

Virtual Brand Group Wins Historic Nomination

By Gary Symons
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Some history is being made at the Licensing Expo this year, as for the first time a metaverse licensing company has been nominated for a Licensing International Award.

Virtual Brand Group and Forever 21 have been nominated for Best Licensed Product in the category of Digital: Apps, Software, Video Games, NFTs for a licensing activation on the Roblox platform.

What makes the nomination of interest to our industry is that this is the first time, to my knowledge, that a metaverse project has been nominated for a Licensing International Award.

Virtual Brand Group, a metaverse creation company which accelerates global brands into the metaverse, and iconic fashion brand Forever 21, a brand owned by Authentic Brands Group, signed an exclusive partnership in December to build a fashion retail experience on Roblox.

While many people think of Roblox as a video game for kids, in reality it's more of a software platform or metaverse on which creators can build their games, products, or even entire stores.



VBG founder and CEO Justin Hochberg.



What Virtual Brand Group did was to take that opportunity to a new level, creating a new experience that allows Roblox users, fashion influencers, and creative world builders to own and manage their own personal stores.

Users will be able to buy and sell Forever 21 merchandise, including accessories and clothing, hire non-player characters (NPCs) as employees and express themselves by customizing every aspect of their own store as they try to become the top shop in the experience.

There have been other licensed activations in various metaverse worlds, including Roblox, but one of the key things that made the Forever 21 Shop City project stand out is that it brought real life products into the metaverse, and metaverse products into the real world, blurring the lines between our digital and real worlds.

"Our collaboration with Forever 21 marks not just one of the biggest metaverse launches this year, but also one that uniquely combines the physical and virtual worlds by delivering IRL (In Real Life) content from Forever 21 in-game and finding ways for Roblox UGC (User Generated Content) creations to exist IRL," said VBG's CEO Justin Hochberg.

To make sure Forever 21 Shop City is a success, VBG launched the game in collaboration with some of Roblox's most "fashion fabulous" user generated content (UGC) creators and Roblox influencers. Sam Jordan @Builder_Boy curated the Forever21 Shop City fashion line in partnership with - @Beeism, @OceanOrbsR-

BX, and @JazzyX3, who have all created exclusive items for Forever 21 Shop City and who collectively have had millions of item sales on the platform. In addition, Forever 21 Shop City will feature personally designed stores by influencers such as KrystinPlays, Shaylo, and the Sopo Squad.

So, what exactly does VBG do? Like the rest of the metaverse, the company is full of concepts that are new to licensing and consumer product sales, but essentially Virtual Brand Group exists to help brands monetize the metaverse. It's an entirely new world – literally – that brands are just now learning to navigate, but in our interview, Hochberg explains there are parallels to the real world that help explain why the metaverse is so important to the future of retail.

He believes retail faces an existential problem because people generally see shopping as a chore that should be completed as quickly as possible.

"When you build a Metaverse experience, like we build, we don't build stores. Stores are a broken business model," Hochberg says. "My idea is that the total focus of a consumer's journey as it relates to buying something at a store is to get out of the store as fast as possible, and that is why ecommerce does so well, because I don't have to spend 30 minutes parking, 10 minutes finding stuff, and 20 minutes trying on stuff. I just want out."

"Now, that's a flawed business model, because you can't keep people in there doing anything, because all they want to do is get

Continued on page 14

Spatial Analytics Delivers Detailed Consumer Data

Continued from page 13

out once they have the item. I don't care if you're Chanel, I don't care who you are. Now, there's only one exception to this in the physical world. It is the single best unequivocal store that actually embodies the attributes of the metaverse as best as you can in the physical world, and that experience is Disney."

Whether it's Disneyland, Disney World or even Disney Cruises, Hochberg says Disney created an experience in the real world that is essentially a retail store that people pay to get into, and where they want to stay for hours or even several days.

"Not only do I want to spend time there, I would literally spend a week on a cruise, living in what is ostensibly a very elaborate Disney store," Hochberg explains. "I buy the tickets, I buy the fast passes, I buy the Goofy mug, I buy the picture, I buy the sweatshirt, so it's essentially just a store, delivered through a very elaborate experience. So, to answer your question, think of Forever 21 in Roblox as something like Disney World. It's not just a store — it's an experience, it's entertainment."

In fact, Hochberg says he now believes that everyone in consumer products and licensing should see themselves as being in the entertainment business, not just the retail business, and that a key metric is how long you can keep people engaged in your experience every day or every month. For that type of engagement, he says, immersive worlds in the metaverse like Roblox are the key to the future of retail.

"In our Forever 21 experience, yes, you can buy merchandise, but the point isn't how much stuff can we sell, but how much time can we get consumers to engage with our brand? That's the commodity that we now live with," Hochberg argues. "So, you may have spent six hours a month on average on Netflix, and 22 hours for the average consumer on TikTok, but on Roblox they're getting 78 hours a month for the average consumer. So my goal in what I call the attention economy, when I'm competing against Netflix and TikTok



and comic books and Xbox, is how much time can I get a consumer to spend in my version of Disney World? And right now we've surpassed a million hours a month of consumers engaging with our brands."

To get that kind of engagement, Hochberg says, you have to continually think about things people can do, not just about offering things for sale. In the case of Forever 21, VBG and the creators created concerts and events, but they also essentially "gamified" the work of operating a retail store, with rewards increasing as the store operator becomes more skilled and successful.

"In Shop City you get to build your own store, you get to merchandise your store, you get to pick your selection, you get to interact with consumers, you help sell to them, you clean up after them," Hochberg says. "And as you do this, you earn extra points and bonuses, and you get access to more cool things like different styles, different interiors, different bigger stores, etc, etc, etc. And then we keep track of all of that on a leaderboard."

"So, one thing is we've gamified retail, and gamification is key, but two, the message we're sending is on how to be

entrepreneurial, how to manage your own business. So there's a level of connecting young people to the idea of being their own boss, and learning things like how do you deal with employees, and how do you make business decisions on that level? So that's the second thing that makes it very different."

As it turns out, young people apparently love the process of learning to operate a business in a way that's both fun and that brings rewards. Roblox itself was largely built on the idea of offering software tools (known as Lua) that lets children create their own games, events, products and metaverse online stores. What Virtual Brand Group and Forever 21 did was connect that type of experience to a real brand from the real world, in a way that kept both creators and shoppers engaged for hours at a time, and collectively for more than a million hours since the project began.

But Hochberg says working in the metaverse brings retailers benefits they just can't achieve in the real world, the most important of which is consumer shopping data. Thanks to the software that drives

Continued on page 16

These Four Booths May Offer the Most Fun at Expo

Continued from page 15

exciting experiences has never been higher,” says Matt Proulx, the VP of Location Based Entertainment at Hasbro. “Fans of all ages can now uncover new ways to connect with the brands they love. We’re excited to demo the Transformers: VR Battle Arena with our partners at Meta4 Interactive at our booth this year.

“We hope everyone can stop by and have a glimpse into the potential of LBE (Location Based Entertainment),” he added.

Falcon’s Beyond

Falcon’s Beyond is an experiential entertainment specialist, as the builder of the Katmandu theme park in Spain, with another on the way in the Dominican Republic. Attendees can get a taste of Falcon’s magic at booth U188 with a tour of Falcon’s X-Lab.

The X-Lab will offer a 20-minute demonstration of a handful of Falcon’s ground-breaking products by appointment. These include SpectraVerse™, Falcon’s Vision®, ON!X™ Theater, and other exciting, themed attraction systems

leveraging real-time gaming technologies and metaverse integrations.

“We have already helped many of the world’s most iconic brands connect with their audience to build fandom at a whole new level,” said Cecil D. Magpuri, CEO of Falcon’s Beyond. “We cannot wait to showcase our experiential entertainment innovations and new themed destinations in development that will enable brands to take the connection with their desired audiences to new heights well ‘beyond’ what they could ever imagine.”

NAFTOS

If you want to learn more about NFTs and their application in the metaverse, check out NAFTOS, which has a lobby display at Expo this year, and will also be in Executive Suite D101.

A newcomer to Expo, NAFTOS is an industry leader in minting 2D, 3D, and 3D interactive NFTs.

Their booth aims to take the mystery out of digital collectibles by showcasing actual

NFT creations on the exhibition floor at the entrance of the show in booth D3. Companies interested in learning more about NFTs and the metaverse for their brands can schedule an appointment with NAFTOS at Executive Suite D101 on the show floor.

“We are honored to become a key exhibitor at the Licensing Expo to showcase our expertise in NFTs and the Metaverse,” said Barry Rosenbaum, CEO and President of NAFTOS. “Our highly experienced team employs the newest technology to create dynamic interactive NFTs, unlike any others.”

Feld Entertainment

Looking for a little more action? If so, visit the Feld Entertainment booth at A209, where the company will be showing off its monster truck-themed Grave Digger Simulator Ride Experience, created in partnership with DOF Robotiks.

This stand-alone attraction allows attendees to experience what it is like to take a ride in a Monster Jam truck.

The simulator offers a range of movement on a six-axis platform featuring pitch, roll and yaw movements. The realistic motion is combined with exciting video delivered through VR headsets, which makes it an unforgettable ride.

“We are thrilled to have one of our Feld Entertainment location-based entertainment activations on site for attendees to experience during the upcoming LE,” said Jeff Bialosky, Senior Vice President Global Partnerships, Feld Entertainment. “The Monster Jam Grave Digger simulator displayed and operating in Booth #A209 will give those who are brave enough to ride it the true feeling of being behind the wheel of a 12,000-pound, 1500 HP Monster Jam truck.”

In addition to these immersive exhibitor experiences, visitors can visit the new Sports Bar and Toy Café to discover new products and be inspired by best-in-class examples from both categories. ■

VGB Nominated for Best Licensed Product

Continued from page 15

metaverse worlds, retailers can collect far more detailed data about consumer shopping habits and preferences.

“The best you can get in the real world is some lame point of sale data or maybe you get some consumer feedback,” Hochberg says. “I mean, just imagine that when you parked your car at Westfield Mall and they could convince you to put on a mocap (motion capture) suit, where every action you took was tracked by an unlimited number of sensors? How valuable would that be about understanding your consumer, and what they do?

“Now, in the 3D environment, whether it’s a Disneyland-like experience or whether it’s just a simple store, our company has the ability, we drop these pixels that are

invisible. It’s like a cookie for ecommerce, but it’s invisible, and it’s everywhere, so we can track every action that you take. How many friends did you play with? What did you do? Where did you spend your time? Did you walk into the store to buy something? Did you try something on and not use it? Whatever we want. We call what we’ve invented spatial analytics, which is basically three-dimensional analytics of the entire environment.”

It was those types of innovations that earned VGB and Forever 21 a nomination for the Licensing Awards. The 2022 Awards Ceremony, once again live and in person at Licensing Expo, will take place Monday, May 23rd, at The Light Club in Las Vegas, from 5:30pm – 8:30pm. ■