the virtual avatar of Angelababy at the Dior 2021 A/W show in Shanghai

📍 Shanghai, China
Greece

📅 Apr, 2021
June, 2022



DIOR Dior is a French luxury fashion house controlled by LVMH, the world's largest luxury group.

Background

Brand ambassadors are now accomplishing their missions virtually. Dior is at the forefront of making this happen, by **inviting the digital versions of Angelababy & Jing Tian to fashion shows**, stirring heated discussions on social media.

Figures

Dior aggregated **90k & 480k engagements** for each campaign on its official Weibo account. The topic #2022AW had over **91 billion views** on Weibo.

Keywords

#Luxury #DigitalTwin #Weibo #Celebrity #Experience

● Source: Fabernovel desk research, 2022



Meta Street Market: Virtual Merchandise 2.0

FABERNOVEL



2022 CNY limited series Tiger Step

📍 Beijing, China

📅 Nov, 2021

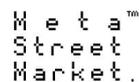
Awareness

Consideration

Purchases

Service

Loyalty



Meta Street Market is a digital sports brand that creates and sells virtual goods in the form of Classic Original, Limited Edition, NFT, and Collaboration.

Background

The China homegrown **Metaverse street fashion label Meta Street Market** is spearheading the industry into the era of **Virtual Merchandise 2.0**. The brand has activated a mix of digital capabilities, including digital assets, virtual idols, crypto art pieces, etc.

Figures

The first limited edition of **300** pieces were immediately sold out 10 seconds after the drop. In celebration of CNY, another **888** special edition pieces were out of stock 1 second after the drop.

Keywords

#Fashion #DigitalAssets #VirtualIdol #LimitedEdition



Guo Pei: Slay the MFW

FABERNOVEL



Guo Pei collaborating with the luxury NFT marketplace UNXD

📍 Decentraland

📅 March, 2022

Awareness

Consideration

Purchases

Service

Loyalty

Guo Pei

Guo Pei is a Chinese fashion designer. She is best known for designing dresses for Chinese celebrities, and Rihanna's trailing yellow gown at the 2015 Met Ball.

Background

During Decentraland's first Metaverse Fashion Week, Chinese couturier Guo Pei was among the lineup, **one of the first designers to showcase the intricacy of couture to the Metaverse.** The event was deemed as a revolutionary move in the fashion industry.

Figures

Featuring AI & robots, luxury wearables, 'phygital goods,' and immersive experiences, more than **70 participating brands, artists, and designers**, are coming together to be a part of MVFW22, a milestone event in the global fashion industry.

Keywords

#Fashion #Metaverse #Phygital #DigitalCollection #NFT



TX Huaihai: Virtual replicate

FABERNOVEL



TX Huaihai replica in Decentraland

📍 Shanghai, China 📅 Apr, 2022

Awareness

Consideration

Purchases

Service

Loyalty



TX Huaihai Shanghai is a Gen-Z shopping center complex. This place is not competing with online retail, or e-commerce, but serves as a physical location that amplifies it. It differentiates itself by offering consumer experiences in addition to their retail stores.

Background

TX Huaihai, the pioneer of curetail, has become China's first commercial complex that wades into Metaverse in partnership with Decentraland. It is **completely replicated with extensive virtual experiences**, creating boundless options for younger generations.

Figures

The scale of **real estate investment** in China is estimated to reach **¥300B in 2022**, accompanied by more differentiated competition. The ability to **bring immersive experiences** through the concept of the Metaverse has become the Golden Rule.

Keywords

#CommercialComplex

#PhygitalExperience

#DigitalReplica



Lynk & Co.: Digital showroom

FABERNOVEL



Lynk & Co's digital showroom in Xi'rang

📍 Xi'rang

📅 March, 2022

Awareness

Consideration

Purchases

Service

Loyalty

LYNK & CO

Lynk & Co. is a Chinese-Swedish automobile brand owned by Geely Automobile Holdings. The brand focuses on Internet connectivity and innovative purchasing model, and targets a young professional demographic.

Background

Chinese auto brand Lynk & Co. recently released its **digital showroom**, the first automobile space landing on Xi'rang. The debut **incorporates 5G, AI, cloud computing, VR, etc.** to create innovative & immersive experiences for digital test drives & purchasing.

Figures

Lynk & Co has an average car owner age of 32.1, and the **post-90s generation** accounts for **64%**. As of February 2022, the cumulative sales volume of Lynk & Co has exceeded 679,000 units, a record for growth rate among global automobile brands.

Keywords

#Automobile

#Xi'rang

#DigitalShowroom

#ImmersiveExperience



Moncler x Pop Mart: Art toy IP collectibles

FABERNOVEL



The Mega Collection 1000% SPACE MOLLY x MONCLER

📍 WeChat Mini Program

📅 January, 2022

Awareness

Consideration

Purchases

Service

Loyalty

POP MART



Moncler is an Italian luxury fashion brand with a French origin and is mostly known for its skiwear. **Pop Mart**, is a leader in the designer toy market in China that sells blind boxes.

Background

Moncler became the first luxury brand to team up with **Pop Mart** to release a limited number of collectibles. The collaboration featured the Mega Collection 1000% SPACE MOLLY x MONCLER with a limited 2,000 collectibles worldwide.

Figures

The size of the collectible toy market increased from **¥6.3B in 2015 to ¥20.7B in 2019**, a compound growth rate of **34.6%**. The market should continue rising and is projected to surpass **¥76B in 2024**, according to iiMedia Research analysis.

Keywords

#Luxury

#ArtToy

#Collaboration

#Collectibles



Tesla x Game for Peace: Video gaming

FABERNOVEL



Tesla limited edition in-game car skin

📍 Shanghai, China 📅 July, 2020



 **Tesla, Inc.** is an American automotive and clean energy company based in Austin, Texas. **"Game For Peace"** is a military competition mobile game developed by Tencent LightSpeed & Quantum Studios.

Background

In partnership with Chinese version of the insanely popular PUBG mobile (**Game for Peace**), **Tesla** had a rollout plan for its Model 3 cars into the game, to promote sales of the vehicle. Tesla released a game poster of a purple Tesla car, announcing **limited edition skins** to be released.

Figures

The vast scope of "Game of Peace" meant extraordinary growth for Tesla China's Model 3. With **more than 400 million users**, "Game of Peace" introduced or at least exposed about 1/3 of China's population to Tesla and its affordable all-electric Model 3 sedan.

Keywords

#GamePlay #ElectricVehicle #Collaboration



Jay Chou: Celebrity NFT hype

FABERNOVEL



Jay Chou's first NFT offering Phanta Bear on OpenSea

📍 OpenSea

📅 January, 2022

Awareness

Consideration

Purchases

Service

Loyalty



Jay Chou is a Taiwanese singer, songwriter, rapper, record producer, actor, film director, television personality, and magician.

Background

Chinese pop idol **Jay Chou** issued an **NFT character** Phanta Bear under his own namesake streetwear label. He also co-launched a limited-edition art toy called Punkcat Sting and utilized **NFT technology for authentication purposes**.

Figures

According to iiMedia Research, of the over 80% of Chinese netizens who follow celebrities online, **63.6% also follow virtual idols**. About half of them spend more than **¥500 per month** on virtual idols, and **37.6%** express a willingness to spend an even greater amount.

Keywords

#NFT

#Celebrity

#VirtualIdol

#Collaboration

#LimitedEdition

Going further with Fabernovel





Our dedicated Web3 team is here to help you



**Are you ready to join
the future Metaverse?**



How can Fabernovel support you to enter the Metaverse

Discover

Metaverse Discovery Workshop is for your leaders to grasp the ins-and-outs of this new Web revolution, experience the Metaverse, and meet the makers.

Explore

Metaverse opportunity study specific to your industry and business objectives.

Design Fiction sessions with your talents on the ground to identify clear opportunities.

Test

Create your brand's own NFTs and distribute them through relevant marketplaces to pioneer your industry and attract Gen Zs.

Generate your own Meta-Brand Ambassador in the form of a virtual influencer.

Deploy

Create your own **full-scale Metaverse** by leveraging ground-breaking technical solutions.



Since 2003, we've always been innovating



Faber

It's about crafting, deciphering, understanding, creating and accompanying our clients on their journey. We are not here to consult you, we are here to empower you, co-design, and deliver tangible results

Novel

We've been looking into new opportunities since day 1: we have a startup mentality (and founded a few) and are always looking to learn new things, push our knowledge into new territories, and develop solutions for the future.





Your strategic innovation partner.

Explore & Strategize

**Inspire &
Acculturate**



**Experience &
Design**

**Implement &
Optimize**

**Develop &
Deliver**

We are a **multi-disciplinary, international talent company.**

We **deliver** end-to-end **digital transformations, strategies, and operations.**

We aim for **your best future self**, whether you're a start-up, a mid-cap traditional business, or multi-market corporation.

We have mastered **designs, technologies, marketing, and culture.**

Our **goal is your autonomy** by combining in-demand individual talent & exciting methods.

Design & Strategy

Corporate Strategy | Innovation KPIs
Process Evaluation | Business Design | Creativity

Technologies

IT & Cloud Strategy | Data Management & Strategy
Mobile | E-commerce | Apps | IT Framework | Web3

Marketing

Media | SEO | Analytics | E-retail
Content Strategy | Marketing Strategy

Cultures

Upskilling | Onboarding | Change Management |
Digital Academies | Workspace | Agility

380+
People

5
Continents

300+
Clients

Appendix





Terminology

ASIC is an integrated circuit (IC) chip customized for a particular use, rather than intended for general-purpose use.

Avatar refers to on-screen or virtual manifestations of the user, and technically, they can take on any shape or form as long as they have humanoid features, such as moveable limbs, upper and lower torsos, and a face capable of expression.

BaaS refers to Backend-as-a-Service (BaaS), which is a cloud service model where developers outsource all the behind-the-scenes aspects of a web or mobile application, so that they only have to write and maintain the frontend.

Blockchain is a system of recording information and is essentially a digital ledger of transactions that is duplicated and distributed across the entire network of computer systems on the blockchain.

CPU refers to the Central Processing Unit, which is a piece of hardware that carries out the instructions of a computer program.

Digital twin refers to a virtual representation that serves as the real-time digital counterpart of a physical object or process.

FPGA refers to Field-Programmable Gate Array, which is an integrated circuit designed to be configured by a customer or a designer after manufacturing.



Terminology

GPU refers to the Graphics Processing Unit, a specialized processor originally designed to accelerate graphics rendering.

IDC refers to the Internet Data Center. It is a facility where an organization or a service provider centralizes their necessary computing resources, such as servers, telecommunications, and storage systems.

LEO Satellite refers to Low Earth Orbit Satellite. It is an earth-centered orbit near the planet and is normally at an altitude of less than 1000 km but could be as low as 160 km above Earth.

Metahuman refers to high-fidelity, super-realistic, & real-time digital humans.

NFT is a non-interchangeable unit of data stored on a blockchain. It is a form of digital ledger that can be sold and traded.

Perception relates to the ability to interpret or become aware of something through the senses.

Phygital could describe anything that attempts to cross the divide between the physical and digital worlds, but it is most commonly used to describe a retail experience or a marketing strategy.

Quantum Computing is computation that harnesses the collective properties of quantum states, such as superposition, interference, and entanglement, to perform calculations.



Terminology

UGC refers to User-generated content (UGC) which is any content—text, videos, images, reviews, etc. - created by people, rather than brands.

Virtual Human are simulations of human beings on computers. The research domain is concerned with their representation, movement, and behavior.

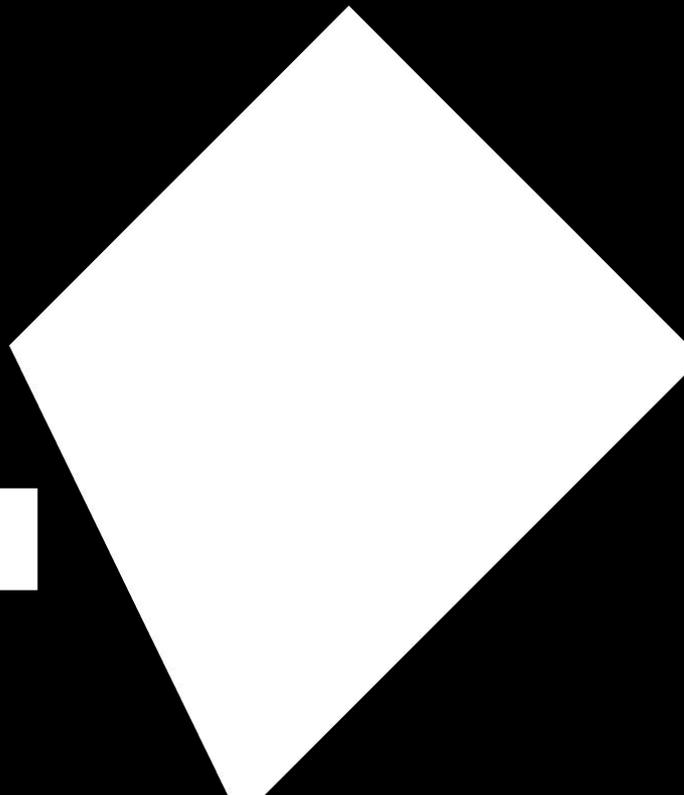
WiFi 6 is the next generation standard in WiFi technology. It is designed to improve speed, increase efficiency and reduce congestion in heavy bandwidth usage scenarios.

XR refers to Extended Reality and is a term that encapsulates all real-and-virtual combined environments and human-machine interactions generated by computer technology and wearables.

6G Fusion Network refers to the sixth generation standard currently under development for wireless communications technologies supporting cellular data networks. It is the planned successor to 5G and will likely be significantly faster.



Thank you



A person wearing a blue lab coat is pointing at a tablet computer. The tablet screen displays medical data, including a table with columns for 'Patient ID', 'Age', 'Sex', 'Weight', and 'Height', and a central image of a human figure with a red anatomical diagram overlaid. The background is slightly blurred, showing a floral pattern on the left and a white wall on the right. The overall scene is set in a clinical or hospital environment.

Into the Chinaverse

Healthcare

Special Edition

August 2022



Echoed with the central government, Chinese local governments are enthusiastically releasing policies in favor of regional Metaverse development

Till June 2022

7

Provinces

17

Cities



Local governments have released plans for the construction of the Metaverse

Provinces Zhejiang, Shandong, Jiangxi, Henan, Guizhou, Anhui, Heilongjiang
Cities: Beijing, Shanghai, Guangzhou, Shenzhen, Chongqing, Chengdu, Shenyang, Wuhan, Hangzhou, Nanjing, Xiamen, Hefei, Nanchang, Wuxi, Haikou, Sanya, Baoding



Some of them are advocating healthcare as one of the strategic directions in regional Metaverse development

Shanghai



Meta-diagnostic
Digital therapy
XR in Clinical research
Microscopic 3D imaging
Molecular simulation

Zhejiang



AR engine
Virtual scene construction
Human-computer interaction
Mental health
Medical care

Heilongjiang



Family medical monitor
Wearable devices
Service robot
Remote medical care
Elderly care service

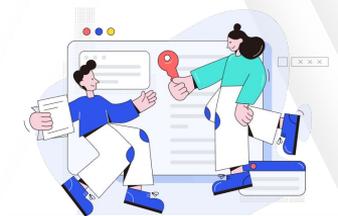


Technology, experience and application scenarios constitute the Healthcare Metaverse



Technology

Blockchain
Extended Reality
Digital Twin



Experience

Immersive experience
Diverse social interaction
DAO

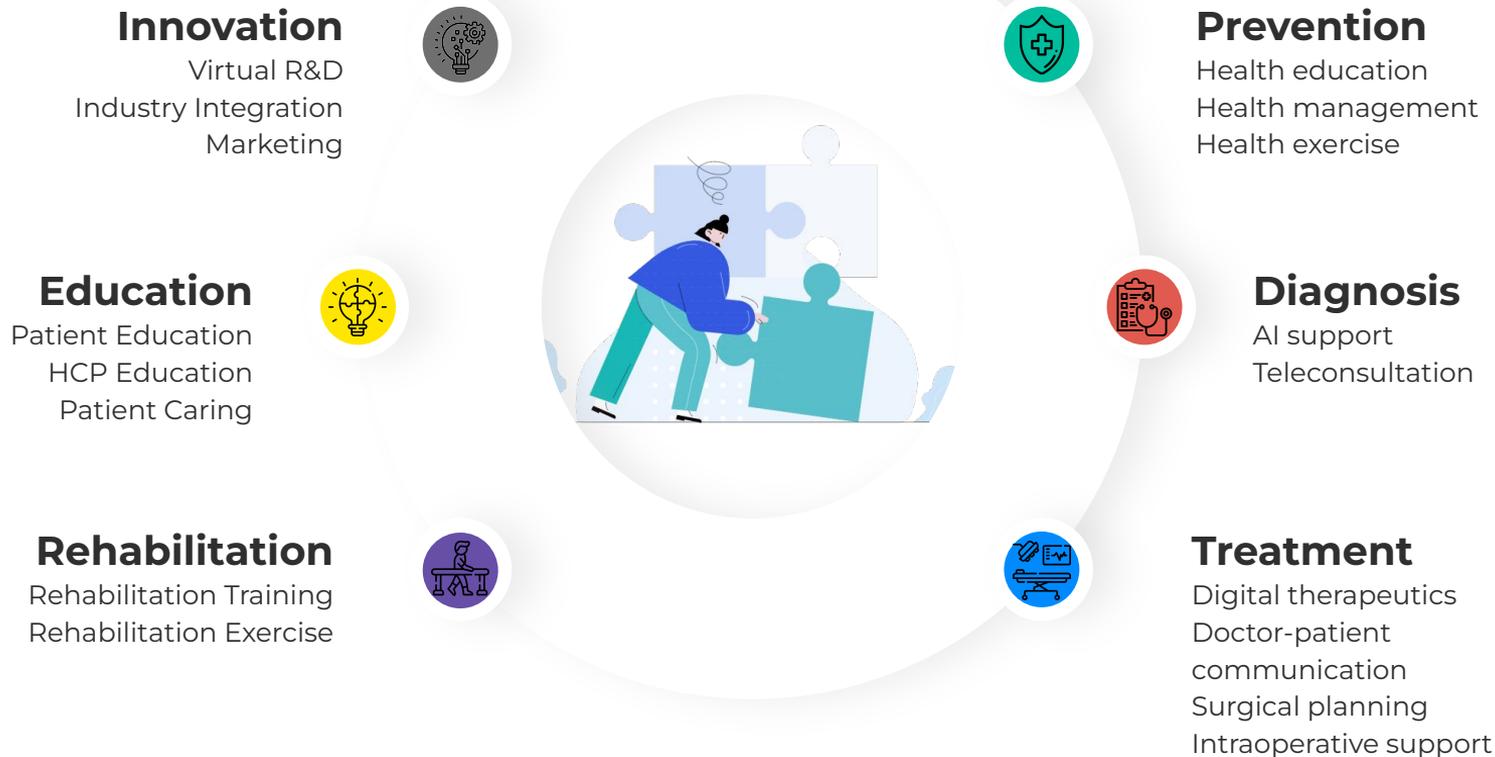


Application Scenarios

For Hospitals
For HCPs
For Patients



Six major areas of healthcare industry can be explored with the Metaverse





Prevention: Patient digital twin



Use Case

Based on the real multidimensional and multi-model big data, **the Key Laboratory of Medical Digital Twins** will build a patient digital twin model, and combine clinical practices to develop new methods and models for more accurate disease diagnosis, curative effect prediction, and health management.

Through the integration of AI, 5G, VR, AR, flexible transmission, and sensory perception, the **digital twin** will likely help the medical industry provide faster and more cost-effective treatment options to patients.



Highlights

- This is the **first** Medical Digital Twin Lab (MDTL) in China.
- The development of medical digital twin has the potential not only to significantly improve understanding of disease mechanisms, but also to revolutionize new research directions in overall medical care.



Founded in June 2022, The Key Laboratory of Medical Digital Twins is jointly built by South China Hospital and the Future Intelligent Network Research Institute of the Chinese University of Hong Kong (Shenzhen).

Health Management

Market Pain Points

- Health management requires **personalized and persistent** solutions due to individual variation.
- No effective simulation system of prevention is developed so far for different individuals.

Solution

- A digital **"virtual patient"** could learn and simulate bodily responses, undergo clinical trials or medical tests, and inform medical professionals exactly whether a treatment worked or not.
- A patient **digital twin** would allow doctors to provide **customized** patient care and **personalized** medical and diagnostic programs.



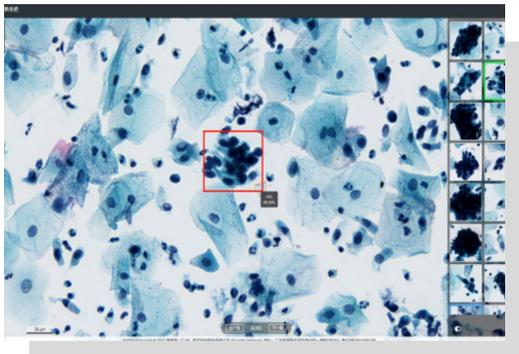
Diagnosis: AI-assisted diagnosis system



Use Case

The **AI-assisted diagnosis system** by Cells Vision provides automatic screening, result reviewing, diagnosis writing and backup capabilities for hospitals and clinical laboratories. It also helps physicians to check the results through cloud services.

It is specialized in cervical cancer, thyroid, urinary system tumor and pleural effusion **examination**. It can automatically and accurately identify abnormal situations, reducing the risk of **missed detections** and **misdiagnosis**, and thus improving the efficiency of screening work. With the help of big data, Cells Vision carried out a comprehensive system centered on **deep learning algorithms, pathomics methods** and **radiomics methods**.



Highlights

- The CellPlatform has been given **registration certificate for medical device**.
- Collaborated with hospitals including Sun Yat-sen Memorial Hospital and the Third Affiliated Hospital of Guangzhou Medical University.



Founded in 2019, CellsVision offers AI assisted diagnosis, image center cloud sharing platform, and smart medical platform, enabling hospitals with efficient collaboration and smart medical empowerment.

AI Support

Market Pain Points

- Different knowledge and expertise level of HCPs may lead to **different diagnosis**.
- Delivering high-quality patient care requires accumulated experience from HCPs.
- Human diagnosis may go wrong when HCPs are overly worked or exhausted.

Solution

- AI in medical diagnosis helps with **medical decision making**, management, automation, and workflows.
- AI can be used to diagnose cancer, triage critical findings in medical imaging, and flag acute abnormalities.
- AI can help in prioritizing life threatening cases, diagnosing cardiac arrhythmias, and predicting stroke outcomes.



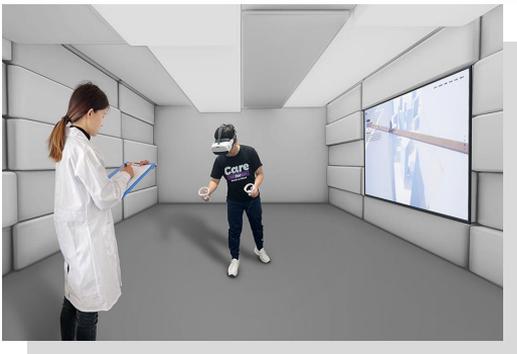
Treatment: VR-based therapy



Use Case

The **VR-based therapy for acrophobia**, known as Specific Fear Rehabilitation Training Software, is co-developed by Neuton Health and the Shanghai Mental Health Center. It is the first VR device approved in the world for acrophobia.

The effect of VR exposure therapy for acrophobia is the same as real exposure, but the treatment resource consumption is lower than the real exposure therapy, which can significantly improve the fear of heights anxiety, avoidance, high cognitive judgment and clinical anxiety in patients with specific fear of heights symptom. Patients' cognition of heights and clinical manifestations of anxiety were also significantly improved.



Highlights

- VR-based therapy for acrophobia has been given **Class II Medical Device Approval** from China's NMPA.
- **50%** reduction in patients' high anxiety and avoidance behaviors in AQ rating.
- Collaborated with **20+** hospitals and brands including Peking University Sixth Hospital, Shanghai Mental Health Center, MSD, etc.



Founded in 2018, Neuton Health is the provider of digital therapy solutions designed for neurology and psychiatry. The company focuses on developing AI, VR, digital interaction and other technologies in psychological rehabilitation, enabling patients to treat specific phobias more efficiently.

Source: Neuton Health Official Website, 2022. Photo: Neuton Health

Digital Therapeutics

Market Pain Points

- Lack of effective medications for cognitive & mental health diseases.
- Limited technical means for treatment.
- Long treatment process.
- Uneven distribution of medical resources between cities.

Solution

- By engaging **AR/VR technology** with therapeutics, the immersive experience can create better engagement and more focus for the patient.
- **VR exposure therapy** can lead to an in depth bond between the patients and HCPs, regardless of the geographic boundaries and physical environment.



Rehabilitation: AI care system



Use Case

The **AI Care System** developed by SenseTime and Xidian University is a new solution for **acromegaly** patients caring, providing 24-hour contactless care for patients with mobility problems, swallowing and breathing difficulties. While monitoring the patient's physiological indicators in **real time**, it also features anomaly alarms, active calls, sleep analysis and anomaly statistics, as well as meeting the needs of escorts for remote care. It has been delivered to real patient families with good feedback.

The system completely adopts **non-invasive** and **non-contact** physiological index monitoring. Using only **sensors**, it is possible to quickly and accurately identify the physiological indicators of the patient to avoid causing any annoyance to the care recipient, and at the same time to prevent inaccurate monitoring caused by skin allergies or malnutrition caused by contact.



Highlights

- Cover **multi disciplinary solutions** for in-hospital and in-home assisting.
- **500+** medical-related patents registered.
- Collaborated with **12+** famous hospitals including Ruijin Hospital, Renji Hospital and West China Hospital.



Founded in 2014, SenseTime is a leading AI software company focused on creating a better AI-empowered future through innovation, it develops technologies including facial recognition, image recognition, object detection, optical character recognition, medical image analysis, video analysis, autonomous driving, and remote sensing.

Patient Caring

Market Pain Points

- Chronic conditions require **constant** caring with **real-time** data analysis.
- Patient expect **at-home** care.
- Existing tools only allow for basic chat correspondence.
- **High cost** for at-home nursing services.

Solution

- By developing **AI** capability with multiple sensors, the solution can provide **24-hour patient care** with analysis and predict datas in order to anticipate potential illness.
- By engaging **remote teleconsultation**, doctors can manage the patient situation and provide **real-time** guidance without being physically present.



Education: VR training system



Use Case

The **VR Training System** developed by DPVR provides a modern and **immersive teaching tool** that can develop the skills and confidence of medical trainees. It can be used in conjunction with traditional teaching techniques. Medical students can use VR Headsets to observe ongoing surgeries without worrying about the potential risk of infection that comes with entering the operating room. At the same time, this solution can also **live stream surgery with VR** technology to break the uneven distribution of medical training resources.

DPVR also has software solutions that can enable **group training sessions** in a classroom setting. This means content can be streamed with a training facilitator, lecturer or education professional providing instructions while all the students interact with the content via their VR headset.



Highlights

- Provides VR Capabilities with **5G in 8K quality** for live-streaming.
- Collaborated with **Ruijin Hospital and China Telecom** in HCP education and surgery live-streaming.
- Up to **50** people can be streamed at the same time.

DPVR

Founded in 2015, DPVR is a world leading artificial intelligence virtual reality technology company based in Shanghai, China. It is specialized in VR device design and manufacturing, working with world leading technology partners and the specialises in VR device design and manufacturing.

Source: DPVR Official Website, 2022. Photo: DPVR

HCP Education

Market Pain Points

- Medical specialists are **scarce resources** due to the long training period and uneven geographical distribution.
- Due to the space, technology and resource constraints, **medical training** cannot be performed at any time and the quality is uneven by regions.

Solution

- Using **AR/VR technology** to restore mannequins and create various training environments **without limitations**.
- VR Training Solution can also provide a full view of assessments. With the help of **multi-angle restoration technology**, HCPs can observe their shortcomings in the operation and reform the process.



Innovation: Virtual representative



Use Case

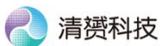
SocialMed is the first innovative technology company in China to carry out **virtual representative** solution. Its comprehensive digital marketing solution is based on multi-level data from medical institutions, doctors and patients, and fully combines the deep industry insights of data algorithms. With the support of **AI** and **deep learning algorithms**, it can accurately meet the needs of doctors for high-value and highly relevant medical knowledge.

Through close interaction, continuous and benign communication between enterprises and doctors, the feedback of doctors has become the source of technology and service iteration, quickly responds to the ever-changing environment and needs, and builds real-time, intelligent, and platform-based applications under multiple scenarios.



Highlights

- SocialMed's virtual representatives can provide services at the **right time** and in **extremely granular** scenarios.
- Covered **430K+** doctors: **85%** effective communication rate, **27%** WeChat response rate **30%** online meeting participation rate.
- Collaborated with **40+** medical brands including GSK, Novartis, Pfizer, Boehringer Ingelheim, Roche, EMS, etc.



Founded in 2017, SocialMed is China's top new digital marketing technology platform, providing pharmaceutical companies with full-stack marketing solutions centered on virtual academic assistants. It is an efficient, compliant and sustainable leading technology platform in China.

Marketing

Market Pain Points

- New medications needs **effective marketing and promotion** to HCPs and patients.
- Pharmaceutical sales representatives cannot meet HCPs anytime or reach HCPs & patients at **lower-tier cities**.

Solution

- By using **digital avatar** technology, marketing efficiency can be increased by providing personalised information to HCPs regardless of distance.
- With immersive tools, pharmacological mechanism and effects can be more easier to explant to HCPs and patients.



Into the Chinaverse

Fashion & Luxury

Special Edition

September 2022



2021 marks the “First Year of Metaverse” in China...

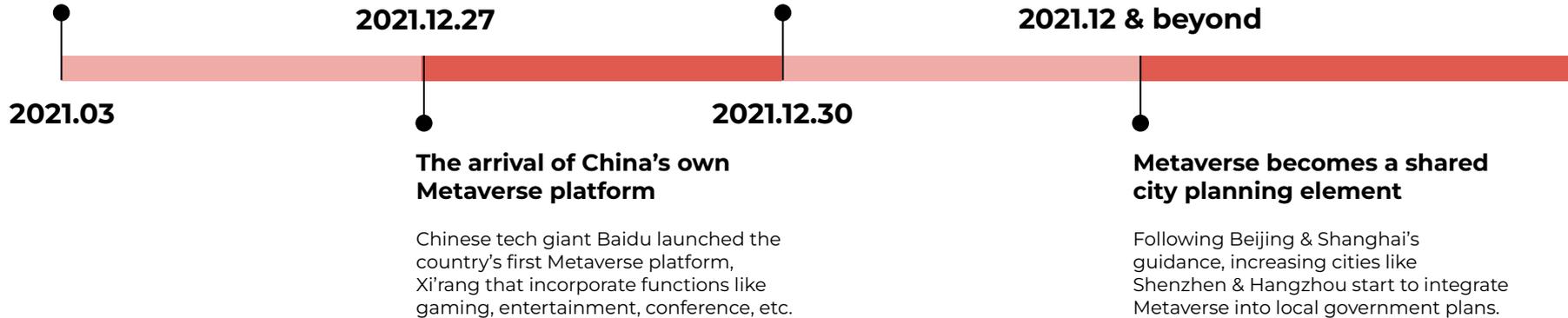
FABERNOVEL

China’s 14th five-year plan

Beijing laid out 7 frontier technologies that would make “science and technology self-reliance and self-improvement” a strategic pillar for national development.

Shanghai’s bet on Metaverse

The Shanghai city department released its five-year plan, doubling down on the development of Metaverse in public services, business offices & other areas.





...and the landscape of Chinaverse continues to sophisticate in 2022



Popularity of virtual influencers

- **50%** and more Chinese netizens follow virtual idols.
- **¥500** is their average monthly spending on virtual idol-endorsed products.
- **37.6%** of them are willing to spend more.



Introduction of NFTs

- **600** and more NFT platforms are established in China until July, 2022.
- **NFTs** are introduced as digital collectibles.



Growth of platform capabilities

- **Xi'rang** spearheads the Chinaverse and enables business partnerships.
- **20** and more projects are released on Xi'rang, across multiple industries & verticals.



In the meantime, the metaverse in China will have unique characteristics.

BLOCKCHAIN

Public chain-based model is not encouraged, as the Chinaverse applies **consortium chains**.

NFT

NFT trading is **highly regulated** in China.

CRYPTOCURRENCY

Trading & mining of cryptocurrencies are **fully banned** in China.



Under such context, brands in China are incorporating metaverse elements into their business strategies to serve multiple objectives





Dior steps into the Chinaverse to showcase its latest collection

Awareness

Consideration

Purchase

Service

Loyalty



Use Case

Dior released its **first-ever metaverse fashion show, "On The Road"**, and showcased its Fall 2022 menswear collection on Baidu's metaverse platform **Xi'rang**.

Audiences were invited to digitally enter an interactive virtual space within the **"Meta ZiWU"** created by Ma Yansong, a well-known Chinese architect and founder of MAD Architects.

The exhibition was inspired by Kerouac's representative work "On the Road", **the ideation of which was proved to be highly in line with Dior's value proposition** - in portrait of the young & exploratory spirits that dare to challenge regardless of their identities & culture.



Photo: Jing Daily



Highlights

- Dior's **first-ever metaverse fashion show** in China.
- It was the **first time** for Xi'rang to replicate a physical project onto the metaverse.
- It marked a **milestone** in China's making of the metaverse, both for Dior and Baidu.

Brand Equity Building

What the market needs

- Brands are looking for the next driver to help boost awareness and release new products.
- Luxury consumers are expecting brands to offer more **immersive experiences** beyond conventional digital ones.

What metaverse can offer

- Creates a vital **nexus** between brands and consumers, and constructs new **digital footprint** for branding.
- Helps communicate brand image, value and messages via **creative virtual events**.
- Consolidates **brand-consumer relationships** through immersive experiences.



Saint Laurent launches the new collection in the Chinaverse

Awareness

Consideration

Purchase

Service

Loyalty



Use Case

Xi'rang saw its **first ever luxury launch event, releasing the latest Menswear Collection from Saint Laurent**. The debut was a live broadcast inside Xi'rang's metaverse setting, happening simultaneously with the brand's global show in Marrakech.

Powered by Baidu's pioneering technology, Xi'rang was able to replicate a "fashion capital", where the city highlights are **hip-and-trendy Gen-Z residents, streets with Saint Laurent posters, and the main conference hall that hosted the fashion show**.

Metaverse makes it possible for luxury brands like Saint Laurent to bring hyper-immersive shows to Chinese consumers who wouldn't be able to physically experience.



Photo: Pingwest



Highlights

- First-ever **luxury new collection launching event** on Baidu Xi'rang.
- **Global live show** replicated on the metaverse.

Brand Equity Building

What the market needs

- Brands are looking for the next driver to help boost awareness and release new products.
- Luxury consumers are expecting brands to offer more **immersive experiences** beyond conventional digital ones.

What metaverse can offer

- Creates a vital **nexus** between brands and consumers, and constructs new **digital footprint** for branding.
- Helps communicate brand image, value and messages via **creative virtual events**.
- Consolidates **brand-consumer relationships** through immersive experiences.



Prada stands at the metaverse forefront with the creation of a new “retail space”

Awareness

Consideration

Purchase

Service

Loyalty



Use Case

Luxury fashion label Prada pioneered another metaverse move by **live streaming its Beijing 2022 AW Menswear/Womenswear show on Xi’rang ZiWU.**

After a decade, Prada **returned to Beijing to throw its fashion show and it turned out to be the brand’s largest event in 2022.** To this end, Prada did a series of highly impactful communication campaigns.

On the contrary to its invitation-only onsite fashion show, this **metaverse live streaming session was openly & globally accessible to all consumers,** with a much life-like & truly immersive experience.



Photo: LadyMax



Highlights

- Prada live streamed its offline fashion show on the metaverse, **breaking physical boundaries for consumers inside & outside of China.**
- Marks Prada’s largest event in 2022.
- Helps set a cornerstone for Prada to create a **new “retail space” in the Chinaverse.**

Brand Equity Building

What the market needs

- Brands are looking for the next driver to help boost awareness and release new products.
- Luxury consumers are expecting brands to offer more **immersive experiences** beyond conventional digital ones.

What metaverse can offer

- Creates a vital **nexus** between brands and consumers, and constructs new **digital footprint** for branding.
- Helps communicate brand image, value and messages via **creative virtual events.**
- Consolidates **brand-consumer relationships** through immersive experiences.



Pomellato extends its design aesthetics into the metaverse

Awareness

Consideration

Purchase

Service

Loyalty

Customer Acquisition & Engagement



Use Case

On the 20th anniversary of **Pomellato iconic Nudo series**, the brand collaborated with Chinese digital artist Sun Bohan to launch the **first NFT artwork** "NUDO Planet" as one of its art exhibits..

The creation of the NFT artwork leveraged technologies including artificial intelligence and blockchain algorithms to generate **10,000** visual pieces of the Nudo collection in **45 styles**. The collection was published on TopHolder platform.

The exhibition featured a 360° immersive space, where consumers were able to truly appreciate Pomellato's quest in **extending its artistry & visual experiences all into the virtual world**.

What the market needs

- Brands are searching for **new consumer touchpoints** other than brick-and-mortars, official websites, or mobile applications.
- Luxury consumers are looking for **exclusive experiences** from brands, both physically and virtually.

FABERNOVEL



Highlights

- The first move from Pomellato to establish an NFT collection.
- The **uniqueness & traceability of NFT** echoes with Pomellato's brand spirit, in **crafting rare & luxurious jewelry pieces**.

What metaverse can offer

- **Enriches consumer experiences and their sense of belonging** to the brands by releasing NFT collections and opening virtual spaces with NFT technology.
- **Courts the younger generation** by creating ever-immersive virtual experiences.



Photo: LuxeCo



Gucci bridges the gap between luxury fashion and pop culture

Awareness

Consideration

Purchase

Service

Loyalty

Customer Acquisition & Engagement



Use Case

Gucci has long been quite adventurous in testing the water of the metaverse by multiple initiatives. In 2021, Gucci probed into the cultural consumption market in China by partnering with Marsper, a trendy Chinese IP figure.

The Marsper virtual figures were wearing Gucci's Aria Collection, symbolizing the brand's commitment in **supporting local culture & creative forces**, also as an approach to **speak to the Chinese younger luxury consumers who are rising to be patriots**.

What the market needs

- Brands are searching for **new consumer touchpoints** other than brick-and-mortars, official websites, or mobile applications.
- Luxury consumers are looking for **exclusive experiences** from brands, both physically and virtually.

FABERNOVEL



Highlights

- The crossover is Gucci's manifestation in **reinforcing its local relevance** by combining Chinese pop culture with modern luxury elements.
- The partnership also demonstrates Gucci's dedication in **creating dialogues with the surging Gen Z consumers**.

What metaverse can offer

- **Enriches consumer experiences and their sense of belonging** to the brands by releasing NFT collections and opening virtual spaces with NFT technology.
- **Courts the younger generation** by creating ever-immersive virtual experiences.



Photo: Courtesy of Gucci



Glenfiddich taps into the digital fashion area

Customer Acquisition & Engagement

Awareness

Consideration

Purchase

Service

Loyalty



Use Case

Glenfiddich teamed up with digital designer **Stephanie Fung** to launch an **NFT Fashion Collection** called **“The Filigree Aesthetic”** and redesigned the box design to celebrate the unveiling of the latest whisky addition to its Grand Series, the Grande Couronne.

The collection featured **3 NFT wearables**, all open for purchasing from a platform called “Foundation”, with **100% of the proceeds being donated to organizations that aim to assist and promote young digital artists.**

What the market needs

- Brands are searching for **new consumer touchpoints** other than brick-and-mortars, official websites, or mobile applications.
- Luxury consumers are looking for **exclusive experiences** from brands, both physically and virtually.

FABERNOVEL



Highlights

- Launching NFT art & fashion collections is a new way for brands like Glenfiddich to **echo with young & emerging artists**, also to **speak to a larger consumer segments** who are unable to target in other ways.

What metaverse can offer

- **Enriches consumer experiences and their sense of belonging** to the brands by releasing NFT collections and opening virtual spaces with NFT technology.
- **Courts the younger generation** by creating ever-immersive virtual experiences.



Photo: Stephy Fung



Qeelin gamifies its brand elements through digital designer toys

Awareness

Consideration

Purchase

Service

Loyalty



Use Case

Kering-owned jewelry brand **Qeelin** worked with a Chinese designer toy brand **X11** to have released 4 crossover toys for sale both as physical figures & NFTs.

A large number of the Chinese younger generation now share a preference over the concepts of digital collectibles, designer toys & blind boxes, giving opportunities for luxury brands like Qeelin to **elevate their accessibility and to expose themselves to a much dynamic young consumer base.**



Photo: Wanwuyuan



Highlights

- The NFT collections were sold at **399 RMB** each and only **1,888** pieces were available per series. All blind boxes were sold out upon releasing.
- The **AR** technology was applied to enhance the **immersive experience** of digital art and physical space, making it even more appealing to **Gen Z audiences.**

New Business Models

What the market needs

- Luxury & fashion brands seek to develop **new ways of increasing sales** and driving customer growth.
- The industry has seen a surging need among consumers for **digital collectibles** either as an investment or a preference in IP figures .

What metaverse can offer

- Produces **new revenue streams** by releasing NFT digital collectibles
- Accelerates the path of digital transformation by **creating new business models** through NFTs.



Tmall enables digital collectibles from across brands

Awareness

Consideration

Purchase

Service

Loyalty



Use Case

In this year's **618 shopping festival**, Tmall enabled a series of luxury brands including **Burberry, Breitling, Max Mara, Coach, Versace & etc** launch their **digital collections**, in the forms of **images, videos, 3D products**, etc.

All the digital collectibles were accessible **Tmall Luxury Pavilion**, in the form of "**physical products + limited gifts**", a transformative ideation compared to conventional digital collections sold with fixed prices.

天猫奢品



Photo: Taobao



Highlights

- A total of **2,000 NFT sets** were released and nearly **400 products** were attached to these digital collectibles.
- This new distribution method reflected the **unique cultural value and marketing messaging** of the brands, helping them to explore new business models under the Chinaverse.

New Business Models

What the market needs

- Luxury & fashion brands seek to develop **new ways of increasing sales** and driving customer growth.
- The industry has seen a surging need among consumers for **digital collectibles** either as an investment or a preference in IP figures.

What metaverse can offer

- Produces **new revenue streams** by releasing NFT digital collectibles
- Accelerates the path of digital transformation by **creating new business models** through NFTs.



R-SPACE opens new potentials for luxury brands to get onboard the Chinaverse

Awareness

Consideration

Purchase

Service

Loyalty

New Business Models



Use Case

RED, China's mega lifestyle platform, introduced its **own digital collection unit** named STEP INTO R-SPACE, centering on the NFT business. **Niche designer brands** and **Chinese original independent designers** were the first batch of players to issue their collectibles..

Users were allowed to purchase NFT collectibles or to send them out as gifts. **3D virtual experiences** and **customized photo renderings** were also provided along with clothing digital collections. Some NFT collectibles had their **"physical twin"** for sale on the platform.

What the market needs

- Luxury & fashion brands seek to develop **new ways of increasing sales** and driving customer growth.
- The industry has seen a surging need among consumers for **digital collectibles** either as an investment or a preference in IP figures .



Photo: RED



Highlights

- As of July, **800+** digital collectibles have been traded on R-Space.
- By mixing reality with fashion NFT collectibles, R-Space provides **a new NFT business model** that would benefit platforms, creators and consumers.

What metaverse can offer

- Produces **new revenue streams** by releasing NFT digital collectibles
- Accelerates the path of digital transformation by **creating new business models** through NFTs.



Into the Chinaverse

Beauty

Special Edition

December 2022



In the world's second biggest beauty market, metaverse presents new opportunities to engage with customers

\$6.34m

valued beauty market in
2020

was estimated to be growing at an average rate of 12% per year.

92.3%

virtual idol admirers

are aged between 19 to 30, making Gen-Z the largest consumption power for virtual idols.

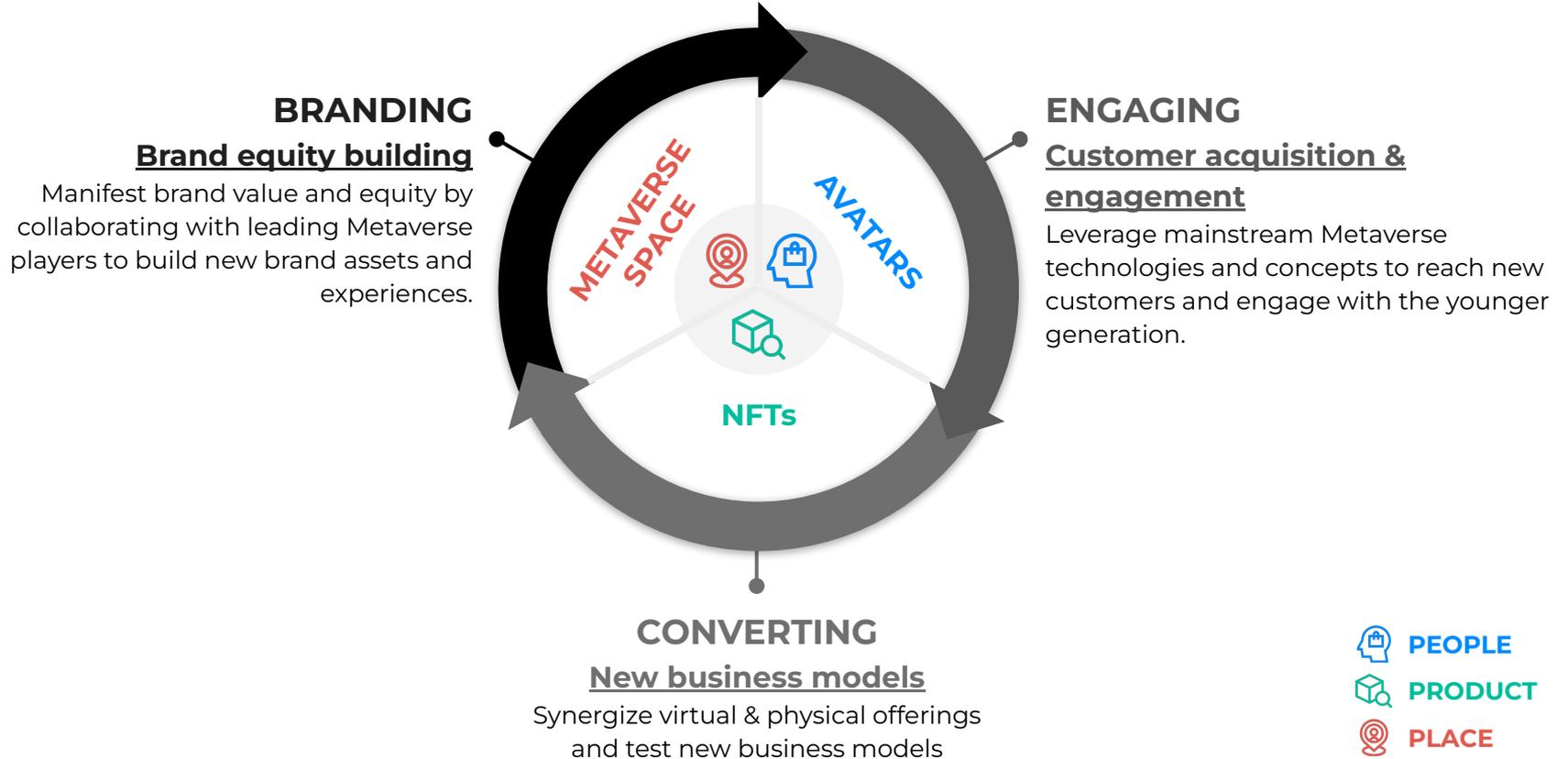
1,200

RED posts

under the topic of “metaverse makeup”, focusing on DIY techniques to create glossy & flawless digital avatars.



Beauty brands are exploring and navigating Chinaverse with 3 key dimensions





PEOPLE - Florasis scores a first in creating a brand-owned avatar

Awareness

Consideration

Purchase

Loyalty

Service



Use Case

FLORASIS | June 2021

China's homegrown beauty brand Florasis announced the launch of its namesake virtual influencer, making it the **first domestic beauty brand to create an ultra-realistic avatar figure**.

Impersonating the brand itself, "Florasis" was designed to carry out **traditional Chinese culture, heritage & oriental beauty**, the very core of the brand essence, and was also labeled as a key milestone vision for the brand.



Photo: Florasis



Highlights

- By deeply engaging with niche groups that are focused on Chinese traditions, Florasis successfully built a **strong cultural connection** with the tribal communities.
- By releasing the virtual influencer, Florasis found a new way to **strengthen its own position** and image in promoting Chinese traditional beauty with a modern twist.

Avatars for brand equity building

Market situation

- Brands are seeking new ways to build brand awareness via **virtual avatars**.
- Gen Z consumers are more willing to participate in the metaverse and **interact with avatars**.
- Truly **lifelike & expressive** avatars are in dire needs.

What metaverse can offer

- Enables brands to create **avatars** or collaborate with **virtual influencers** to establish & reinforce brand-consumer relationships.
- Provides **new marketing channels** to engage customers, including non-stop live streaming by **virtual idols**.



PEOPLE - LANEIGE invites CHUAN to be the new brand ambassador

Awareness

Consideration

Purchase

Loyalty

Service



Use Case

LANEIGE | December 2021

Laneige announced the newly created avatar figure **CHUAN** as the brand's **Trend Experience Officer**, with 3 red air cushions released at the same time.

Since its creation, CHUAN has gained much social traction and has been highly pursued after by brands like Laneige, WonderLab, etc. He has **the largest fanbase on RED among all male virtual figures**.

With increasing unpredictability among celebrities, the emergence of virtual influencers is now considered as the next promising path for brand partnerships.



Highlights

- CHUAN successfully scored fame and harvested a series of brand collaborations. He now has more than **18K followers on RED** with **50K likes**, and **305K followers on Weibo**.

- Having a virtual idol introducing its products, Laneige **expanded its target market** into a much larger young audience base.



Photo: Jing Daily

Source: Dior Jumps into China's Metaverse, Jing Daily, 2022. Data shown are until August 18, 2022.

Avatars for customer engagement

Market situation

- Brands are seeking new ways to build brand awareness via **virtual avatars**.
- Gen Z consumers are more willing to participate in the metaverse and **interact with avatars**.
- Truly **lifelike & expressive** avatars are in dire needs.

What metaverse can offer

- Enables brands to create **avatars** or collaborate with **virtual influencers** to establish & reinforce brand-consumer relationships.
- Provides **new marketing channels** to engage customers, including non-stop live streaming by **virtual idols**.



PEOPLE - Virtual hosts in live streaming are now made possible

Awareness

Consideration

Purchase

Loyalty

Service



Use Case

TMALL X BEAUTY | November, 2020

In order to break time constraints, virtual figures are now working round the clock for brands like **Unilever, Perfect Diary, L'Oréal, Chando** & etc. to host live streaming sessions on Tmall.

Right before the 2020 Double 11 Festival, Tmall introduced **Intelligent LIVE**, where AI-powered virtual avatars could host & interact with audiences, entirely activated by keyword matching. The main feature of this Intelligent LIVE is that virtual avatars could conduct **24h uninterrupted live streaming**, fully driving conversion rate at all times.



Photo: CBNDData



Highlights

- Live streaming by virtual figures provide consumers with a new way to understand the products and **to elevate the online shopping experience.**
- After the first 6 months, 100+ live streaming rooms have been used by **avatar streamers**, with **100M+** of UV and **10M+** of products sold.

Avatars for new business model

Market situation

- Brands are seeking new ways to build brand awareness via **virtual avatars.**
- Gen Z consumers are more willing to participate in the metaverse and **interact with avatars.**
- Truly **lifelike & expressive** avatars are in dire needs.

What metaverse can offer

- Enables brands to create **avatars** or collaborate with **virtual influencers** to establish & reinforce brand-consumer relationships.
- Provides **new marketing channels** to engage customers, including non-stop live streaming by **virtual idols.**



PRODUCT - CHANDO extends brand elements into virtual with NFT releases

Awareness

Consideration

Purchase

Loyalty

Service



Use Case

CHANDO | November, 2021

China's famous skin care brand **Chando** unveiled "Himalayan Ice Dial" NFT collectibles in collaboration with **AYAYI** in 2021 Double 11 Shopping Festival. The NFT collectibles were inspired by Chando's latest product line and were available in 2 styles. The Thangka Iced Lotion NFT collectibles were sold along with **physical products** and were only available in 100 pieces.

Besides, a cello-styled NFT collectible was released in Tmall's Cyber Classic Concert Night as a Lucky Draw gift. Consumers with the NFT collectibles would also receive Chando's **physical products**. Users were able to check the NFT collectibles in the **Tmall's Metaverse Gallery**.



Photo: Tmall



Highlights

- As the **first domestic beauty brand** that created NFT collectibles with Tmall, Chando successfully **embodied the brand values with the digital world**.
- By engaging NFT technology with Tmall, Chando built an effective path to **communicate with younger consumers**.

NFT for brand equity building

Market situation

- Brands are seeking new ways to differentiate their unique **brand propositions**.
- Young consumers are expecting new experiences from **both online and offline**.
- Brands require new drivers to **increase sales** and **expand the customer pool** in multiple channels.

What metaverse can offer

- Enriches **brand equity & value propositions** with NFTs.
- Orchestrates **online & offline experiences** through NFTs and engage the younger generation.
- Associates NFTs with **physical products** or **marketplaces** to **drive sales** with diversified offerings.



PRODUCT - La Prairie's NFT GWPs mark a new chapter in its digitalization strategy

Awareness

Consideration

Purchase

Loyalty

Service



Use Case

LA PRAIRIE | May, 2022

In celebration of La Prairie's latest product launch, the brand partnered with China Duty Free Group at the Sanya International Duty Free Shopping Complex through a pop-up activation, **"The Encounter of Light and Water"**, where consumers embarked on an **AR-empowered immersive journey**.

Together with the activation was La Prairie's **NFT collection** release as a free giveaway with purchases, making it **the first skincare brand** to launch NFT Series on WenChang Chain, a China-regulated blockchain ecosystem.



Photo: The Moodie Davitt Report



Highlights

- This well-executed digital activation closes the customer communication loop before, during & after trip.
- It is the **first time** for travel retail industry to use NFTs in **digital marketing** for immersive experience creation.

NFT for customer engagement

Market situation

- Brands are seeking new ways to differentiate their unique **brand propositions**.
- Young consumers are expecting new experiences from **both online and offline**.
- Brands require new drivers to **increase sales** and **expand the customer pool** in multiple channels.

What metaverse can offer

- Enriches **brand equity & value propositions** with NFTs.
- Orchestrates **online & offline experiences** through NFTs and engage the younger generation.
- Associates NFTs with **physical products** or **marketplaces** to **drive sales** with diversified offerings.



PRODUCT - SHISEIDO enabled a digital collection available both online and offline



Use Case

SHISEIDO | May, 2022

In partnership with Intime Department Store, SHISEIDO delivered a digital collection, “**Early Summer Ginza LIVE**”, taking the inspiration from music trends pursued by the younger generation. The collection integrates both the virtual figure from Intime, and design elements from SHISEIDO iconic products, **conveying shared attributes between skincare and music.**

Not only was the collection available on Intime Tmall Official Store, **physical redemptions were also enabled at in-store counters**, marking the first time for digital assets to be accessible at brick-and-mortar places.



Photo: Intime

Highlights

- This special digital collection was available across two major festive moments in China, **520 & 618.**
- Combining NFT collections with in-store experiences helped SHISEIDO create a **deeper physical and emotional brand/consumer relationship.**

NFT for new business model

Market situation

- Brands are seeking new ways to differentiate their unique **brand propositions.**
- Young consumers are expecting new experiences from **both online and offline.**
- Brands require new drivers to **increase sales** and **expand the customer pool** in multiple channels.

What metaverse can offer

- Enriches **brand equity & value propositions** with NFTs.
- Orchestrates **online & offline experiences** through NFTs and engage the younger generation.
- Associates NFTs with **physical products** or **marketplaces** to **drive sales** with diversified offerings.



PLACE - L'Oréal continued its roadshow in the metaverse for the first time

Awareness

Consideration

Purchase

Loyalty

Service



Use Case

L'ORÉAL | June, 2022

For the third time in a row, L'Oréal China partnered with The Oriental Beauty Valley to launch the Big Bang beauty tech creation camp. Only this time, it was hosted in the metaverse, marking **China's very first beauty tech metaverse roadshow**.

The Expo was **established inside a 3D environment**, where participants were able to showcase products, socialize & develop new businesses, empowering startups on multiple levels.

Thanks to the advanced rendering technology, the roadshow was perfectly replicated onto the metaverse and brought to life.



Highlights

- This newly established metaverse space was a transformational move for both L'Oréal and The Oriental Beauty Valley to **consolidate all resources and innovations**, and to enable an **orchestrated physical/digital journey** for beauty tech players.

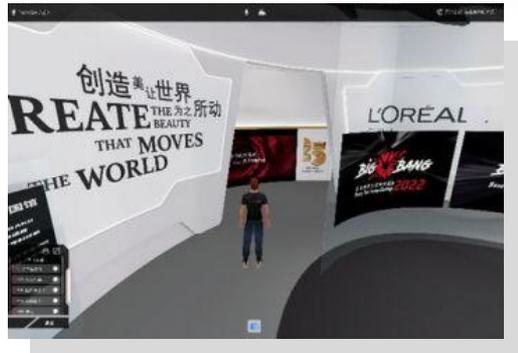


Photo: Metaverse festival

Source: Beauty Valley joins hands with L'Oréal China! The first beauty technology Metaverse roadshow officially launched, Metaverse festival, 2022

Metaverse space for brand equity building

What the market needs

- Brands are searching **new touchpoints** to create unique brand experience.
- Consumers are seeking **immersive experience** beyond conventional digital experience.

What metaverse can offer

- Building **branded Metaverse** and provide immersive virtual experience to consumers.
- Using Metaverse as an important intersection between the brand and the customer, constructing new **digital footprint**.
- Bordering the consumer markets towards **younger generations** who are looking for virtual experiences.



PLACE - NARS unveiled a virtual world for Chinese consumers

Awareness

Consideration

Purchase

Loyalty

Service



Use Case

NARS | April, 2022

In order to **enlarge consumer engagement**, NARS released a virtual world, an exclusive creation to China Duty Free in Hainan. It allowed people to customize their own **“Navatar”**, a virtual avatar figure that could act as a tour guide inside the space.

In addition to lifelike immersive experiences, the virtual world even encouraged consumers to earn virtual currency, “Ncoin”, through **completing virtual try-ons & offline travel retail store visits**. All the “Ncoins” earned would be saved into consumers’ “Nwallet”, all available for redeeming exclusive rewards and gift with purchases.



Photo: NARS Cosmetics



Highlights

- This virtually animated space was a milestone hit in NARS's omnichannel strategy, **enabling brand awareness building and loyalty program** all at once.
- Travel retail's migration onto the metaverse is here to stay and NARS is already venturing into it with **exclusive products & bestsellers**.

Metaverse space for customer engagement

What the market needs

- Brands are searching **new touchpoints** to create unique brand experience.
- Consumers are seeking **immersive experience** beyond conventional digital experience.

What metaverse can offer

- Building **branded Metaverse** and provide immersive virtual experience to consumers.
- Using Metaverse as an important intersection between the brand and the customer, constructing new **digital footprint**.
- Bordering the consumer markets towards **younger generations** who are looking for virtual experiences.



PLACE - Lancôme created a new path to closing conversion loop with metaverse features

Awareness

Consideration

Purchase

Loyalty

Service



Use Case

LANCÔME | August, 2022

Lancôme released a “Rose Garden” mini program on Tmall and WeChat as a new way to drive online traffic. Inside the Garden, consumers could **customize their personal avatars, exchange digital “Rose Coins” with physical Lancôme products, and play games.**

In establishing this virtual space, Lancôme reinforced its association with consumers by encouraging them to create content and socialize with each other.



Highlights

- Lancôme showed an innovative business model which mixed Metaverse technologies with **unique brand image** to **boost consumer loyalty** and brand incomes.

- By connecting **CRM** with virtual space, Lancôme created a virtual social environment to acquire new customers and recruit them into the brand's private traffic pool for direct communication.



Photo: Taobao

Source: Fabernovel desk research, 2022.

Metaverse space for new business model

What the market needs

- Brands are searching **new touchpoints** to create unique brand experience.
- Consumers are seeking **immersive experience** beyond conventional digital experience.

What metaverse can offer

- Building **branded Metaverse** and provide immersive virtual experience to consumers.
- Using Metaverse as an important intersection between the brand and the customer, constructing new **digital footprint.**
- Bordering the consumer markets towards **younger generations** who are looking for virtual experiences.

Contact Our Experts



Simin LIN
Head of Research
simin.lin@fabernovel.com

Contributors

Alice WANG
Jason MA

Start to Growth Hack the Metaverse Today

Sybil SHU & Lea WANG
Business Development Managers
meet_shanghai@fabernovel.com

Rachel DAYDOU
Partner, China Managing Director
rachel.daydou@fabernovel.com

Patrice NORDEY
Managing Partner
patrice.nordey@fabernovel.com

READ ALSO...



[Chinafication: A Playbook for Niche Beauty Brands to Localize for China](#)
(Published in July, 2022)



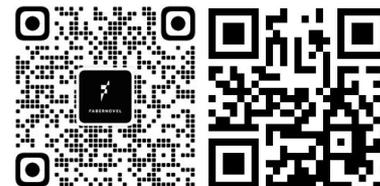
[Into the Chinaverse: How the Meta wave is hitting China](#)
(Published in May, 2022)



[Stream Into The Future](#)
(Published in September, 2022)

Access the Studies on
Our Website and
Wechat

<https://asia.fabernovel.com/>



Wechat

Website



Into the Chinaverse

Art, Culture & Entertainment

Special Edition

January 2023



Metaverse is heating up in culture, tourism and entertainment industry, proven to be new enabler for experience-lead innovations



71,000

Reviews on RED

Under the topic of #Culture & Tourism in Metaverse, focusing on new initiatives



8.55%

Growth rate

of the market share of Metaverse in entertainment industry from 2021 to 2026



500+

Digital collectible items

were issued by Chinese museums in 2022 H1, with 100+ items issued in June

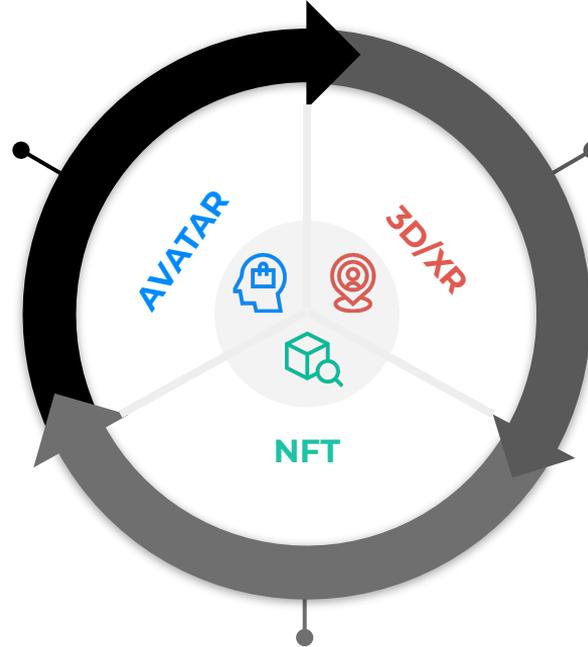


Companies and institutions have been exploring and navigating Chinaverse with 3 key dimensions

1

ENGAGING Virtual identity

Reach younger generations with digital avatars as virtual ambassadors or digital twin



EXPERIENCING Immersive experience

Provide immersive physical experience empowered by multi-dimensional enablers

2

CONVERTING

New business models

Synergize virtual & physical offerings and test new business models

3





Celebrating 2023 New Year's Eve in Retaland metaverse party

Digital twin

Metaverse



Use Case

Retaland | December 2022

In order to celebrate New Year's Eve, RetaLand partnered with XR startup Qilewuqiong to launch a **virtual gala in metaverse** featuring performances by multiple digital humans. The gala is available through social and video platforms incl. Weibo, Youku and Tencent video, along with an **engaged virtual party** on RetaLand platform.

The virtual party enables participants to create their own **digital identity** and to have **real-time interactions with other avatars online**. Once logged in, they are provided with the option of picking up a virtual identity, customizing the #OOTD of the avatar, and participating in interactive activities including dancing and taking pictures.



Photo: Yuanyuzhoujie

Source: Ent.China.com



Highlights

- The virtual gala proved to be successful with the number of **live streaming viewers hit 10M** across different online platforms
- By adopting the **digital twin** technology, RetaLand answers to participants' pain points in physical world and enables them to **'augment' real life with virtual identities**

Avatars for immersive experience

Market situation

- People are expecting more **immersive and interactive experience** beyond conventional one-way digital experience
- Companies seek to build a **second growth curve on metaverse** by reaching out to a larger audience

What metaverse can offer

- Creates **more engaged experience** and **special memory point** for online events
- Builds **new digital footprints** to reach young generations and **unlocks lasting value for future engagement**



National Museum of China unveils its first ever digital ambassador Ai Wenwen

Virtual guide

Virtual ambassador



Use Case

National Museum of China | June 2022

In partnership with Tencent, the National Museum of China launched a digital human Ai Wenwen who **functions as a digital tour guide as well as a virtual ambassador**. Empowered by motion capture and rigging, the digital human is **highly lifelike** with vivid facial expressions and flexible movements.

Ai Wenwen **conveys rich cultural assets of the museum** and further boosts the revenue of souvenir sales. The T-shirt "New Youth" worn by the digital human is derived from the cover of "New Youth" created by Chen Duxiu, with the item as one of popular souvenirs of the museum.



Highlights

- The first move from the National Museum of China to **launch a virtual ambassador to revamp museum image and innovate visitor engagement**
- By leveraging digital human, National Museum of China found a new way to **strengthen its own position and image** in promoting Chinese traditional culture with a modern twist



Photo: Xinhua.net

Source: Youth.com

Avatars for visitor engagement

Market situation

- News ways for museums to **build awareness and engage with younger generations** are in dire needs
- Museums are seeking effective ways to build competitive edge by leveraging **cultural IP heritage**

What metaverse can offer

- The highly human-like AI character can **wear museum's souvenirs** and demonstrate how they would look like on real humans, a cost effective way to **boosts revenue**.
- **By putting the museum into a youth's image**, the interaction between the museum and its audience becomes more **humane and intimate**.



In Orbstellar Metaverse, immersion meets co-created NFTs in a galactic journey

Immersive experience

3D real-time rendering



Use Case

Xcept | August, 2021

In August 2021 at Hong Kong's cultural landmark 1881 Heritage, the innovation studio Xcept launched a **digital art installation** which transports visitors past 3D stars and orbs, as part of an **immersive and intergalactic journey** through space.

Stepping into the infinite space of a generative universe with **3D motion graphics, sound and reflections**, visitors will experience the Big Bang moment and create their own planet, which is **further minted as a NFT**.



Photo: Xcept.hk



Highlights

- Xcept successfully **integrated art and creative experience** together by incorporating participatory art, NFT co-creation, and a three-dimensional immersive experience.

- **A highly personalized and engaging experience** enabling visitors to mine their own meteorites virtually as well as find physical minerals within the space

3D for Immersive experience

What the market needs

- Younger generations have been brought up in **the era of digital** technologies and not big fans of traditional media
- Visitors seek for more dramatic and **social-media-friendly** moments with **personalized experience**

What metaverse can offer

- Offers **gamified experience** to encourage visitors to share their experiences which will further stimulate **social reaction**
- Provides a **tech-powered storytelling and display** to make the exhibition more attractive



Strawberry Music Festival offers gamified experience through extended reality

Immersive experience

AR

AR for immersive experience



Use Case

Strawberry Music Festival | January, 2022

During the Strawberry Music Festival in 2022, **AR-empowered initiatives** were launched through the Modernsky Now APP. By scanning different physical scenes, participants could unlock **functional informations** incl. performance schedule and weather forecast, as well as receive coupons and purchase souvenirs.

Aside from practical solutions, festival-goers could also unlock an **interactive adventure** which includes taking photos with virtual mascot projected in the air and participating in AR-empowered scavenger hunt.

What the market needs

- An **efficient festival guide** in terms of practical solutions i.e. pointing to the nearest restroom is highly required
- Participants expect **sharing unique memories** with custom-made effects of the music festival



Photo: Modernsky

Source: Modernsky.com



Highlights

- First-ever music festival in China which leverages **AR technology applied in large space to provide a multi-sensory offline experience**
- By adding virtual elements in a physical space, Strawberry Music Festival provides an **engaging and immersive experience**, making it standing out through **eye-catching and creative displays**

What metaverse can offer

- Surprises festival-goers with **highly engaged and immersive experience**
- Provides **sharable and personalized contents** which will further create social reaction and **boost awareness** of the festival



Sanxingdui innovates visitor engagement with digital collectibles

Digital collectible

NFT



Use Case

Sanxingdui | November, 2022

Digital collectibles have been empowering and transforming the traditional art and culture industry. In 2022, Sanxingdui museum embraced the trend and collaborated with Xinhuashucang to launch a series of initiatives which includes:

A physical garage kid provided together with digital blind box "Legend of Ancient Shu"; **exclusive priority to purchase new products** in advance for consumers with limited edition digital collectible; and **additional coupons** for those who successfully gather the full collection of digital collectibles.



Photo: Xinhua.net

Source: Xinhua.net



Highlights

- Leveraging NFT to respond to the increasing demand of digital collectibles, Sanxingdui built **an effective path for driving commercial growth of physical products.**
- The digital collectible "Sanxingdui Creative artwork No.3" with limited amount of 5000 reached a **final transaction price of 50K RMB** on Ali Auction.

NFT for new business model

Market situation

- A rising number of people consider **collecting digital artworks** as a hobby and find the experience of discovering **blind box** exciting
- Museums hope to **connect with younger demographic** and to **open new business domains**

What metaverse can offer

- **Recruits NFT-lovers and younger-generation consumers** who are keen on blind boxes
- Associates NFTs with physical souvenirs to **drive sales with diversified offerings**



CryptoArt.Ai nourishes the creative energies by sponsoring pioneering crypto artist

Crypto artist

NFT



Use Case

CryptoArt.Ai | May, 2021

In order to support more **promising pioneer artists**, Asia's largest cryptoart trading market CryptoArt.Ai launched the "Super Artists Selection Program", providing a total of **US \$80,000 subsidies** for the selected 1000 NFT artworks.

Within the sponsoring program, subsidies will be distributed to the **first 1000 NFT artworks** which are uploaded successfully and have passed the audit, and **dedicated platform traffic** will be given to the selected artworks for better exposure.



Photo: CryptoArt.Ai - Medium



Highlights

- By leveraging sponsoring programs, CryptoArt.Ai enriches its **artists ecosystem with 826 artists registered** till July 2021 with **76% having sold their art creations on the platform**

NFT for crypto art promotion

Market situation

- People are keen on **accessing new art format** and **discovering niche and pioneer artists**
- A **thriving art ecosystem** requires continuous support and promotion on new artists and artworks

What metaverse can offer

- Helps the platform to **reach out to NFT lovers' tribes by onboarding new crypto artists**
- Builds and cultivates **pioneer artists ecosystem**, which further enhances **art creation and future commercial collaborations**

Contact Our Experts



Jingjing SHEN

Project Director

jingjing.shen@fabernovel.com



Sophie ZHANG

Analyst

sophie.zhang@fabernovel.com

Start to Growth Hack the Metaverse Today

Sybil SHU & Lea WANG

Business Development Managers

meet_shanghai@fabernovel.com

Xiaolei GU

General Manager, Consulting

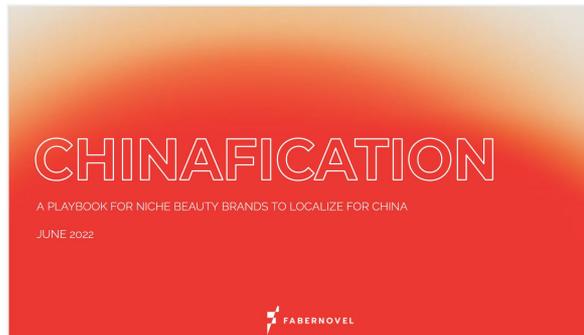
xiaolei.gu@fabernovel.com

Patrice NORDEY

Managing Partner

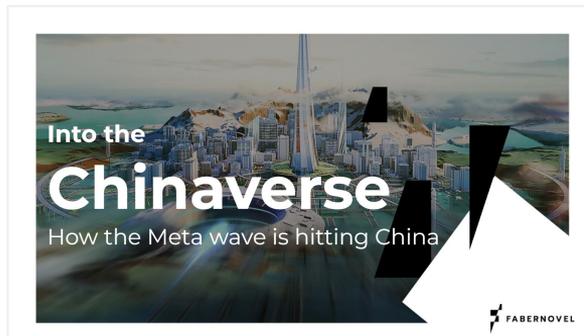
patrice.nordey@fabernovel.com

READ ALSO...



[Chinafication: A Playbook for Niche Beauty Brands to Localize for China](#)

(Published in July, 2022)



[Into the Chinaverse: How the Meta wave is hitting China](#)

(Published in May, 2022)

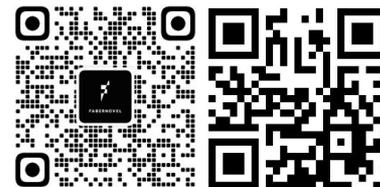


[Stream Into The Future](#)

(Published in September, 2022)

Access the Studies on
Our Website and
Wechat

<https://asia.fabernovel.com/>



Wechat

Website



How can Fabernovel support you to enter the Metaverse

Discover

Metaverse Discovery Workshop is for your leaders to grasp the ins-and-outs of this new Web revolution, experience the Metaverse, and meet the makers.

Explore

Metaverse opportunity study specific to your industry and business objectives.

Design Fiction sessions with your talents on the ground to identify clear opportunities.

Test

Create your brand's own NFTs and distribute them through relevant marketplaces to pioneer your industry and attract Gen Zs.

Generate your own Meta-Brand Ambassador in the form of a virtual influencer.

Deploy

Create your own **full-scale Metaverse** by leveraging ground-breaking technical solutions.



Since 2003, we've always been innovating

FABERNOVEL



FABERNOVEL

Faber

It's about crafting, deciphering, understanding, creating and accompanying our clients on their journey. We are not here to consult you, we are here to empower you, co-design, and deliver tangible results

Novel

We've been looking into new opportunities since day 1: we have a startup mentality (and founded a few) and are always looking to learn new things, push our knowledge into new territories, and develop solutions for the future.



We are a **multi-disciplinary, international talent company.**

We **deliver** end-to-end **digital transformations, strategies, and operations.**

We aim for **your best future self**, whether you're a start-up, a mid-cap traditional business, or multi-market corporation.

We have mastered **designs, technologies, marketing, and culture.**

Our **goal is your autonomy** by combining in-demand individual talent & exciting methods.

Design & Strategy

Corporate Strategy | Innovation KPIs
Process Evaluation | Business Design | Creativity

Technologies

IT & Cloud Strategy | Data Management & Strategy
Mobile | E-commerce | Apps | IT Framework | Web3

Marketing

Media | SEO | Analytics | E-retail
Content Strategy | Marketing Strategy

Cultures

Upskilling | Onboarding | Change Management |
Digital Academies | Workspace | Agility

380+
People

5
Continents

300+
Clients