

[Transcript] FYI - For Your Innovation / Investing in the Growth of Gaming with Joost van Dreunen

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Hello, everyone, and welcome to another episode of FYI.

I'm Nicholas Gruz, an associate portfolio manager at Arc, and today I'm joined by two very special guests.

Joining us are Angie Dalton, an advisor and theme developer for Arc, as well as the CEO and founder of Signum Growth Capital.

Additionally, we have Yoast Van Drunen, a renowned expert in the video game space.

Yoast was previously the co-founder and CEO of Superdata Research, a games market research firm, and is currently the CEO and co-founder of Aldora.io.

Yoast.

Anything I missed there?

I know you have a much deeper background in the video gaming space.

Maybe we kick it off with you, and you can dive a little bit deeper and how renowned of an expert you really are in this space.

I'm immeasurably renowned.

Thank you for that kind introduction, Nicholas.

I'm happy to be here always.

I think the conversation that you and I have been having, and Angie and I go back a little further, has been fascinating for me personally, and it's because I believe so much in this potential of a longer-term digital future.

I think it's one of the bigger questions of our generation, so to say.

My background has always been straddling two things.

On the one hand, you have the creativity and the willingness of people to share and to make things for other people and to do that in a way where we all kind of benefit.

It's a large open dialogue in so many ways.

At the same time, there's also, of course, the reality of how do we do that in a commercial context?

What's the for-profit motive?

How do we invest in that, and so on?

I wear a few different hats.

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I teach at Stern, that's correct, on the business of games, and a lot of my academic writing focuses on how to make visible these underlying revenue models, what are the business model innovations that are relevant to this industry of gaming and entertainment more generally. I also am an investor personally, and I'm an advisor to Maker's Fund, which is a gaming focused venture fund.

That affords me a seat that gives me a lot of first front row experiences, which I value a great deal, and it's interesting always to see how these really brilliant people still struggle with fascinating problems.

It's a very privileged position I enjoy.

I have, through my class, I have a focus group of 60 undergraduate students, and so by show of hands, who thinks it should TikTok be banned, yes or no, kind of questions, those are part of my weekly diet there.

As a startup founder, that's really the thing that came to me because of a dissatisfaction.

While I was finishing my PhD, there was really no data on the digital side of gaming, which at the time really didn't matter to a lot of companies, but it started to grow.

After 2009, 2010, with mobile and digitalization, that became a bigger topic.

I'm not the entrepreneur from the ground up.

For me, it's sort of like an acquired taste.

I do it because it's a functioning thing ultimately.

My co-founder really is the tried and true entrepreneur.

For me, it's more the domain expertise, but you build these businesses to solve problems, so I'm very practical about it.

I try to be focused.

I'm not romanticizing it in any way.

It's just a job.

Unfortunately, a lot of my curiosities and interests, they can't live anywhere in a corporate setting or otherwise.

But so far, so good.

I've been able to make a fun living out of this, so I'm happy to share a little bit more about that, and I appreciate you hosting today.

Yeah, we're really excited to have this conversation, and this came up from a previous conversation we had where we were like, okay, we have to put this out there because we were just kind of flowing and really getting into the weeds of the business side of gaming, as well as everything else that's currently going on in the space.

So maybe we can start there, because you do have this expertise on the business side of games.

And I think there is a misconception around when people look at the video gaming space, many don't realize how large this industry is.

You're talking about \$200 billion a year, so there are real businesses behind your popular games.

And so if you could give us a quick summary of the areas of focus on the business side that you've seen trending over the last 10 years and up until today, and really set the stage for what I think we'll go into next, which is everything that's happening at the

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margin in the gaming space that's transforming the way that we understand it.

I guess the synced background on the video games industry goes something like this, conventionally say 20 years ago, people would grow up with their Nintendo's and they would buy a cartridge at GameStop at a physical retailer.

And at the time, the games industry was valued at about \$30 billion worldwide.

Most of that was in Asia, like Japan, of course, is a big country because of Sony, Nintendo.

The North American publishers and the North American market started to really come up, Microsoft launched Xbox and so on.

So you see that first decade between 2000 and 2010, this expansion of the conventional product based markets, gaming becomes more popular, becomes more widespread, more universal, but it's still very much rooted in this product based business that starts to change towards the end of that decade where all of a sudden you start to see free to pay titles.

And so now PC gaming and console gaming starts to reconsider a lot of the existing strategic challenges like how do we get products and content to customers becomes a different question.

In the PC market, you see a company like Valve Launch Steam in 2004 realizing very quickly that in addition to piping its own content to customers, they should also be selling third party content.

And lo and behold, we have a digital, multi-sided platform all of a sudden on our hands that becomes a model for the PC market, which revitalizes that entire sector.

The console goes the same way console becomes increasingly competitive.

It's a very tough market to be in is a lot of high upfront cost for everybody involved, digitalization, a foursome and then a broader rave and additional revenue streams.

And so by 2020, the games market grows to about 200 billion, which is of course then also fueled by the mobile space.

Mobile gaming accounts for about half of that in 2020.

And then the pandemic just throws fuel in the fire.

And so my calculations put it at \$260 billion a year in 2022.

In addition to the conventional sort of content creation and distribution platforms, there's also the accessories market.

So all the fancy headphones and all the sort of gear that you buy, you know, the mechanical keyboards that cost 150 bucks or whatever.

And live streaming is of course an additional component to that as well.

So that gives you the universe.

All of us are self out of nowhere 20 years ago to a \$250 billion a year business over two decades.

The games industry has grown and it caught the attention of investors, of creators, of consumers.

And that's sort of the big success story there.

I would love to dive into free to play because I'm a data junkie too, as you know.

And I love the idea that just going back to pre-free to play, we only had about a hundred million gamers.

Now we have three billion.

That seems to be a number that a lot of people cite, which is, you know, enormous, half the

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world roughly.

So it feels like we're due for a new cycle.

And it feels like it felt to us, Nick and I have talked about it a lot and spent time at GDC last week that this announcement from Epic on UEFN was pretty major and it was perceived as pretty major by a lot of developers as well.

Would love to hear your thoughts on that.

Is this iterative?

Is this a new game genre?

How do you think this all plays out?

It's a topic near and dear to me personally.

My dissertation was in fact on mods, which was, yeah, there was originally this conversation always about like, should designers be the ultimate authority for interactive entertainment or in fact, should we ask people and enable people to make their own and long, you know, I'm dating myself.

But so back in the early 2000s, you would have games that would come like these, you know, CD-ROMs at an executable file.

They would also often have some editing software, like a world builder.

So you could play Command and Conquer and you could make your own maps.

So I spent a lot of time looking from a social science perspective, saying like, okay, when people make their own and make and share their own homemade maps online with others, you know,

what's the messaging around that?

Like, what motivates them?

What do they talk about?

And so modding or user-generated content or the creator economy as it's called in a shiny way now has been around and endemic to the games industry for its entire existence.

It really starts with, you know, the sort of shareware early days in the late 90s where Doom by its software was installed on more PCs around the world than Microsoft's operating system, you know, which is a sort of mind-boggling realization.

When I mentioned Valve earlier, Gabe Newell, one of the founders, you know, he goes and says like, it just makes no sense that this one little company out there manages to have that kind of coverage, whereas we as a big billion dollar company cannot and there must be something there.

And of course, that ultimately led to Valve and all of its innovations.

But when it comes to the creator economy today, I think that there is the 20, 30 years of a rich history where we see massive franchises that have done really well because they were spun off from sort of more professionally created stuff.

Half-Life was to stay with Valve, I guess, was one of these first-person shooters that added a lot of innovative gameplay elements and then also became a spin-off in the form of Counter-Strike Global Offensive, which is one of the top tiered first-person shooters also in the competitive space today.

That's the spin-off.

World of Warcraft had expansion packs, one of them was Frozen Throne, where people started

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to create these mods and one of them was called Defense of the Ancients, where you just take the hero characters in World of Warcraft, or sort of in Warcraft, I'm saying this wrong, and that then became its own category of MOBAs, which of course, League of Legends now has 100, 150 million monthly active users based on that.

So a lot of the innovative gameplay in the games industry historically comes from user-generated content, and so it's a distribution mechanism, but also a way to innovate on it.

So it's no mistake then, as you point out, when we're trying to satiate the demand of three billion gamers worldwide, that it's a little bit impossible for conventional studios to create that much content.

All right, and these are some of the big examples, but if you look at the Sims, which is owned by Electronic Arts, they go and say, look, we have amateur creators that create six times the amount of content that my entire professional studio can actually do, so it has to be moderated, but the sheer volume of production outstretches everything.

And so capturing that momentum, I think, is now is the right time, right?

And so for Fortnite and Roblox and all these other large-scale franchises to start to figure out how to leverage that, I think that that's exactly the right mode.

Yeah, I'm watching the behavior is going to be so interesting, because this is all new behavior to really monitor and kind of try to get a sense for how it will evolve.

It's really interesting to hear you characterize it in this way, because what you're saying is that studios, in a way, are losing a bit of the power that they used to hold on to, or they're, I guess, giving it away to creators because they can really support the number of people within gaming now. Is that kind of the best way to understand this, or I guess, how do you value a studio today versus 10 years ago? Are they still leading the gaming industry, or is it more coming from the everyday creator on Roblox or Fortnite or Minecraft?

Are they really driving the trends today versus studios putting out hit game after hit game?

It feels like we're moving into this platform era now.

Yes, it's a complicated question, but so let me try to untangle a little bit.

The idea of the conventional games industry really operated a lot like Hollywood, and it was very product-basic. You spent five years building a game, and then you make a bunch of fuss and marketing around it, and then you sell it as quickly and as many of them as possible, and then it starts to depreciate in price, and your return starts to diminish.

I was really about that sales window at launch, basically. What we have now is live services games. You gradually build up a community, gradually build up a user base. Roblox is about 17 years old at this point. Overnight successes in that traditional sense that doesn't exist anymore, they very gradually come up very slowly, and then it's a question of how do I keep my user base engaged? How do I make it so that people come back every day? You start to see gameplay mechanics that incentivize that. At the same time, and there's some studies that came out recently around Roblox, for instance, you think that it's really about the positive network effects, where having lots of people in the game world itself, and that's going to create the attraction for people, but it's actually the incentives provided by the game itself. You have to constantly put out battle passes and microtransactions and item drops just to keep people engaged.

That becomes the business. It's no longer this lead-up, and then I'll see you in six years.

We're going to build a relationship, and so what they call these, there's one investor,

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Mitch Lasky. He's this legendary guy. He calls them forever games. That's really the way to think about it. Then the question is, not that you own this asset as opposed to this product, how do you keep appreciating it? What do you do to keep adding value? Part of that, I think, is what your question is going towards. How do you navigate on the one hand this authoritarian game designer versus all these amateur makers? That latter group creates a huge amount of value. They create so much, of course, in volume, but they also create that sort of social glue that makes everybody excited and build a community around it. That now leveraging that and enabling that, I think that's a big question in front of everybody. Yeah, it's really interesting. It's like we're heading into the YouTube era of gaming, but that doesn't, I guess, to go back to my question. It doesn't mean that studios are going away. They're just not going to get the reach that YouTube is a multi-billion-person platform. Movies, they reach a few hundred million. If you're avatar, you have one of the major hits, but it seems like the way to truly begin to service the three billion gamers out there, it has to come from UGC. It's interesting to hear you describe how long this has been around. I'm curious, what would you point to as the reason why it's truly starting to hit an inflection point between Roblox, Fortnite, Minecraft? It feels like something in the past few years, people are beginning to really start to adopt these platforms faster than they ever have before. Maybe it's just there's more people and these platforms reach a larger audience. Or is there some tech behind this that is allowing creators to move faster? I'm just curious, what is driving this trend? Well, I mean, there's a few parts to that, of course. The immediate one is, and I hold onto this constantly, is gaming is just an excuse to hang out with other people. Whether we go to see whatever I ox in Amsterdam, they might not my teams, it's just a social gathering. Online and offline is all the same things. I think all of the usual social dynamics apply to that. I think game companies, they started to think of themselves differently. I think it took a while for them to realize that they were hosting a party more so than they were selling a product. Musicians understand this, they have concerts. Films have premieres and it's like an event. You build an event around things and it's meet the director and there's all this sort of hubbub around it. Up until very recently, there was no red carpet events in the games industry, but that really doesn't exist. It's all just geeky people behind the scenes, plugging away. I think once the industry became so large and started to address a more mainstream audience, they realized that they had to be much more of a hoster of things rather than a producer of things. I think the technology, of course, has followed that very concretely as well. The ability with, say, the Unreal Engine 5 and all of the Unity tools that are out there, your ability as a creator to make things, Roblox does this so well too, enables a lot of these people to now more easily integrate and distribute what they've created. That used to be all these little files that you would have to find on some message board somewhere on the internet in some back corner. Then you'd hope it would work. It's a lot more regulated, it's a lot more monitored and measured. The risk aversion among gamers is reduced and so now there's more for everybody here to share. I think that that really goes towards like, look, you're going to a party, you wear your nice shoes or wherever, you bring something interesting, you have a story to tell. I think online people do the same thing. It's where they socialize increasingly and I think that they just want more stuff to share with others. Yeah, that's really interesting. It's

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sparked another question that I'm going to open up to both of you. Is the future of gaming games or are we in a new era where you have these creator tools that allow you to build experiences that don't really have the gameplay we're used to seeing but it's the Fortnite Travis Scott concert? Is that where we're just going to create social experiences now instead of pure gameplay and that's going to be the next kind of evolution of this space or are we still kind of just focused on games? It sounds like a weird question that is the future of gaming, but I feel like there's something to it where maybe there is more to gaming than meets the eye today. Definitely. I just remembered the first time Netflix showed up at Sundance and talk about dating myself. I remember people saying because I was in the media world, traditional world, and I remember people saying, oh yeah, like Netflix is going to win against Paramount. Yeah, right. It feels like we could be in a similar moment of awareness around games because everybody knows about the Mandalorian, but then we learned last week at JTC that I think was it 550 TV shows and movies, Nick? I can't remember. Yeah, movies and TVs have been built on Unreal Engine and to me it just feels like only a matter of time before, as you said, this is entertainment time. You're spending time in these spaces and I've talked about this with Epic. What they're interested in going forward is time spent and keeping you engaged and Fortnite is just one game on the larger playground and they want to keep you in that playground. In a time spent world, we're entering the world of traditional dollars that are spent on TV and traditional entertainment. I definitely feel it shifting more toward that world and with Unreal Engine and the graphic intensity and Nanite and Lumens and all the tech around it that makes it look so real. One can imagine spending more time in these spaces and opening Netflix, whatever it's called, it will be called Netflix, but opening a Netflix-like application has your playing Fortnite or Rocket League or anything else. Yeah, the stat around Epic having 550 TV shows and movies used Unreal in some way, that was eye-opening for me because to your point, Angie, I always thought it was just the Mandalorian or maybe Disney was using it for a few projects, but to see how widespread it's become and that's probably not just Unreal 5, it was probably being used on Unreal 4 and some of the earlier versions. To see what Unreal 5 is now capable of, it feels like we are or other industries are starting to recognize the powerful tech that supports the gaming space and they're now beginning to realize that they can use it in a number of different ways. I thought also the Rivian example, having the infotainment dashboard and all of the tech behind that being powered by Unreal, so all of the icons and data that you see in a Rivian dashboard being powered by Unreal and I think that's just one example. There's a few more in the auto space that are using it and I just think it's such an interesting time.

I agree. I mean my two cents are very simple. These are just brushes and brick and mortar components to building. Over time, these game companies and these engine creators, they've been busying themselves trying to make better tools and so for a long time it was all about building the next best shiniest thing. The history of the console is always about the next one is better and the next one is more powerful and the graphics cards are nicer and prettier and that's all cool. I think ultimately they're creating the tools and the technology on that level where it no longer just focuses in its own right and it loses its solipsism and it's not just about creating a single player campaign. It's like how do we create these immersive environments and if you live in the city, you immediately understand. There's all the buildings here and then there is the people and that's why we're here. I so often see when I

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walk to my class at the NYU near Washington Square, there's always those two restaurants. There's the empty ones and the packed ones and the packed ones will have a line and there's a list to get in and the other one is completely empty and no one wants to go there and I think that that's really what this is all comes down to. Can the technology facilitate that sort of social interaction in these 3D environments and I don't think that there's been an equivalent. I think that the pandemic has accelerated a lot of that behavior but this has been leading up to that for a long time right and who better than the people that live there and go there to provide some of the value. I was just going to ask, Jose, I'd love to hear your perspective on the speed of game development. You alluded to the fact that typically with AAA games, it takes many years. Last week at GDC, I heard several people mention, oh, with this platform at Epic and with Roblox, game development is going to be faster and this is going to disrupt the AAAs and from my perspective, I didn't think it was that simple because it doesn't matter who's creating a game, it takes a long time to create game loops and graphics and now I believe that AI will significantly impact graphics design but to create fun, I think it's still going to take some time regardless of what platform you're creating that fun on. It could be on UAFN, it could be at Activision but I'd love your thoughts on that.

I think so, yes. It's the back-end equivalent of role-playing games, switching from pen and paper to online. The big affordance of EverQuest and World of Warcraft was that now I don't have to roll 20, 20-side dice and do the math on what my hit points were and roles for initiative, I think, and okay, who gets what part of the loot. All that administrative stuff was replaced by computers and so then we could just hang out and we could just go into these instances and do raids and quests and all this stuff in these role-playing games so computers took away a lot of the stuff that wasn't really all that exciting. I think they do the same thing here where, you know, you could be very good at this and I think the early stages of the industry historically have been about how Carmack invented this great way of creating this image of reflecting light in three dimensional synthetic environments and that's all very cool and geeky. That's not for average people, they don't want to do all that, they just want to plop a bunch of items in a dynamically lit environment and then tell a story with that and by making that simpler I think you can create more and more people will be, it removes a lot of the barriers of entry for average creators and I think it will also, as you say, accelerate the process of creation more generally and it will be much more iterative so it won't be these large big releases, maybe like season passes or like extensions and expansions but there's going to be lots of small releases in between and so the hiatus that Grand Theft Auto puts us on every time, it's just like unbearable but of course it's understandable but takes six years for the next one to come out. Well what if we do that more iteratively so I think that will be exactly the end result, it will speed up the development and design of games all around. We've referenced GDC a few times and I guess I should, since this is a recorded podcast, we should just ask you because we got to see you at GDC which was great, what were you excited about? Were there any big announcements or big pieces of news or even small pieces of news that you were excited about? I must encourage very much to see sort of the wide range of people that showed up. I had missed a few of course, I didn't go last year because I had a newborn at home so it was a bad time to leave that house and you know I was told last year was a little bit disappointing and it was like half the body count I had in like the years before. This year it was back in full effect so I like that sense of like it always gives me a read on the industry like who's

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out there doing something and it was good to see a broad array so there was actually a good mix of people. So you have the conventional ones, so you have the conventional game developers, the Indies and the the double A's. There's a few triple A's sort of skulking around in the hotel lobbies and then you have the platform companies, you never see them and then you have the big institutional

investors that kind of knows around see what's up and the sell side people. Those are sort of your set pieces for these things. This year also I saw a bunch of crypto folk, some Web3 oriented people, there was a lot of smaller studios, indie studios from the conventional space to mobile and otherwise that you know weren't all white dudes which I find always very encouraging you know I think the industry needs to transform dramatically in that sense and there's a lot of opportunity for it.

I was happy to see that I had a bunch of meetings with some of my friends and colleagues in other venture firms so there is still a lot of activity in terms of finding good deals and so in other words the makeup of the people that were there was very different for me this year and I really appreciated that and then there was the larger I think that stand out for me with the AI conversation because you know we've been beating over the head now on that topic by so many people you know I kind of needed the level set a little bit and it was nice to hear you know people go in and say well gaming and AI go back 20 years easily right and and here's what we've learned. This is not some

overnight romance, this is something that's been growing over a long period of time and here are some of the lessons so there was lots of panels at GDC speaking to like well here's what we learned and here's what totally didn't work and this and this was the most magical moment and it happened by accident or whatever and so seeing their lessons and sort of figuring out to put it in a quick summary like garbage in garbage out kind of principles when it comes to how to use AI in a creative process and what part of the process is impacted the most. I thought it was very interesting and I think that that's very encouraging also for sort of the smaller and medium-sized companies out there so overall it was a very optimistic GDC for me. I want to see what happens next because in the wake of GDC we also heard about the cancellation of E3 which is the more conventional one and so the industry is shifting but there is something that's happening in the games industry that's not the same and I'm kind of curious where we're going to end up. You know I'm curious Angie I know you go to more than you want to of these events but so there's what was your learning like what stood out in the days that you spent there?

So I spent a lot of time speaking with the UAF guys and the fab marketplace people that are kind of in the trenches and what stood out to me was speaking to a few developers around creative mode for Fortnite and for Epic. There was a little bit of reticence which I guess shouldn't be surprising from game developers like oh it's the new thing we don't know the new thing we know the old thing and then there were other new people to your point. Yes there were a lot of new people that had more entertainment backgrounds that were sniffing around to try to figure out what this technology is and what it can do and you know whether or not they could have influencers and creators come in and bring them in maybe from traditional social media for this and when we spoke to the UAF guys they said this is going to be an easier onboarding process than the former creative platform at Epic and so there will be an end around of new people who come into the space new people who come into gaming who are just trying to create content and that I thought was pretty exciting and then also I was with an AI company and by the way were you at the Dutch

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consulate at breakfast? I had to miss that one for a meeting I was invited but you know. Okay I was just blown away so the Nordic breakfast was one morning the next morning was the Dutch consulate breakfast both of those breakfasts were about AI and I learned so much but anyway one of the companies that was there Sordium took it as a challenge when Epic said it'll probably take you three four weeks to learn these tools if you've never been exposed to them they challenge themselves

to pull their creative assets into Fortnite and by dinner that night they showed a video of gameplay in Epic sorry in Fortnite with their creatures and their trees and everything integrated and so to me just it was really exciting to see new people figuring out what they can do. That's fantastic I mean the proof is in the pudding right like if it's going to revolutionize or impact in some meaningful way it can't be this three-year process like you have to be able to do it relatively quickly. I see my own 10-year-old to kind of walk about in Roblox and trying and so it seems instinctive like if you make the tools more accessible that that would have an impact. I didn't know that the various European consulates would be like a key local for that but I'm impressed I missed out on that. So it feels like one big trend at GDC obviously introduction of AI but I thought just from my time there the presence of Web3 and crypto was also quite large so curious I feel like it wouldn't be a proper gaming podcast if we didn't talk about Web3 in 2023 so I'm curious you know to get your takes on you know what Web3 and blockchain

is going to do to the space in the future it seems like AI we can all kind of agree on is going to accelerate the creation side of gaming and you know the time to create digital assets or it's going to be accelerated if you can do text-to-3d asset creation but how does Web3 and crypto play into this? Where does it add value to the gaming space? Well I mean so my immediate question and you know while I'm committed to the second sector I'm also deeply skeptical so my question would be like does it have to? Like what's the added value and I think that there's you know there's a few scenarios where it would make sense but not immediately so so in a world where lots of people start creating stuff right whatever that is you know people develop a brand but also a certain flavor and at some point like it's an authentic whatever like how do I know when I walk down Canal Street two stops from my office that I'm getting an actual

Blensiaga handbag which as you know I buy those all the time but so like that verification and authentication of like things made by others I think becomes an increasingly important aspect in a world where lots of content exists it's like how do I know that this is an actual Nicholas level pack like that you actually made it as opposed to someone who used a bunch of AI instructed to take your style and just you know create a few other ones so I think that there is some verification necessary down the line where you say well it's really a value because this particular artist made this it's not a forgery it's not an imitation and I think that that's going to be an interesting question especially in the digital setting because certain creators are just more interesting and you want to support only them and that's that's where you're loyal and that's where you know you're fandom lies and I think that that makes a lot of sense in the same way that you do that for other creators in other categories so that's where web3 could ostensibly play a role sort of separating the fakes and the forgeries from the real thing there's also of course the you know the longer sort of the currency component to it say okay well

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can we trade on this can we somehow contribute like if I work with a bunch of people in Belgium and India is there some way that when I get paid it automatically does all the payments I think that that's you know making that a little bit more easily accessible and removing the boundaries that traditionally exist in all these payment structures especially on a small scale like that if it's just a bunch of kids in bedrooms you know that puts them out of the market but I think it's totally unfair and you know there's a moment where you realize like okay if we just do different allocations and you know we all get like a royalty cut on this one asset that we created and now people as they play it's like look every time a dollar comes in you get 10% I get 10% automating that process regulating that asset not having to go through a centralized processor and taking their cut I think would benefit a lot of people there too economically and it just also encourages more creation so those are two scenarios but you know still it's early days and a lot of this feels still a little bit unreliable plus it requires the embracing of say and Epic Games to really to do that Angie will probably know better but the Epic Games has been allowing Web3 Games on its Epic Store but I don't know if that's immediately means that they're going to be going whole hog or crypto and Web3 in general but I think that that's part of the role so that's going to play. Yeah I mean I think Tim Sweeney actually mentioned specifically that NFTs are not required you know in this keynote they are they do have a couple of games Blancos was the first game for Mythical that was distributed from the through the Epic Store and he said he's not against new business models or new you know like he's not against the business model of blockchain and Web3 generally but just Epic itself isn't going to be using it but for me you know in 2018 we left the traditional world and they had really envisioned Web3 solving a totally different problem than we've seen so far like I never really thought about this concept of you know crypto being in games just being about speculation and trading because that's not really the behavior of gamers and traditional gamers I guess and I was thinking of it more along the lines of social capital and identity in the same way that skins provide that and as you mentioned you know Balenciaga or whatever I would used to say I want to take my Gucci bag with me from the holiday party to the Mario Party and it's a it's a similar concept of like you know in the same way that skins kind of morphed I remember back in 2018 there was a billboard on Fifth Avenue a top shot billboard and a woman was wearing an outfit that I happened to have just seen was the most popular girl skin in fortnight it was almost identical and I thought okay wow this is like I could see this and the more time spent in these digital spaces the more we we will value property rights around our stuff and and the more we will want our Gucci bag to be authentic as you said yes I feel like there's a real kind of collector mentality among gamers and players that I think is really important that crypto itself kind of misses out on but cryptographically securing assets does not miss out on so I think in the same way that people wanted to play and own and collect and maybe you know yes maybe they would want to sell those or trade those or but that's not the primary behavior the primary behavior is really collecting and having authenticity and then the next step is property rights and the things that I that I own that are authentic and that could be valuable and the more time I spend in these spaces and the more fungible my you know my movements are I guess between spaces the more I'm gonna I'm gonna want to know that I can I do actually own that so I've never really felt like this is a crypto world or gaming world but I do think that people with a gaming background

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are more likely to understand the behavior and for us behavior is everything because you know it's it's much easier to adopt technology changes if behavior is already there if it's not already there it's very difficult to adopt new technologies so would you say it's fair that the success we'll see in this space is going to be the games that adopt gaming before blockchain not blockchain before gaming like we've had this strong P2E movement play to earn movement and that felt very much like this is a blockchain game instead of you know this is a game that utilizes the blockchain on the back end would you think that that's the better model for this going forward because there is a lot of backlash from the traditional space towards this movement because I feel like it's been characterized and marketed as this is blockchain first and then there's you know a game on top of it and that's how you access the blockchain and the assets and the speculation that go on but now it feels like because we've had this drought and this kind of ice age in the NFT market and the web 3 and web 3 space over the last year and a half we're starting to see incremental adoption of web 3 tech but it's more obvious gated than it was you know for axi infinity and some of these games that were very much marketed as blockchain blockchain do you think that's the way forward or do you think we're going to have both yeah it's part of the reason i'm skeptical but as you go for it go ahead

oh no i was just going to say one thing in response to that is blockchain first is a new kind of game it's a crypto game it's a trading game it's a speculation game and it's it I don't think it gets to the billions of people playing games necessarily I think it's just maybe like a new genre but it's niche and it's small and play to earn to me always felt like an oxymoron like you don't want to go to work and earn money in a game you're there to have fun you're there for entertainment you're there for leisure you're there to hang out with your friends so yeah I think it's going to evolve more in the way that you described in the latter description unfortunately because of my career starting and gaming in general it's like I'm deeply skeptical but I you know I would say I was a big fan of web3 and then I saw axi infinity I was like no no that's the wrong direction you know I've made similar arguments elsewhere like when Google announced stadia two three years ago but at five years no 2016 Jesus and so it was you know it was all about we have the best technology and the best everything and my metaphor at the time was it's the best tables and chairs we're opening a new restaurant come check out our cutlery and like nobody goes to a restaurant for the furniture right and so you have to have something that I can't get anywhere else like it's a I don't know a taco place in a Italian town or it was like something new something different something exciting I could take my dates there whatever it is and so crypto really didn't prove any of that they very quickly sort of wrapped a chrome layer of gameplay around this like junk pile of you know blockchain technology because it wasn't fixed still isn't really functional in many ways but that's okay that's that's part of the iteration but it deserves skepticism outright the tools should facilitate the social aspect of all this right it's it's it's as to Angie's point it's it's clear people will spend more time online they're going to have things that they want to do they want to express themselves they want to share they want to make they want to personalize customize all that okay what do you do like what's the stuff for that right what's what's the what is the raw materials for all this and I think over time there's going to be some velvet roped set of activities or items that will live on the blockchain saying like okay I'll do the web 2 thing and I'll just pay the publisher and they ultimately own it I just license the items and then there's the gold deluxe special edition that I own because

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I got into an agreement with Ubisoft I gave him 50 bucks and this magical unicorn or whatever in one of their games is now mine forever and I can trade it on all these platforms and so I think that that is something for a specific subset of players but I can't be this upside down pyramid scheme where you have to work to get some value out of it I think that that's the wrong way around they're playing to earn seems you know it is antithetical to so much of the thinking in the games industry however the games industry in and of itself has also been kind of talking out of both side of its mouth because you know when I mentioned earlier about the royalty distributions for any kind of creative works is like well that's kind of the problem in the games industry that there is no union unlike in film and in music there is no recognition of labor you could be you know an ant in the entire anthill of workers on a project and you get no recognition whereas in a blockchain universe like well maybe you can like maybe you are like a mid-level person but you just happen to create this asset because internally you have some contest with the designers and whoever's asset makes the most money this week and all of a sudden you can rise through the ranks because now you have

this notoriety I guess you're an accountant and also you created the flaming sword of doom that everybody wants to buy now so it's you know it allows I think a more decentralized and a more heterogeneous hierarchy inside of a creator shop and that I think we haven't really discovered yet because the games industry is very resistant to that right and I think that that's part of the problem is that they saw it they didn't like it they walked away from it because it's just that time of the evolution in it but human behavior will will guide all of this first it's so interesting what you say about these creators and players and and the sword I think that what happened this week

with the rust map uh where the creators took the call of duty rust map and created it inside fortnite even though it didn't look like call of duty it looked like fortnite but activation came and and shut it down and that is a learning experience for the creators and a learning experience for activation a learning experience for epic it'll be so interesting to see these creators just you know individual players who are really going to push the envelope of how this all will evolve because it won't it feels like it won't be from the big publishers they'll be more you know responsive to it and it could be the creators that really start to you know kind of form this new business these new business models yeah that's an interesting example because I feel like there were other examples and it wasn't because you know fortnite is really just getting started on the creative side but in roblox I remember when squid games came out a week or two later

there were playable experiences on roblox where you could you know play red light green light and I feel like that actually adds value for netflix but I'm sure they still want to have some oversight but this is pretty consistent and it's not just in gaming now you're having creators like mr beast he did a full squid game series on youtube which ended up I think reaching more people than the actual show itself on squid games so but it feels like you still are toying the line between what is probably legal and not legal in terms of copyright which is it gets into this space of as we move towards creators having the ability to move extremely fast and create experiences they're going to need content and ideas to build those experiences off of and maybe some of those will come from the traditional space or that you know they'll be original thought and idea which is probably you know going to be the majority of it but you're

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going to run into these examples of rust of squid games where you have issues of copyright and I don't know how you deal with that at such a large scale because it wasn't just you know in the roblox example it wasn't just one creator that did it there were probably when I was looking at it 20 to 30 experiences that were at the top of the list you know that's what was being showcased to me when I signed up on roblox like here are the you know top trending games and rust was you know angity airpoint I saw that two days after gdc I saw every big uh you know twitch streamer showing oh you know and going crazy over this experience oh my god it's rust in fortnight and uh you know if you're the Activision team you're like no no no no no this is not good but as a creator it's a massive opportunity to be able to port these experiences over to different platforms I mean I don't think it was the designers themselves that wanted to shut it down I mean I would only be honored right if like people recreate piece by piece the thing that you spent months building like a button what a compliment I think it was probably just the legal teams immediately just like point and click cease and desist yeah but it's just fine that's just their business but you know it's unstoppable like they're going to run into some natural moment of like we can't you know preventatively regulate all that we can't go out there and that kick everybody in the in the shins to not do this because there's going to be an overwhelming they're going to color it slightly differently or it's going to be inverse and upside down or some mirror image or they're going to add whatever all kinds of goofy things to it and it will kind of look like rust and everybody knows it's rust but it's not cold rust and so they're going to just kind of find some blurred version of it because people are smarter than no no any number of lawyers working together it's you know there's an inevitability that the same thing on YouTube the same thing and all these other platforms where it always rides the edge and corporations try to regulate but they can't I'm curious to see how that's going to play out you know it's a there should be some kind of omnibus of like the best levels for all the games not just the ones like rust like come on let's do a let's do a 20 pack of all the best maps in all of the shooter games and have those be available like why not like that could be such a great marketing point saying oh you like this map or there's like 50 more of them if you buy the actual game you know it should it should be more of a marketplace than anything else but companies aren't set up that way right it's the same logic that they had when they said why would I give my game away in a free to play scenario 10 years ago when I can just charge you 60 bucks that makes no sense or anything ah but see the model is shifting and I think that that's what the beginning of that we're seeing here now again where user-generated content and all this sort of creativity is going to you'll make these things into experiences and then you go to the original one then you go to the legit one right it's and I think that that has a lot more power than the uh the publishers currently realize hmm it's really interesting and exciting to think about the user-generated content in combination with AI-generated content in games I mean the the amount of content is just exploding and will these legal teams are going to be busy yes there's going to be a legal AI that's going to out out of them there it feels like what we're describing in a way is the tearing down of like the traditional walled gardens between studios and I feel like Tim Sweeney is pitching this you know we need an open metaverse we need open experiences and platforms partially because he has one of the largest platforms out there so there is some incentive but it feels like the players that don't have those new age platforms whether it be Roblox or Fortnite are still trying to keep everything in house as any business would right it's a time spent business you need people

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to spend time in these experiences and if they're not playing Rust in Call of Duty and they're playing Rust in Fortnite that's not great for Activision that's you know in a like from a developer point of view it's great that they recognize and you know still want to experience Rust but it's not great that they're spending time on Fortnite and spending their you know dollars in that game and it feels like we're heading in to this you know muddy water type of area where you know the open platforms that gain the most users today will have a stranglehold on the industry going forward in the next 10 years I don't know I'd like to record the show that it was you and Nicholas who coined the metaverse in this context it's a conversation I believe Tim Sweeney's vision of an open metaverse I think it needs to be this sort of super layer on top of what already exists you know it seems counterintuitive just economically that if let's say let's say I'm Activision my biggest selling Call of Duty title is sold 31 million copies in a in a open worlds online universe that's nothing 30 million people has nothing that's what we have here in Brooklyn maybe but and so it's like so it seems counterintuitive that you wouldn't allow for one or two of your biggest hit maps to be available in some whatever Fortnite version of it and have some arrangement with of course Epic Games behind it and say look look we're going to make this available for free and that is a pipeline for 300 million people to come buy the actual game and now we sell 10 more million copies that's a revenue model like what's the big problem but it's they're so stuck in their mindset and I think that that's where you know making it more open of course is in the benefit of Tim Sweeney but perhaps and this is where I think the metaverse makes a little bit more sense to me you know we've been moving away from like going to GameStop to digital distribution platforms like Steam okay cool and on Steam it's all about early access and demos this and the preview videos and some live streamer what if I could just play two levels like this and I don't have to wait for all these other people to like chime in first and if somebody can make that more accessible and now I realize like I really like that one game with all the ponies and all the donkeys I'm gonna go do Barbie's horse adventure over here and actually pay for it but there needs to be some kind of segment where I can try stuff before I buy stuff or commit my time to it right and I think that that's much more intuitive for people where they can you know just like screw around until they commit themselves as opposed to now first you pay me and then we'll see if you like it right it's um that relationship I think is a little bit more intuitive especially in a digital environment and I think it's a the next iteration of the storefront would be something like that but people aren't thinking about it in those terms yeah I would I would actually agree with you like I use the term open metaverse in only the way that kind of Tim Sweeney has pitched it and but I think it's you know if I were to say what are the most metaverse experiences today I would probably point to Roblox and Fortnite where they're not actually open to other ecosystems like I don't imagine Roblox and Fortnite ever you know being interoperable but the experiences within those platforms are very much interoperable and will probably likely become more interoperable over time and that's where I think you're going to have competing not metaverses but like virtual worlds that host all of these different you know in fortnite's case they call them islands right

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and so each island in and of itself is one single virtual experience but when you combined all of them and make them interoperable that's when you get into like a metaverse experience open metaverse

type of terminology where I think it's somewhat applicable but not in the sense of you know everything's going to be open and we're going to have this huge metaverse globally maybe we will but I think we're likely to see a few of them not just one like I don't think we'll ever have one metaverse we'll have multiple metaverse experiences available there's some some odd parallel that pops up as I hear you talk about this DM in London they have this Ikea front end shop where you go and then you just like you come in with a bunch of measurement and like whatever your ideas are of what your kitchen should look like and then they can just generate the whole thing there and then you can order it and then it comes shipped to your house so you don't have to go through the big warehouse experience

like here in Red Hook that's really to take your kids and have meatballs that's not a shopping experience for me so much anymore it's more just an activity when it's raining and so you know but conceivably like the same thing so I used to live in Soho and like more and more you have like you know that's our cool flagship store for Prada and all these like fancy places but then really you just go to the internet to order the stuff because most of the time you're in the Apple stores again you should go online and order it there and wait three weeks they don't actually have this stuff in the stores and so maybe there are some digital equivalent where you have these open world experiences where you can say oh I really like this great and now I've tailored this custom experience or this thing that I didn't know existed it helps with discovery and now I know exactly which maybe I do like unicorn and you know pony games I don't know I'm a grown man who

knows maybe there's some kind of subconscious that manifests but there is a moment where I think a

large part of this conversation has to do with discovery marketing awareness and branding that kind of goes past all the creative and the monetization talk. Yeah I mean there's I think a lot of different ways to go when like that's why the term is somewhat useless right like the metaverse term because people just use it in whatever you know in so many different ways to describe the just internet itself but just more 3D and more interoperable that's kind of how I've come to coin it in my own head or you know at least try to justify using it in some way because I think it is an interesting term I like I like using it but it's like you can use it for VR AR and I think that's where it starts to get you know you're not using it in the right way I think there's better ways to apply it to and it's all about making sure people understand what's happening with the trends right it's about helping people understand where to look and how to interpret what is going on in in some of these spaces and all of it points to more interoperability more 3D and you know open in a lot of ways and you know that's where I think the metaverse term kind of slots in. Yeah the way Tim Sweeney described it makes made a lot of sense to me and then another company came along and really muddled the message with this idea that

their own hardware that one you know one should need a bunch of hardware to sit on top of your head to access it and it might have been in their interest to you know spread that idea so it got

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really confusing I think to people. That's interesting so Nicholas since you clearly look at this more often like what do you make of Apple's alleged entry into this in June or later is that going to validate the space is that going to like blow it right open or is it just going to be a sideshow like smart speakers. I mean you can never really discount Apple when they move into a space but I think in terms of if it's going to be XR just you know pure VR I don't know that it's really going to accelerate the adoption of what I would deem as just a gateway to access these experiences like I don't look at what meta has built with Oculus or any you know form of you know computer interface as the metaverse or I would never deem the metaverse as an access point. I think those are all access points to look at and experience the actual metaverse the actual metaverse and you know we can argue about that till the you know sun goes down here but I think you know Apple stepping into the space is going to be bringing this renewed cycle of hype but I am waiting to be proven wrong that these are not just you know huge holiday hype cycles that then tail off into the summer and part of it is because when you look at VR AR XR you have to make those experiences

so real because what you're doing is at some level competing with reality itself because you're taking the user out of the real world and so I think that is we don't have the tech to do that yet today that's why we haven't seen it grow to what you know the to the most bullish cases out there so I don't I'm not I'm I'm somewhat skeptical but I think it's it's always good to have more entrance and again you can't really discount Apple so maybe I'm going to eat my own words here and in a few months when somehow they you know you know do what Apple has historically

done and just like take over a market and bring a billion plus people into it like I probably would have said the same thing about the Apple watch you know if I was covering that at the time but look what it has done you know people are obsessed with getting 400 notifications on their wrist every day you know but that's not me so but I respect it you know so I respect the potential outcome I'm curious what do you what do you think do you think it's like we need Apple to really to make this real I think Apple can't not do it it's a bit like a lot of these companies especially like the consumer electronics companies they operate like the news like if all three of us are different competing news stations and I'm the only one not reporting on a train crash then why listen to anything else I have to say because that's the news right because by consensus that's sort of determined and I think by consensus we determined the future of technology and entertainment the same way is like if you don't have anything with dragons and swords and sandals what kind of channel are you like is this reality TV so I think Apple can't really afford not to have a horse in the AR VR race so that and I come I mean this is a skeptical question but I always come back to like is this really by consumer demand or is this just a corporate need like you know did they just figured out what to do with like Google Stadia are they really just selling excess bandwidth on their cloud infrastructure and try to figure out how to directly monetize because the indirect revenue is not going fast enough or is this something that people have been asking for because Google is so good at making games no that's totally not the case Amazon you could raise that

same question so with AR VR and Apple you know if you're known for your clever glass devices like you can't not have that right but then what do you release and it's interesting because it comes at the same time where Tim Cook is able with the departure of Jean-Yves like the famed designer

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and his team or whatever like for the first time in the history really to kind of just bypass the design teams wishes and what they think is best and from what the reporting tells you it's that they are going a little faster than the design team has wanted and so this might be a huge mistake where they're going to have some kind of weird half cooked half baked VR tool some toy that nobody wants to buy right and it's going to be expensive it's like who's going to be you know they used to call them glass holes and there was the Google glass like I got under there's going to be some flowery version for the Apple one I'm sure but so that's a huge corporate risk and I'm not sure that that's entirely calculated into all of this I like that half cooked devices you know we'll know when it's you know starting to take off all you'll you know you'll have to ask a few people that use it and if you do that today you'll find that they've stopped using the device in two weeks whereas you know when I was looking at and this is somewhat related but you know if you do your own market research and just ask around a friend group you can sometimes get a good sense of how technology is progressing and it you know was the case when Oculus came out everyone I asked initially was like this is mind-blowing this is incredible tech and then I would follow up two weeks later and they would say you know I haven't used it in a week and I don't plan to because it makes me dizzy or you know there was a myriad of reasons why they were stopping but when I started to see like you know TikTok right when I started asking people

about TikTok I would ask them in the beginning they'd be like yeah this is amazing and then I'd ask them two weeks later and they would say I'm full on addicted right and that's like what we'll see progress eventually with AR and VR I just don't know what it's going to take to get us there and maybe it's not the case that we'll ever get there maybe you know just putting a screen closer and closer to our eyeballs is not the future of human compute interfacing like maybe it's maybe we need to skip a step and we have to get to the neural link phase of you know it's actually just you know somehow implanted in your brain and that's something that I've thought about

like maybe we're just going to have to skip a generation of of hardware to make this work or maybe it's it's it's just too immersive to really encapsulate a large portion of the population for social reasons I think enterprise you can make a really strong case for enterprise use in VR AR I think there are ways to augment reality to help people do their day to day activity but I don't think that there's ways to do that in a lot of social you know in the way that we socially interact with with each other or you know I'm the jury's still out for me like you've heard me go back and forth like five times on this just in this monologue so I don't you know of course no and I appreciate that you know there's there's two thoughts that come to mind real quick which one of them is you know I've been happily married for a long time but so I don't know what the dating scene is out there but I can't imagine a world where I go hey let me impress you with my headset my my VR goggles it seems like a straight prophylactic like it's just nobody wants to talk to you if you're too much into that so it doesn't have to occur but people where it's like an iPhone that was the differentiators like look I'm a successful you know potential mate that's hangout so so I think socially we're still a little further out from that and then just in general like you know it's it's just new gadgets that I don't see you know really serve a purpose here like it doesn't really make life that much better for everybody right it's the um it's a it's a high-end device I get it but it's still very boxed and so it's like the the ultimate

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in consumer electronics was always the Walkman I could now have portable music and a lot of what Apple has done since then it was really just copying on that idea and iterating on it and making it better but Sony really had that original one whereas you could take music with you when you just go about your business every day you could jog with the Walkman it's amazing and so so they're always trying to look for that I don't really see that workout so when you say VR AR will be useful in enterprise you know my skepticism overrides all my thinking and I go well that's just going to be some corporate meeting and they're going to buy like 10 000 of these fucking devices and send them to all these poor remote workers you and I have to sit also in this like blinding universe they can't even see their children because they have to stare into like their work screen and they can tell when it's not on or whatever this is like that seems like it's going to just trickle down and like the lowest rung on the on the on the totem pole is going to have to suffer through this like imperfect technology so so for both those reasons I'm still very skeptical well I want to I tried I have the Oculus and all this stuff here I you know of course I tried and when the PlayStation VR came out we tried it and we played with it in all these different ways there's a potential there but you know it seems like the the the range of voices that helps run this narrative like they're still too conflicting there is no real clear path to mass adoption for me in any of this it's as shiny and cool as it is as a technology in and of its own right I totally agree with you yes and I always go back to the google glass roll out and I went to an investor lunch with google when it rolled out and they had really high expectations that we were all going to walk away and say this is going to be the you know next greatest thing and and and we all had the same reaction who's going to do this it doesn't make any sense and I'll say one thing for the web3 community that you know gaming can learn from the web3 communities that have been built on discord because what's hard it's almost like even though technically it might be hard it's it's easy to roll out gadgets it's much harder to build real community and like I really want to hang out with these people for the next five or six hours and you know and really you know communicate and talk now obviously that happens in gaming as well that they they they happen in both spaces but the I guess speed of developing community in web3 is something that I haven't I haven't seen before in gaming and in the way that it's also an offline relationship and it feels deeper now all of the speculation and trading kind of takes away almost from the community but it just feels like the gadgets are easy the community is hard and the community is really the secret sauce to me always I always think about the community as a secret sauce to the metaverse it's the chicken and egg problem right like you need to attract developers but in order to attract developers you need a user base and you need a community and I think AR VR is kind of still very much in that what's going to come first like are we going to spend a bunch of money to attract developers to you know release experiences to a handful of people or are we going to spend money marketing and trying to get enough users that it just naturally attracts developers and you know I don't know that we've we haven't reached escape velocity on that front yet and I will say one thing in terms of being bullish around enterprise AR I won't say full VR I think maybe there's some applications but I think if you look at like areas of business where you may need hands-free computing there's ways to augment reality where it's not fully immersive and maybe some of it's just offloaded into kind of an audio into someone's ear and they just kind of have a little picture in the corner of their eye I think there's a lot of applications there but I think VR is trickier because it's an exhausting experience

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in a lot of ways like I if I were to take the full-on pessimistic view of the VR space I would tell you that and I'm just going to tell you I think most people in the world are lazy including myself in a lot of ways and a VR experience versus you know TikTok I'm I'm choosing TikTok 9.9 times out of 10 or I'm going on my phone I'm looking at Instagram 9.9 times out of 10 because I'm getting the same dopamine levels after the experience or during the experience without having to sweat and potentially knock down my TV or you know actually hit someone in the face while my arms are flailing right like I think that really to me is like you have to create such a better experience because you're asking someone to spend so much more mental capacities calories than just what they're normally used to that's where I'm like okay this is where I draw the line this is where I can easily say it's not going to happen because it's just too exhausting of an experience you know and that's like my full-on pessimistic view I don't fully believe that yet but I see a lot of truth in that I see I mean I do think it's like very easy way to look at the space and say okay this is going to be much more difficult than most people expect because you're asking them to use their entire mental capacity and body for most of these like if VR was something that you could just do lying down on a couch all day I think it would have and maybe that's really where the niche is like make an experience if you're a developer where I can do this laying down or you know I don't have to stand up and sweat like I see all these experience of like hey come work out in VR and I'm like my dermatologist I'm going to spend a thousand dollars a year because I'm going to break out an acne because I have this thing strapped to my face all day like that's so greasy yeah it's like greasy and it's it's it's just so difficult for me to wrap my head around although that could be a good business to sell like lotions on the side for like teenage VR users like yeah I think dermatologists are sitting in a great spot if VR starts to take off that's where I'd be in that that's where I'd be investing I like that dermatology is the new growth sector I like that yeah we went we went a bit over time but I thought this was a great conversation as always um and yeah thank you both for coming on you know so I want to just you know give you an opportunity to talk about your new venture here um while we still have you and then we'll we'll wrap after that so the new venture Eldora is you know it's it's not quite ready for show time in general but here's the sort of preview to it my experience with superdata was uh you know looking at gaming which is often a vanguard in terms of consumer behavior and how people spend time and money in online settings uh you know I think it's proven out now to a lot of people's like okay that's going to extend well past the the boundaries of interactive entertainment music film and so on they're going to have similar applications we talked about fashion right in many ways Fortnite is one of the biggest sellers of apparel it's digital but it's apparel nonetheless in the world compared to like major fashion brands like Gucci and Prada so you know Eldora proposes like local let's go track all that spending that people do but do it in such a way that's equitable to the actual users right so after I sold my business to Nielsen I learned a few things and it's the appropriate way to say it is like you know it wasn't the people so much there are plenty of talented people in an organization like that where it often breaks down is that the data sets don't really connect in a way that they probably shoot for customers and for the people providing that data and so Eldora is looking into a more equitable model where we say okay look let's make it so that the people providing data get compensated accordingly and not one time for a

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few bucks but over the course of a period and so we look at web two all the way to web three monetization in online worlds we cover roadblocks to Reddit to put it simply and the idea is to provide benchmarks and KPIs for each of these different categories like digital fashion gaming sports music film and so on and do that in a way that makes sense for everybody involved so so it's a bit of a idealistic thing which I believe I can afford to having sold a business before at the same time you know consumer behavior kind of backs it up but people are a lot more weary of what happens to their data and they spend much more deliberately on this like they contribute to musicians and they contribute to artists in a way that makes sense to them and so we're in early stage if we're tinkering around it's a lap time to put it simply but we hope to have something to show in the next few weeks in the next few months I should say so I'll be happy to show up with what we do awesome well exciting times ahead and thank you both for for joining uh we'll hopefully do this again soon I think there's always new trends to talk about in the space and this was an awesome time for me so thank you both and hopefully we'll get you back on soon thanks for having me thank you

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