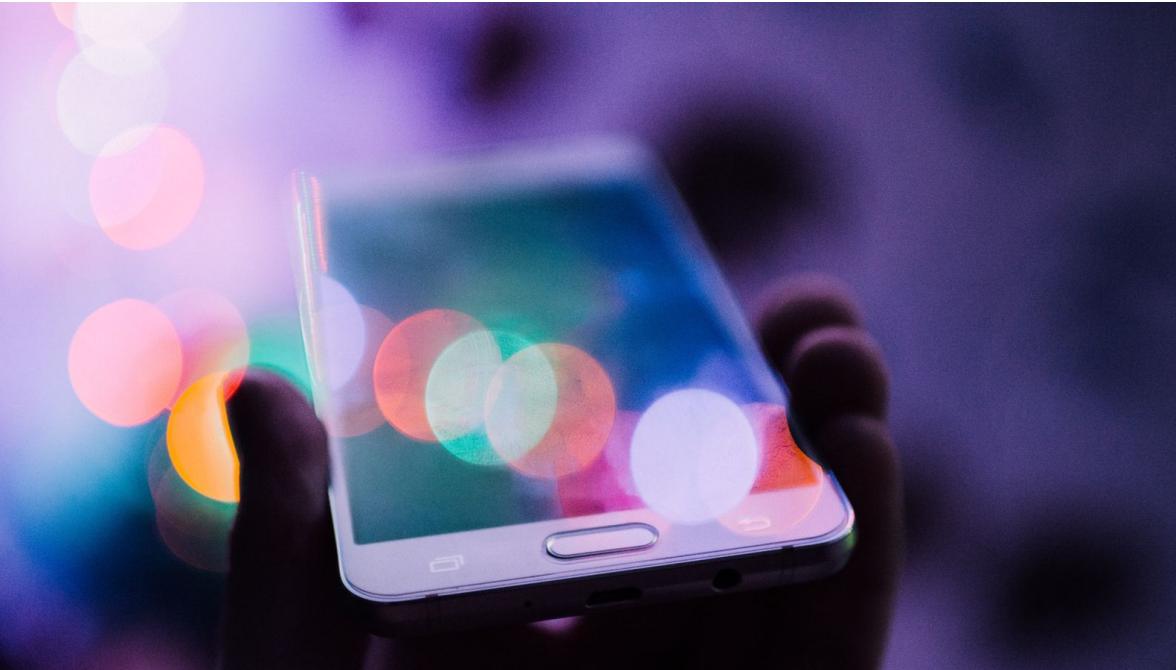


July - September 2023

**Brand3index**

# Web3 maturity report



# INTRODUCTION

The web3 market is currently experiencing a paradoxical situation where the value of NFTs has decreased in 2023, yet new brands continue to enter this emerging marketing platform regularly.



These brands are reacting to consumer demands, aiming for direct engagement and value-sharing opportunities.

However, the conventional metrics of web2, such as clicks, and the royalties collected by web3 players are no longer sufficient for measuring performance in this evolving landscape.



To address this challenge, Brand3index offers a solution for quantifying brand maturity and assessing the return on investment in web3.

Here is a summary of the Brand3index Q3 - 2023 Maturity report, which provides valuable insights into the state of brands in the web3 space.

Enjoy your reading!

# METHODOLOGY

Brand3index employs a comprehensive assessment framework that measures the maturity and performance of brands in the web3 space, utilizing over 100 data points categorized into three key pillars:

1. **Readiness:** This pillar evaluates the organization's level of preparedness and capability to effectively participate in the web3 ecosystem.
2. **Performance:** It assesses the effectiveness of brand NFT activations throughout the entire customer funnel, encompassing various stages from awareness to engagement and action.
3. **Shared Value:** This pillar measures the brand's capacity to create and share value with its customers in the web3 environment.

In the context of this specific report, Brand3index has conducted evaluations of 92 active programs launched by 58 different brands spanning eight distinct industries. These evaluations focus on activities taking place on the Polygon and Ethereum blockchains, providing valuable insights into the state of web3 engagement and performance within the analyzed brands and industries.

	Number of brands	Number of programs
Automotive	8	12
Beauty	7	8
Entertainment	13	18
Food & drinks	6	6
Luxury	5	10
Fashion & Accessories	12	20
Retail	4	16
Travel	3	3

In this Q3 - 2023 report, the most represented industries are: Fashion and Accessories and Entertainment.

# DETAILED METHODOLOGY

"Readiness": The level of preparation of the organization to enter the Web3 space based on 10 criteria.

Web3 readiness criteria	
	Leadership support
	Dedicated web3 team
	Web3 Education and training
	Legal and regulatory compliance
	Financial readiness
	Technical infrastructure
	Customer engagement
	Brand Alignment
	Innovation culture
	Partnerships and collaborations

"Performance" and "Shared Value": Analysis of Web2 and Web3 variables across the entire funnel, from awareness to engagement and action.

Awareness	Engagement	Action	Shared Value
Web site	Social Media	Sales	Economic Value Sharing
Social Media	Partnerships	Profile	User Empowerment
NFT creative	Rotation	Value	Transparency and Openness
NFT Distribution	2nd Market		Inclusion and Accessibility
			Sustainability

In terms of data collection, we utilize publicly accessible information from Web2 sources such as web audience, search queries, digital content analysis, social listening, and Web3 (on-chain) data from over 300,000 NFT programs. Our data is collected and processed daily using APIs, web scraping, and analyzed through artificial intelligence techniques.

It's important to note that we work exclusively with aggregated data (non-individual).

# TOP BRANDS

## Leading brands

Nike and Adidas hold the top two positions in the Brand3index ranking with a score of 130 (out of 200). Gucci completes the podium with a score of 127. In the upper echelons of the ranking, prominent global brands such as Starbucks (5th), Lacoste (8th), Porsche (14th), Louis Vuitton (17th), and Mastercard (19th) can be found. Additionally, there are lesser-known brands that have excelled in incorporating the specifics of web3.

## By Industry

The most represented industries in the top of the ranking are Fashion and Accessories, Entertainment, and Luxury. However, a diverse range of sectors is represented in the top 20, including Retail (Starbucks), Food & Drinks (Bud Light), Beauty (NYX and Kiki World), Automobile (Porsche), Financial Services (Mastercard), and Travel-Tourism (Etihad and AirBaltic).

	Brands	Brand3Index
1	Nike	130
2	Adidas	130
3	Gucci	127
4	Reddit	125
5	Starbucks	125
6	Royal	122
7	Time	121
8	Lacoste	117
9	Dolce&Gabbana	115
10	Bud Light	115
11	Puma	114
12	CULTandRAIN	112
13	Prada	111
14	Porsche	110
15	NYX	110
16	Kiki world	110
17	Louis Vuitton	110
18	Clinique	109
19	Mastercard	108
20	Etihad Airways	107

*\* For brands with multiple operations, the most successful operation was considered in the calculation of the Brand3index.*

# DETAILED VIEW ON PROGRAMS

## NIKE

After numerous web3 experiments, including ventures into the Metaverse and community creation, and the acquisition of the RTFKT studio in late 2021, Nike launched the .Swoosh platform in early 2023. This platform consolidates all of the brand's web3 initiatives, including:

- .Swoosh ID: Community
- AF1 Tinaj (in progress): A pair of sneakers and its digital counterpart
- Our Force1: A poster



[swoosh.nike](https://swoosh.nike)

## GUCCI

Gucci has undertaken numerous initiatives in web3, utilizing this approach to attract a new audience of gamers and Gen Z. This includes both Phygital operations, such as "The Koda Pendant," and immersive adventures like "10KTF."



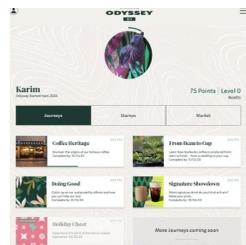
[kodapendant.otherside.xyz/](https://kodapendant.otherside.xyz/)



[gucci.com/fr/fr/st/stories/article/10ktf](https://gucci.com/fr/fr/st/stories/article/10ktf)

## STARBUCKS

To revitalize its loyalty program, Starbucks (US only) has introduced Odyssey, a web3 extension of its CRM program. Odyssey gamifies the user experience and enables the collection of points that grant access to NFTs tradable on the market. Starbucks has already initiated 13 NFT drops since January.



[odyssey.starbucks.com](https://odyssey.starbucks.com)

# DETAILED VIEW ON PROGRAMS

## LACOSTE

Lacoste invites its community to design (with the artistic direction of the brand) certain new models produced and marketed by Lacoste. Lacoste is also expanding its presence into the Metaverse (with exclusive access reserved only for their community).



[lacoste.com/fr/undw3.html](https://lacoste.com/fr/undw3.html)

## PORSCHE

After an initial setback, Porsche has reworked its community program aimed at fans of the iconic 911. They now offer features such as online customizations (color options) and participation in physical events.



[nft.porsche.com](https://nft.porsche.com)

## KIKI WORLD

Kiki World is the first native web3 cosmetic brand. Kiki allows customers to vote for the products that will be produced and marketed by the brand.



[kiki.world.com](https://kiki.world.com)

# TOP PROGRAMS

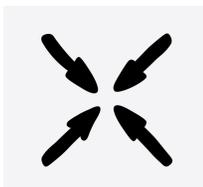
	Brand	Program	Performance
1	Reddit	Reddit Super Bowl	52
2	Adidas	ALTS by Adidas	51
3	Nike	Our Force 1	51
4	Starbucks	Starbucks : Going places journey	50
5	Gucci	Gucci : 10KTF: GUCCI GRAIL	50
6	Lacoste	UNDW3 Lacoste	50
7	Lacoste	Lacoste UNDW3: The Emerge	49
8	Bud Light	Bud Light N3XT	49
9	Time	TIMEPieces x Robotos	49
10	Starbucks	Starbucks : Aku's Rocket journey	48
11	Time	TIMEPieces x Deepak Chopra: The Seven Collection	47
12	Puma	PUMA Nitro Collection	46
13	Nike	Our Force 1	46
14	Royal	Royal.io - Invest in Music	46
15	Starbucks	Starbucks : The green Apron journey	46

## The most successful programs

The most mature brands in web3 have already launched numerous programs to achieve specific goals or engage particular target audiences. For instance, Starbucks has already initiated 13 programs, with 3 ranking in the top 15 through its Odyssey platform, aiming to recruit, retain, and engage its customer base. Nike, Lacoste, and Time each have 2 NFT programs ranked in the top 15.

# LEARNINGS

## Diversification or concentration?



We observe two different approaches from mature brands in the web3 space.

- Some brands, such as Starbucks (CRM) or Prada (Event Sales), have focused on using web3 for a single objective.
- Other brands, like Gucci or Nike, have launched multiple NFT programs to achieve various goals, including recruiting new customers, fostering loyalty, or product certification (digital twins).

Finally, we note that the two most mature brands in our ranking (Nike and Adidas) initially diversified their programs, gradually shifting towards a single platform (ALTS for Adidas and Swoosh for Nike) to capitalize on the communities recruited in each operation.

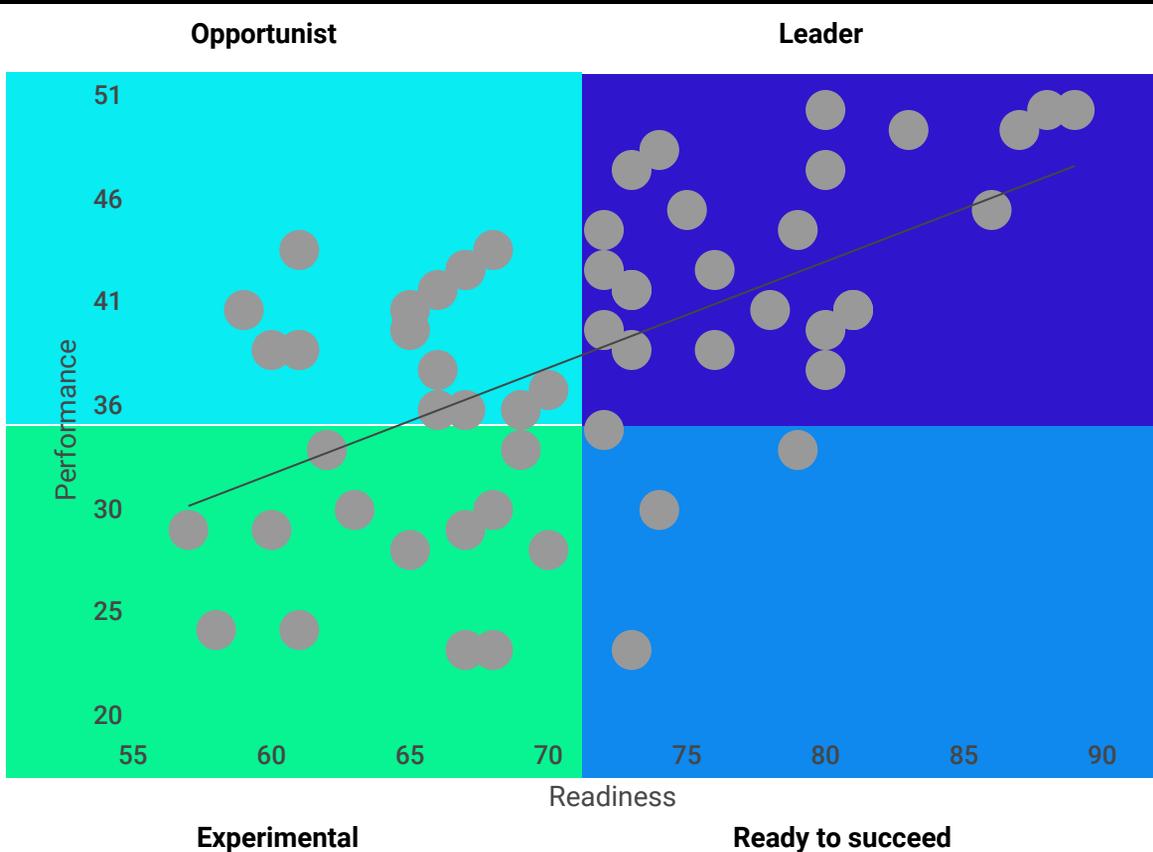
## Web3 pure players are coming into the scene



Just as during the rise of social media or the growth of retail (DNVB brands), we are witnessing the emergence of web3 pure player brands. These brands, with various business models, span across all industries and deliver excellent performances.

- Music: Royal.io (B3i: 122) allows artists to earn royalties on future sales.
- Beauty: Kiki World (B3i: 110) enables customization of beauty products.
- Fashion: Cult & Rain (B3i: 112) and Sol3mates (B3i: 104) offer the ability to purchase certified sneakers (and sportswear) via NFT.
- Beverages: Wine Bottle Club (B3i: 103) and Blockbar (B3i: 101) provide the opportunity to purchase and cellar high-quality bottles directly from the producer.

# SEGMENTATION



## "Readiness" and "Performance"

We observe a clear correlation between the level of readiness of companies (Readiness) and the operational 'Performance' of NFT programs. The more a brand has invested in its organization (involvement of top management, a dedicated web3 team, alignment of brand values with web3), the higher the performance of NFT activations.

# SYNTHESIS

Based on the criteria of 'Readiness' and 'Performance,' we can categorize brands into four main groups:

## Leader

These are the brands that have established a specific organization to address the challenges of web3 (high Readiness level) and have integrated web3 as a new marketing lever in their mix. These brands serve as inspiration for new entrants: Nike, Adidas, Gucci, Starbucks, and Reddit.

## Ready to succeed

These brands have invested significantly in adapting their organization to web3; they are prepared. Unfortunately, the initial activations carried out have not yet translated into business success. This category includes major launching enterprises such as Lufthansa, which initiated an ambitious loyalty program, or multi-brand groups where the group has invested heavily, but the results at the brand level have not materialized yet (Mugler / L'Oréal).

## Opportunist

These are organizations that are not well-prepared but have fortunately managed to achieve good performance in terms of activation. These are primarily programs launched during the NFT hype (2022) such as Macy's, Bose, Hyundai, or Nickelodeon.

## Experimental

These are companies that are not well-prepared and generate low performances. Is this a large-scale test-and-learn approach or an effect of FOMO (Fear Of Missing Out)? Brands from various industries such as Paris Opéra, Acura, Havaianas, Clarins, or Dom Perignon fall into this category.

# ABOUT

**Brand3index is a business intelligence company that assists brands in establishing their innovation roadmap and achieving their return on investment (ROI).**

To determine the maturity of brands in terms of innovation, Brand3index analyzes over 100 data points across three dimensions: Organizational readiness, activation performance across the entire funnel (awareness, engagement, action), and shared value. We conduct research and produce reports in the following sectors: Automobile, Culture and Leisure, Retail, Beauty, Consumer Goods, Banking-Insurance, Food, Luxury, and Travel-Tourism. We analyze over 250 brands. Brand3index enables brands to gain a nuanced understanding of digital innovation in their industry and benefit from directly actionable insights.

# CONTACT

Do not hesitate to contact us if you have any questions or comments, or if you wish to include your brand in our upcoming reports.

Your participation and suggestions are crucial for enhancing our work.



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