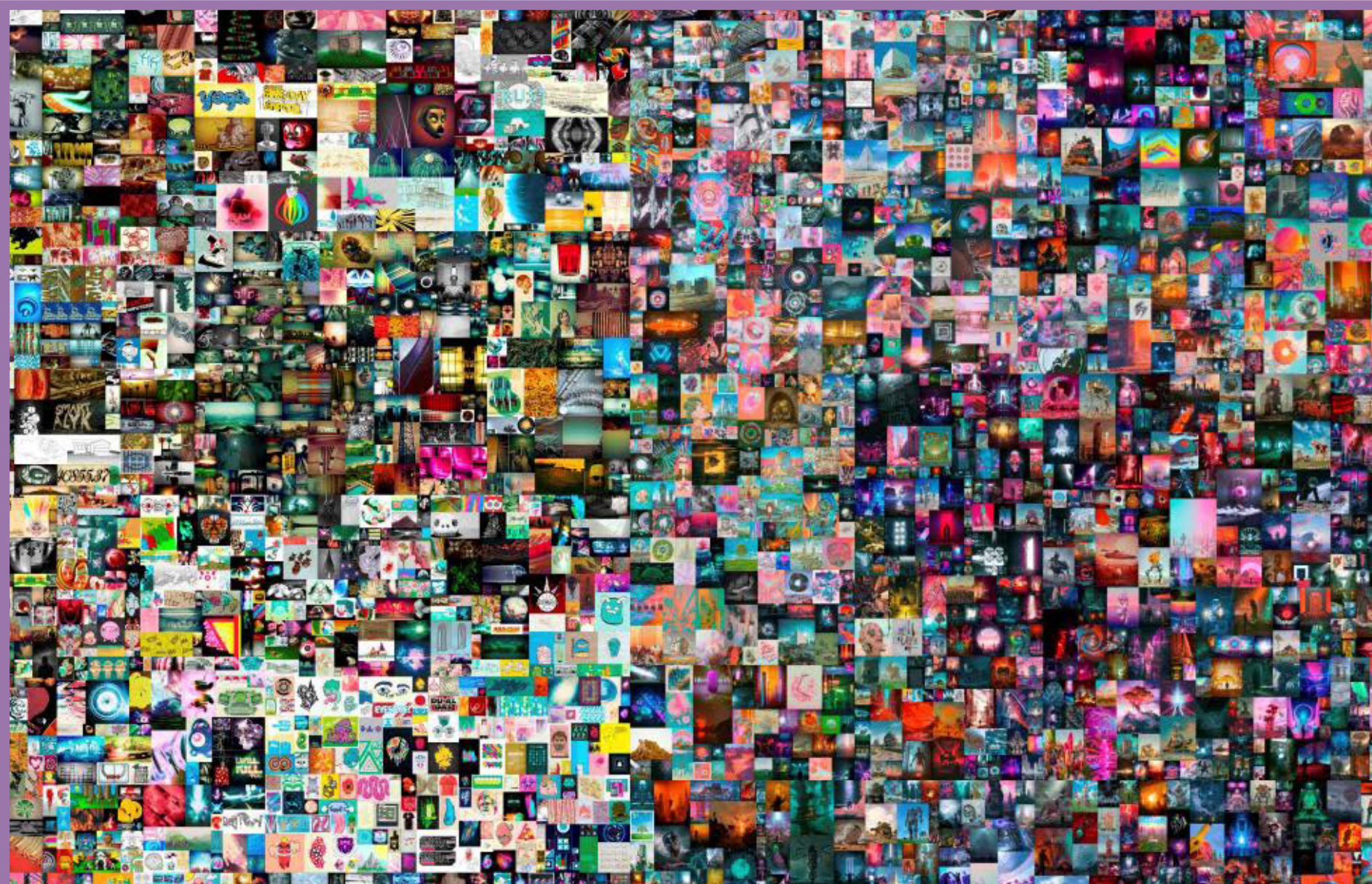




AUGMENTED REALITY MEETS THE BLOCKCHAIN

A QUARTERLY REPORT





INTRODUCTION

A massive shift is underway that will transform our digital landscape forever.

Suddenly, digital content that used to be “worthless” can be tracked, traded, sold, and swapped, with value and ownership recorded on the blockchain.

We’re even seeing cultural and historical moments in internet history being minted and sold, for example Jack Dorsey’s first-ever tweet that sold for \$2.9M, or the viral “Charlie bit my finger video,” which cashed in at an astonishing \$760K.

What was once considered “throwaway content” suddenly has value. Going forward, creators will expect a more robust set of tools for all creator platforms, along with attribution and proof of ownership as digital content can no longer be considered fungible.

This is the beginning of a new online era, where data ownership, digital compensation, and sovereignty are ingrained in the very fabric of the internet. It’s where the convergence of artificial intelligence, machine learning, blockchain, the spatial web, augmented reality, 5G and the internet of things converge.

As our lives become increasingly entwined with the non-physical, the principles that apply to the transactions of our day-to-day lives with physical goods and services are being transferred to our digital ecosystem to support a fair and sustainable virtual economy.

On the other hand, the digital is becoming a part of our daily lives “The world will be painted with data,” wrote Forbes columnist and influencer Charlie Fink on augmented reality and 5G.

This report dives into the state of the Augmented Reality industry at the intersection of the blockchain and AR, exploring landmark moments, stakeholder perspectives, and predictions of where it may all end up.

It’s an incredibly exciting time with limitless potential for brands and creatives to collaborate like never before.

[More Info](#)

THE AUGMENTED REALITY MARKET

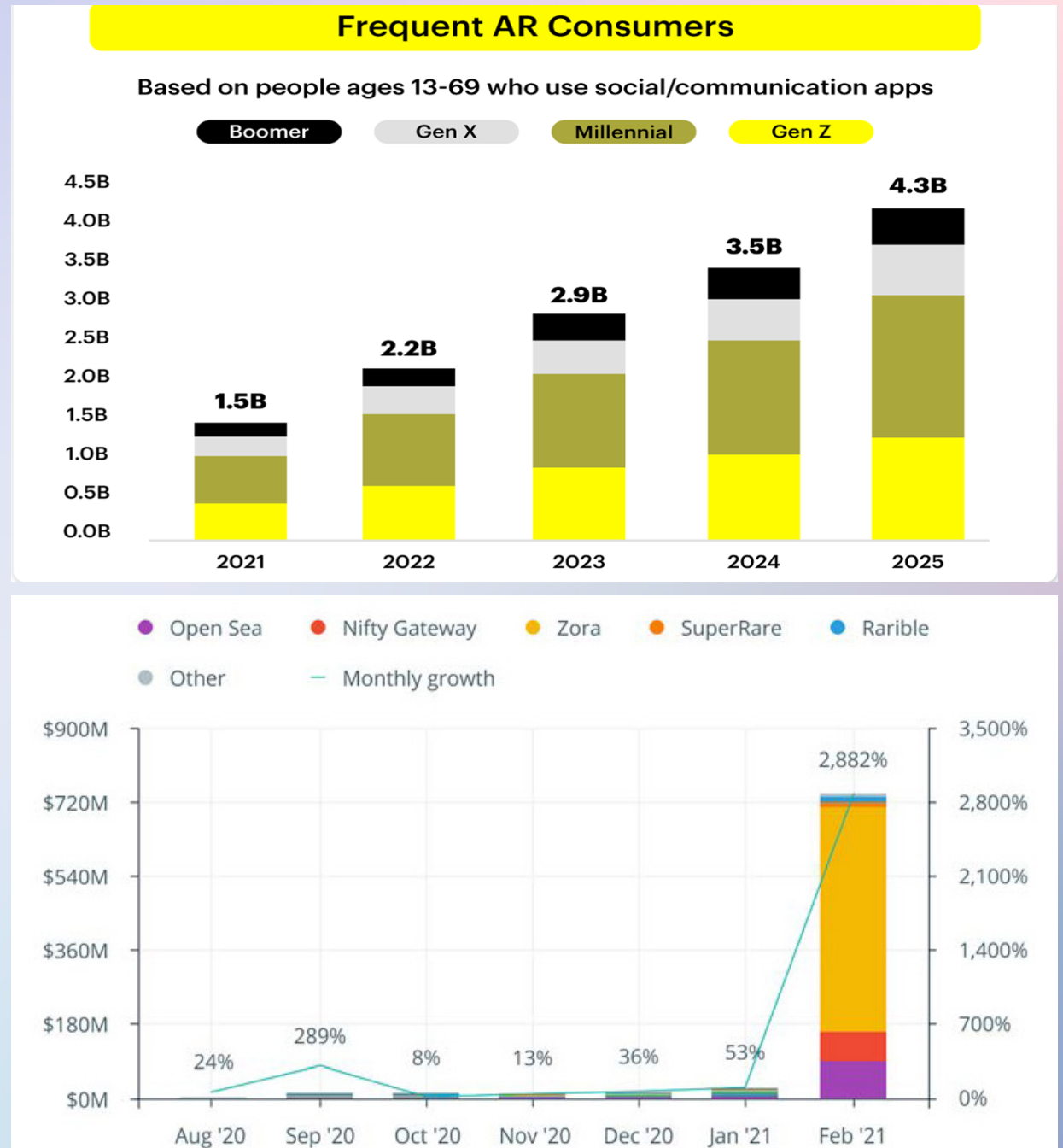
By 2025, nearly 75% of the global population* and almost all people who use social and communication apps will be frequent AR users.

Interacting with products that have AR experiences leads to a 94% higher conversion rate.

THE NFT MARKET

More than \$2 billion was spent on NFTs, during the first quarter of 2021 — representing an increase of about 2,100% from Q4 2020 — [NonFungible.com](https://nonfungible.com)

NFTs are here to stay as a new space for fans and community members to show their love and loyalty – [ADWEEK](https://adweek.com)



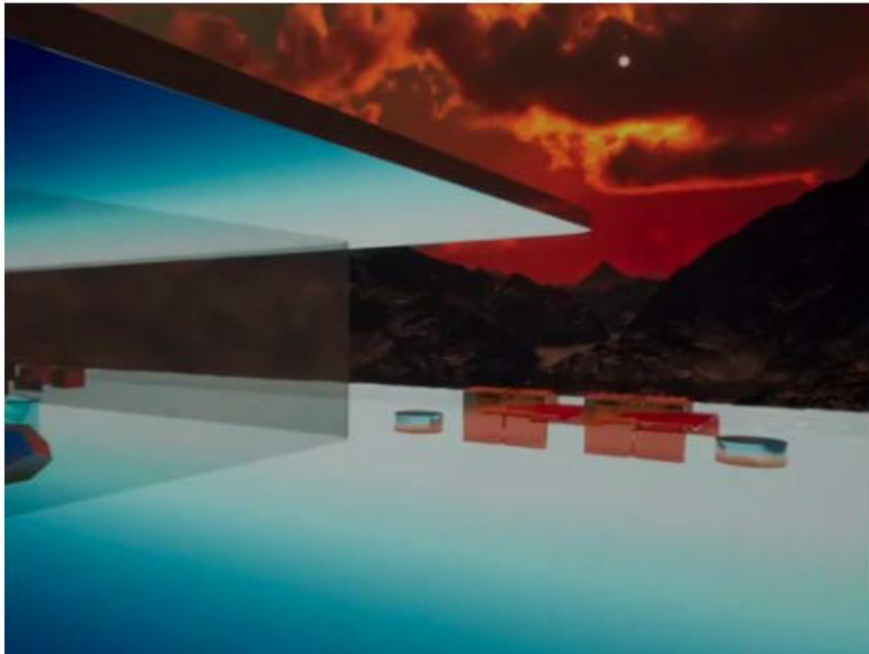
NATIONAL POST

Nearing an AR future: Toronto artist sells 'revolutionary' digital NFT house for over \$500,000 in world first

Mars House is a 3-D digital image that users can experience via virtual reality technology on the Metaverse platform

Devika Desai

Mar 30, 2021 • March 30, 2021 • 4 minute read • 19 Comments



DIGITAL ASSETS ARE GETTING REAL

NFT stands for non-fungible token. Fungible means interchangeable, so a non-fungible token is a unique token that cannot be exchanged at equal value for another token.

This is because each NFT represents a unique digital asset that has been registered on the blockchain. An NFT is the record of authenticity, or proof of ownership, but not the asset itself. You can think of an NFT as the deed for a house and the digital asset as the house itself.

For example, when artist Krista Kim sold an NFT-minted augmented reality digital house for 288 ether (valued at over \$500,000 based on the trading price at the time of purchase), the NFT received is simply the code on the blockchain or certificate of authenticity. It points to the new owner as being the true owner of the 3D house now, instead of Krista Kim.

Coinciding with NFTs, the collector's space has boomed. Hundreds of thousands of NBA fans from around the world have started collecting the most memorable Moments from NBA history.

NBA Top Shot began garnering attention in January when users bought and resold \$40.5 million worth of the league-licensed digital video highlight clips that are serialized in limited editions like trading cards.

Another example of tying NFTs with physical rewards is the Kings of Leon NFT album sale that generated \$2 million from NFT sales. The amount includes six 'Golden Ticket' auctions which brought in significant revenue, guaranteeing the owner four front-row seats to one show of every Kings Of Leon headline tour for life.

Not only are NFTs adding value to physical collectibles, but they are also forming new brand-fan relationships that are geared towards communication and engagement.

AUGMENTED REALITY NFTS GEAR FOR TAKEOFF IN 2021

It's time to enter a new dimension. The pandemic has fundamentally changed the way we live, work, and think about the online world and the value of its assets. Stuck at home, people have had more time to create, and are looking for new ways to get their digital content out there. In tandem with the broader surge in real-world collectibles, NFT hype has become one of the most talked about digital trends of 2021.

This shift is a result of us becoming more comfortable with the idea of digital items having real-world value. Younger generations are particularly accustomed to spending money on digital goods in games like Fortnite, as well as on music streaming, online events, digital assets, and collectibles — all of which fall into the category of non-physical goods and experiences.

The upward trend we see today is going to exponentially increase in the years to come. In the midst of this, augmented reality NFTs are making a name for themselves, as unique, interactive 3D visual assets that can be experienced in our real-world environments.

It's at this intersection of real and virtual where the greatest value is being created with AR NFTs.

As AR and NFTs converge it's not without challenges. Both are technically complex innovations at the forefront of what is possible with the spatial web and decentralized peer-to-peer networks.

Augmented reality has traditionally required cumbersome apps, specialized coding, asset creation, and design.

By leveraging WebAR, web-based augmented reality, Geenee makes it possible to seamlessly create, share and deploy augmented reality experiences on the web with simple QR codes or URLs. WebAR acts as a glue between all social media platforms, with no walled gardens, and no limits.

INITIAL CHALLENGES MEET SCALEABLE SOLUTIONS

Challenges specific to NFTs include rampant gas fees, network latency, and environmentally damaging energy consumption levels are creating a high barrier to entry for brands and creatives alike.

To mitigate these challenges NFT platforms like OpenSea are switching from the costly Ethereum blockchain to Polygon (MATIC), a protocol and a framework for building and connecting Ethereum-compatible blockchain networks. It aggregates scalable solutions on the Ethereum blockchain, supporting a multi-chain Ethereum ecosystem. It helps solve the pain points of high gas fees, and slow speeds, without sacrificing security.

Mounting pressure from critics has also accelerated the movement from energy-guzzling proof-of-work mining to proof-of-stake which is far less energy-intensive in its verification processes. Governments such as Canada are also investigating whether environmental taxes can be incorporated or otherwise introduced in the existing tax code ([Yale Environment Review](#)) to promote more efficient blockchain technologies.

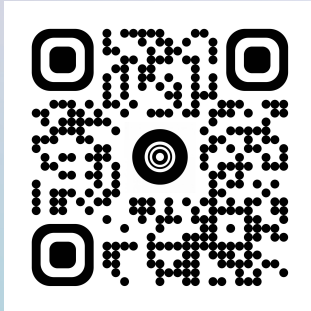
By solving the traditional barriers of entry to augmented reality, and mitigating the challenges of NFTs with more efficient and environmentally conscious blockchain technology, WebAR and NFTs are set to scale.

We're only on the cusp of understanding what is possible as AR and NFTs converge, creating new value for brands and creatives that exist infinitely on the blockchain.

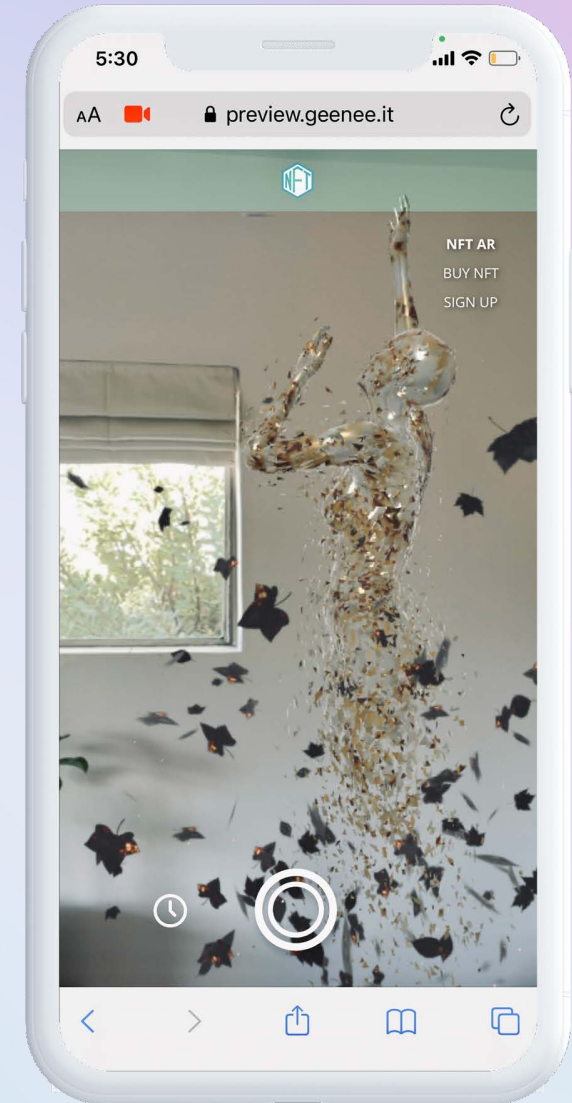


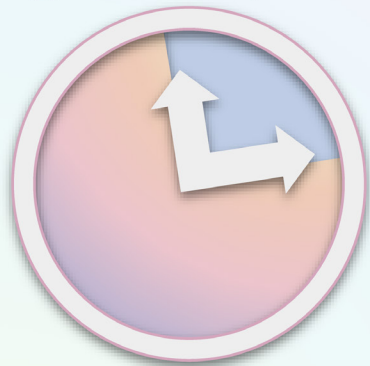
ARTIST INSIGHT: NFTS CREATE UNPRECEDENTED OPPORTUNITIES FOR DIGITAL ARTISTS

"NFT's have changed my life, the concept of ownership and exclusivity of digital art had seemed almost abstract to me, but still somehow obvious before knowing of NFTs. The entire industry and scene has given me the gift of being able to create what I want how I want outside of a client's guidelines and add intrinsic value to the work as well, which is frankly a dream come true. I see NFTs being the primary avenue for digital artists to stand amongst traditional artists in the fine-art community and that to me, is endlessly exciting." - Musician and digital artist [Levitate](#)



Geenee makes it possible to display NFT artwork in AR, and to mint AR as an NFT. In only a minute, users can place a digital assets in AR and mint it for sale on the NFT marketplace [Mintable](#). Scan the above QR to view artwork by Levitate in AR.





2 min 47 sec.

Avg. time spent with branded content in Geenee AR

over 2x the benchmark for standard digital content**

MAX REACH (BY # OF DEVICES)

3.5 Billion

Geenee (All phones)

1.1 Billion

ARKit (iPhone only)

0.5 Billion

AR Core (Android only)

BOOSTED BOTTOM LINE

25% Create & Share

27% Completion

5% Clicks to Purchase



BRANDS, AR AND NFTS CONVERGE

NFTs provide an additional touchstone for developing relationships with consumers through creative collaborations, advertising within the metaverse, valuable content distribution, community development, and grassroots engagement.

As augmented reality and the blockchain converge, there are new market opportunities for brands. NFTs are becoming increasingly valued and trusted, inviting audiences to become participants in an exciting and rapidly evolving digital space.

In the following section, we'll explore how brands have been using AR NFTs to connect with consumers in relevant ways, adding delight and value, and most importantly, building closer relationships with their audiences.



"94% increased conversions"



"2-3x boost in conversions"



"5x greater share rate"



"40% lift in conversions
5% decrease in returns"



"152% boost in revenue per visit"

REBECCA
MINKOFF

"65% more likely to purchase"

ContentSquare 2021 Digital Benchmark Report cites average time spent with digital branded content to be 1 minute 22 seconds



THE HEIGHT OF DIGITAL LUXURY

Luxury brand Jacob & Co., renowned for its use of diamonds, auctioned off a one-of-a-kind NFT watch for \$100,000 ([High Snobiety](#)). The highest bidder received a certificate of ownership, a case with a hard drive containing the NFT, a 10-15 second three-dimensional animation that shows 10 chosen cryptocurrencies cycling through a flap system, and displays a moving tourbillon, which the original watch didn't have ([Forbes: Watches & Jewelry](#)).

Benjamin Arabov, CEO of the Jacob & Co, told Forbes he predicted the buyer of the watch would be someone in the crypto world and not a traditional watch collector, who would likely prefer a watch they could actually wear.

AR NFTs are creating new market opportunities for brands, reaching new audiences who are primarily interested in digital-first, digitally augmented, or digital-only assets. NFTs can add an additional layer of content, value, and art to whatever an asset might be.

CELEBRITY DROPS: NFTS X AR IN ENTERTAINMENT

There are two landmark celebrity NFT and AR experiences that have changed the way we think about artist, fan, and brand relationships.

In February, electronic music producer 3LAU sold a collection of limited edition NFTs for \$3,666,666, and broke the record in non-fungible token sales by selling 33 unique items for a total of \$11,684,101.

One month later, celebrity music artist Grimes made history selling her WarNymph crypto art NFT collection for \$6 million in less than 20 minutes on NFT marketplace Nifty Gateway.

Now flashback to Travis Scott and Kid Cudi's "The Scotts" artwork for augmented reality, a collaboration with digital artist KAWs that launched during Travis Scott's "Astronomical" Fortnite concert, drawing over 12 million attendees.

NFTs give celebrities new ways to connect with their fans. Audiences become part of the journey, purchasing keepsake digital art that holds long term value for artists (royalty payments for each sale) and fans alike.

Augmented reality takes this one step further, allowing audiences to create user generated content, and share an interactive 3D experience across any social media platform with a single URL or QR code.

In an influencer marketplace rapidly moving towards direct-to-fan relationships, AR NFTs give artists the opportunity to monetize their work, and audiences a way to interact and transact as a part of the journey, rewarded for their dedication and fandom with memories that will last a lifetime.





BRAND X ARTIST AR NFT COLLABS

If you thought that Grimes selling \$6 million in less than 20 minutes was pretty surreal, how about raising \$3.1M in seven minutes?

That's exactly what 18-year-old crypto-artist FEWOCIOUS did one day later in collaboration with sneaker brand RTFKT Studios. They created NFT virtual editions of FEWOCIOUS x RTFKT shoes, each sale coming with a physical pair of shoes too.

Before the bid began, followers tried on the virtual sneakers on Snapchat. Over 600 pairs of the AR NFT shoes were sold, yep, in seven minutes.

In an interview with Hypebeast, RTFKT's founders, Benoit Pagotto, Zaptio, and ClegFX, said "We wanted to show people the future, and we made it happen. This collab is the result of a perfect alignment of all the culture we love and know. We believe this is the start of a new revolution."

Shortly after this success, RTFKT collaborated with gaming brand Atari, creating a unique Atari AR digital-only sneaker that audiences could try in AR with Snapchat before making a purchasing decision.

Using WebAR, NFT AR try-ons are just one-click away. We can integrate powerful CTAs directly in the experience, connecting virtual try-ons to NFT marketplaces like Mintable and OpenSea, and also brand links to explore, learn more, and convert users to loyal and highly engaged followers.

The average Geenee user spends over 2 minutes in an AR experience. That's 6x the standard digital ad placement!





AR GAMES ON THE BLOCKCHAIN

What if you could combine virtual worlds, blockchain, and digital ownership to create a Tamagotchi 10.0? That's what Virtually Human Studio (VHS), the team behind ZED RUN, has been developing with digital racehorses that you can buy, own, race, breed, care for, and invest in as NFTs.

It means that ZED RUN's digital racehorses hold real value and can be traded and showcased across multiple platforms, not just within the ZED RUN game. It's indicative of a not-so-distant future where open gaming ecosystems evolve and digital assets can be ported in and out of various worlds.

ZED RUN also features an augmented reality horse inspector, where users can view multiple racehorses in the real-world, interact with them, check their stats, and snap a few photos to share online.

This new gaming concept has opened the doors for unique brand collaborations through partnerships with brands like Atari and Stella Artois.

AUGMENTING NFTS FOR GOOD

As we learned during the pandemic, toilet paper is a commodity not to be taken for granted. From Taco Bell to Charmin toilet paper, brands have been jumping on the NFT bandwagon to promote their products, grow and engage their audience.

Taking a step back, both brands carefully thought through the process of launching into the NFT space, raising awareness and money for charities rather than pocketing the proceeds for themselves. Digital audiences and the NFT Community are highly vocal on social media. In a space that's intended to support artists and the greater grassroots community, it's important that brands take the right approach when selling directly to audiences on NFT marketplaces.

Charmin donated all toilet paper NFT sales to the charity Direct Relief, which provides medicine supplies around the globe. While Charmin has already donated \$2M to the charity this year, setting up an NFT sale boosts brand awareness for Charmin, and the charity itself, building a positive image and recognition for each party.

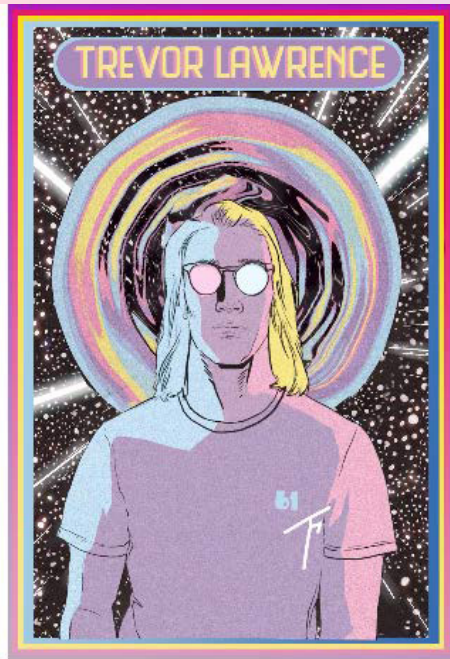
Taco Bell released a mix of images, gifs and short videos as NFT taco-llectibles (their words!), putting a fun twist on the sale, with funds going towards the Taco Bell Foundation, helping young people find careers.

Both brands leveraged a hyped, exciting community to raise funds for good, and build brand awareness.

By adding Geenee AR, brands can extend campaigns with interactive WebAR experiences where audiences can learn more about the brand, charity, and create their own content to share on social media. WebAR also makes experiences more accessible, taking a still niche but rapidly growing NFT community to the mass market.

This month, Snap shared in their Consumer AR report that AR adoption is tracking with the mobile usage boom. By 2025 it's predicted that nearly 75% of the population and almost all smartphone users will be frequent AR users. Brands engaging in AR NFTs for good can build brand recognition, engage an active grassroots community, and create positive impact on the world all at once.





trevorlawrence
Artist

Interstellactic Retro-Space

Description

Inspired by the legendary comics and graphic novels of the 1950s-80s, this piece aims to encapsulate the bygone sci-fi and wonder of the mid-century imagination. Original Artwork by Brooke & Chase Lawrence. Animation by Joseph Navin.

Auction is over

AR & NFTS: THE FUTURE IS NOW

Augmented reality and NFTs are here to stay. These innovations are creating enormous and long lasting impact across commercial enterprises, grassroots communities, independent artists and creatives.

We are witnessing the rise of collaborations between brands and artists, attracting new audiences to meaningful experiences with genuine conversation between brand, creative and audience.

This is only the beginning of a movement that will change the way our digital society operates, including digital strategy, activations, sales, and advertising.

Consumers and creatives are playing a more collaborative role with brands, forging close relationships that are exciting and vibrant, elevating consumer experiences and increasing brand revenues.

AR NFTs are a transformational technology, taking us out of the 2D industrial age of the internet, into the 3D spatial web. The future is now.



Geenee AR is building a drag & drop, no-code platform that makes it easy for anyone to create, publish & share Augmented Reality experiences directly to the web, and mint them on the blockchain.

Visit <https://geenee.ar/> for a 2 week trial.

The Geenee Web AR SDK is currently available for developers. Reach out via contact@geenee.me to request access and pricing or to inquire about custom development work

