

Crypto Craze

Brief overview of consumer trends & crypto
media/marketing growth

NBCUniversal

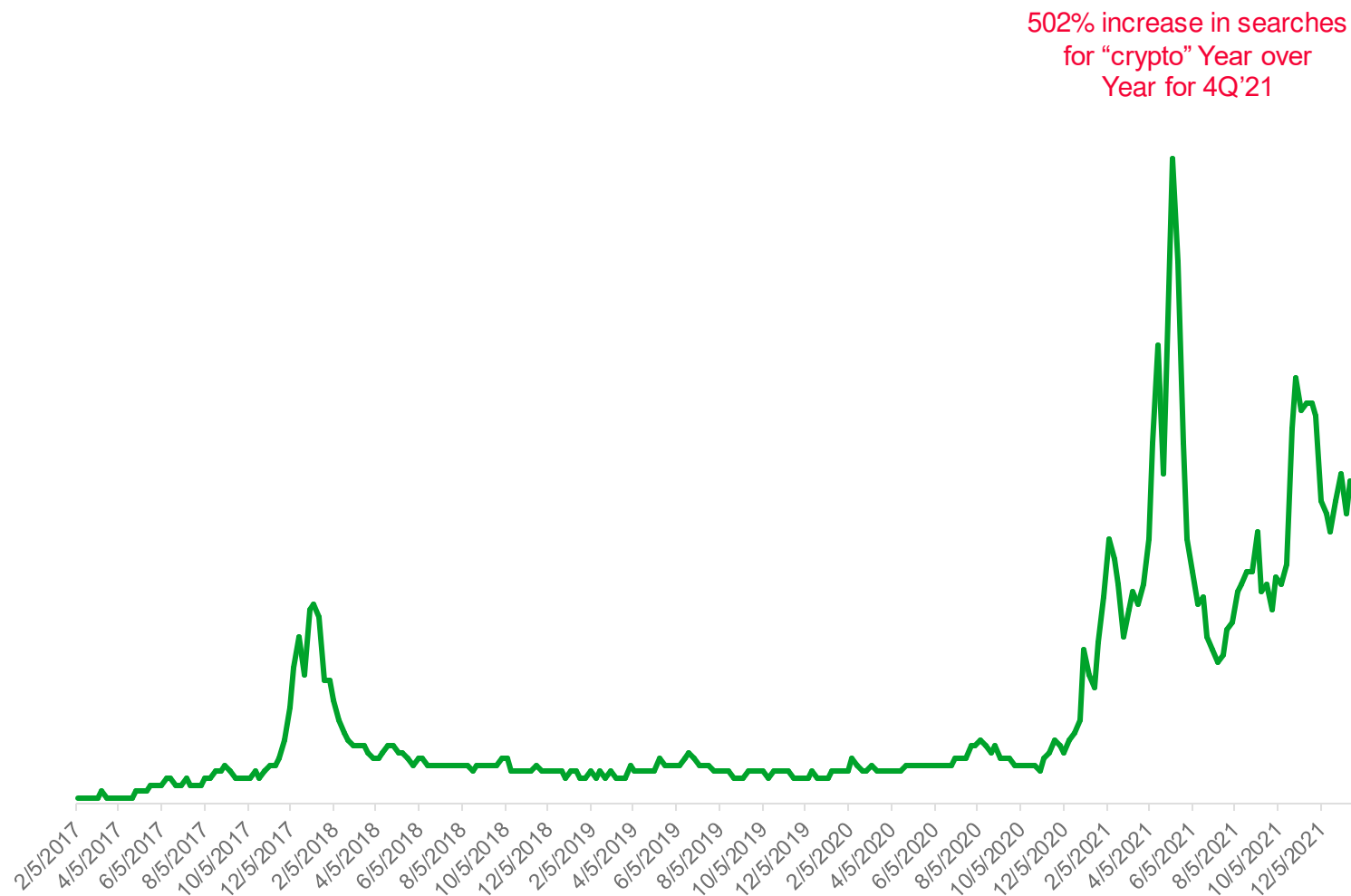
Consumer & investor interest in crypto has rapidly increased

More than 12% of Americans now own digital currency

78% of American & European institutional investors find digital currency appealing

Worldwide Google searches for “crypto”

Feb 2017 to Jan 2022



Even while most consumers still do not fully understand crypto, the market continues to grow & become more mainstream

69%

% of US adults that
“don’t really
understand
cryptocurrency”

>3x

Expected growth of the
global cryptocurrency
market over the next 10
years; from **\$1.49**
trillion in 2020 to **\$4.94**
trillion in 2030

\$32B

FTX’s current valuation
(up from \$25B in Oct.
'21); **+28% growth**
even as some
cryptocurrency values
saw declines

ETF!

In October, ProShares
future-based bitcoin
ETF made its market
debut on the NYSE
(saw one of the
biggest first days on
record for ETFs)

We are in the midst of cryptocurrency’s turning point from disruptor to standard

Consumer usage, merchant acceptance, and overall trust are the 3 requirements for broader adoption

1 Enough people need to have it and use it

As of December '21, over **295 million people** are using cryptocurrencies around the world... **+29% growth since August '21**

This number is **rapidly growing due to crypto's accessibility** – all you need is a phone to access, and more people have access to a cell phone than a bank!

*(some estimates say **1 billion users** is possible by the end of 2022)*

2 Merchants must accept it as a form of payment

Many of **our partners across categories** – including Amazon, Walmart, YUM Brands, Starbucks, AT&T, Microsoft, Overstock, PayPal – have already begun to accept cryptocurrencies and/or invest in the space

3 Society must trust that it's valuable and will remain valuable in the future

Currently, **32% of US Adults** think that cryptocurrencies are the **future of digital financial transactions**

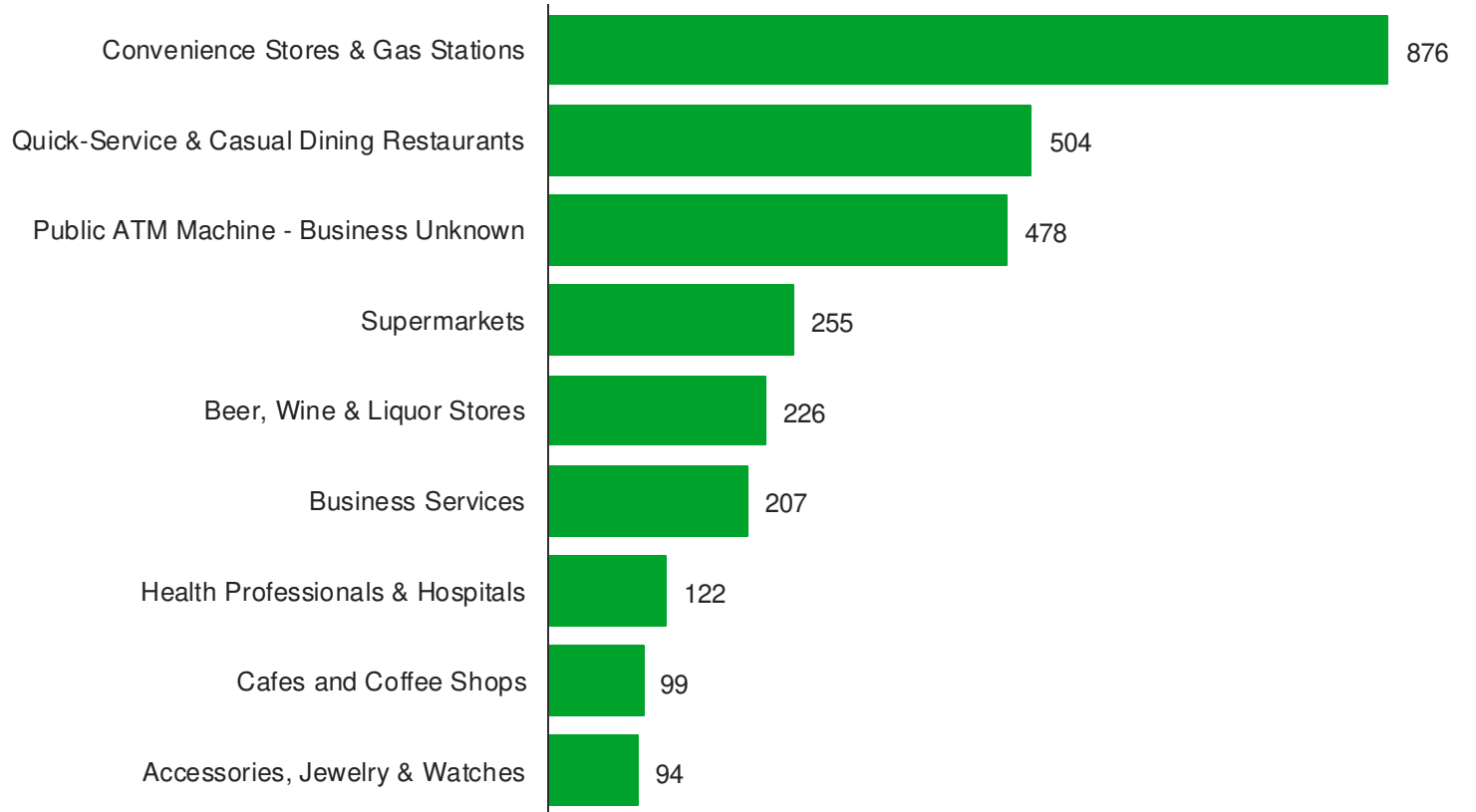
We are somewhere around here

Merchants are accepting it as a form of payment.

We see retailers leaning in across a variety of different categories



Businesses in the U.S. that accept cryptocurrency in some capacity
(as of March '21)



The crypto investor profile is more diverse than assumed

Perception: *The “Crypto Bro”*

- Primarily white males
- Fairly young (18-30yrs)
- Wealthy (with disposable income)
- Associated with “hustle culture”



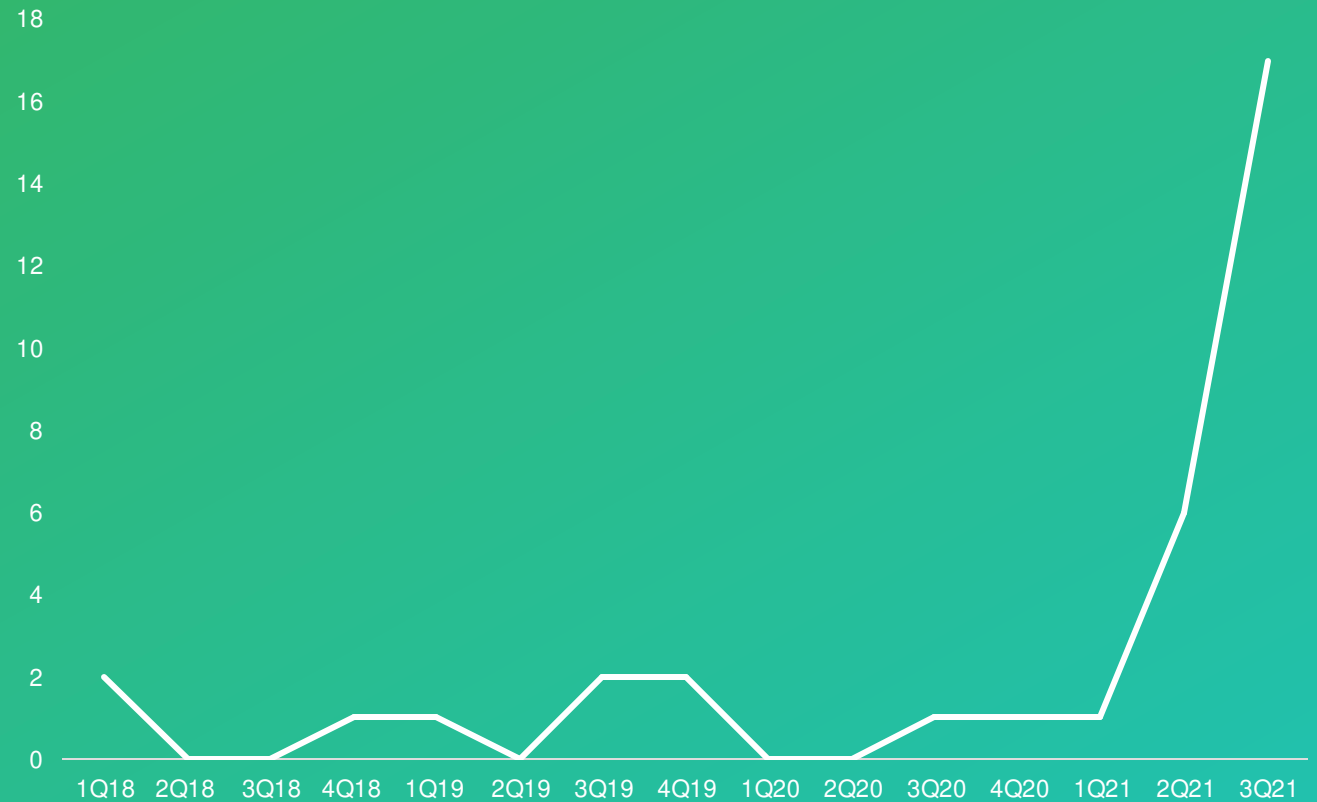
Reality: *Diverse and Accessible*

- Significant Female Demo (34%)
- Median age of an investor is 40yrs
- 34% of investors are parents
- 50% of investors have a HHI under \$100K

With this rise we've seen a significant increase in "crypto" mentions within video advertising

- **159% increase** in # of crypto brands investing in media (70 in '21 vs. 27 in '20)
- **Spending from new advertisers** has accounted for **79% of all spend** in the crypto category for YTD

of TV Creatives that mention "crypto" 2018 – 2020



*Coincides with Meme stock
craze and Google Search
Trends for "crypto"*

HOW THE CRYPTO CRAZE COULD FUEL A MARKETING GOLD RUSH

Opportunities for ad agencies abound, but the messaging challenges—including environmental concerns—are daunting

By Ilyse Liffreing, Published on May 18, 2021.

A boom in crypto media companies

by Esther Shein in Innovation on May 28, 2021, 9:56 AM PST

The growth reflects the increasing interest in cryptocurrencies.

FTX Campaign in NFL Games Sign of Growing Crypto Ad Category

By Jon Lafayette September 09, 2021

Commercial features Tom Brady and Giselle Bundchen

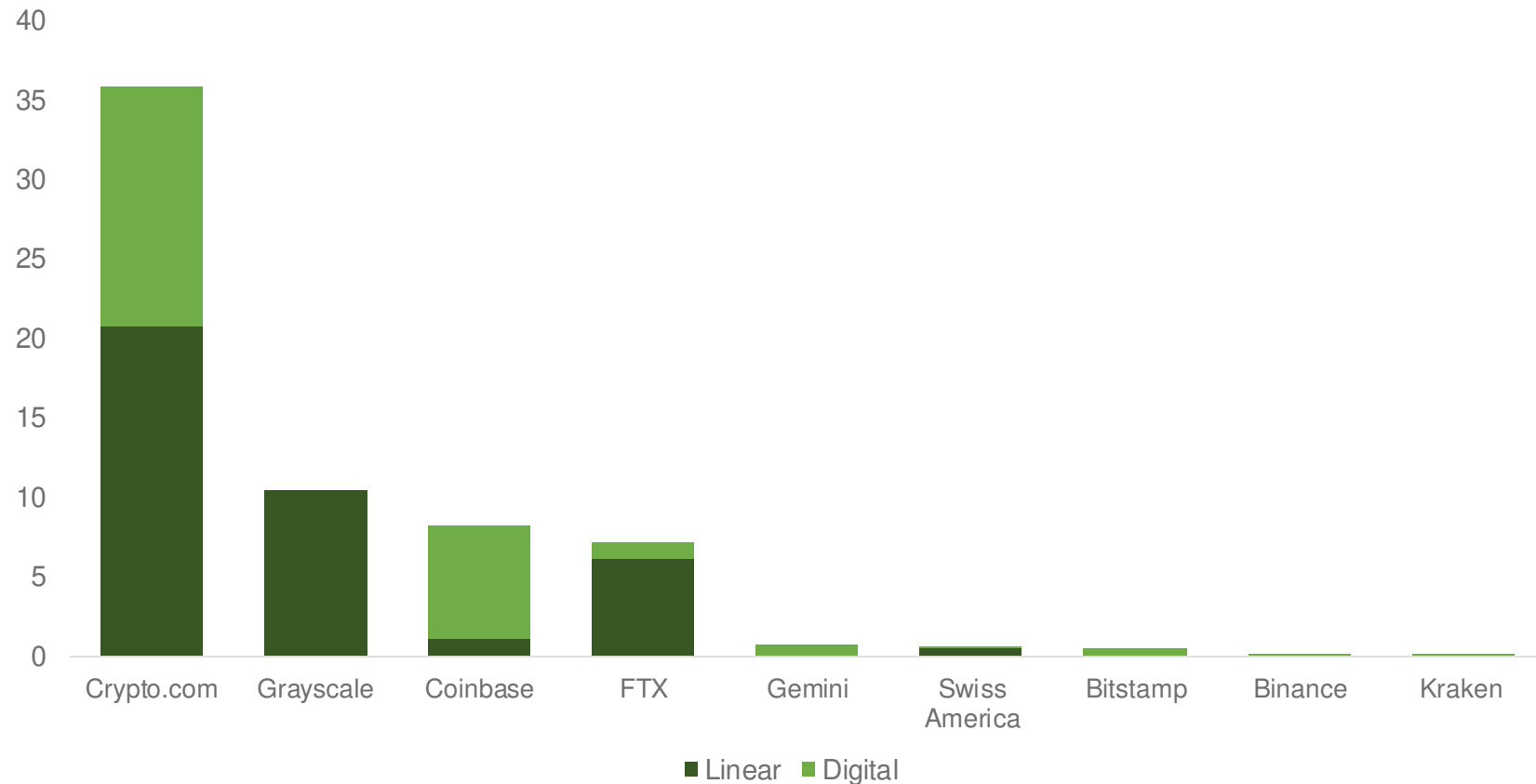
RICH FELDMAN OCT 17, 2021

Fasten your seatbelt: Crypto's impact on marketing has only just begun

The marketing will adjust to a new crypto future, with a decentralized consumer community, operating via Web 3.0.

Crypto.com, Grayscale, Coinbase and FTX invested the most in media in 2021, but there is a tremendous growth opportunity going forward

2021 Full Year Media Spend (\$M)



Crypto marketing is starting to show up in new places

Sports sponsorships continue to become a major focus

Staples Center to become Crypto.com Arena in reported \$700 million naming rights deal

Coinbase Signs Sponsorship Deal With CS: GO Esports Tournament Organizer

FTX Strikes Sponsorship Deal With MLB, Umpires to Wear Crypto Exchange's Logo

Sam Bankman-Fried's FTX is doubling down on sports sponsorships.

Mercedes F1 pens FTX crypto partnership

Multi-year deal includes branding on the cars and driver uniforms

76ers Announce Crypto.com as Official Jersey Patch Partner

Big talent & splashy commercials has been a priority for the big players



Matt Damon stars for Crypto.com



Tom & Gisele star for FTX

But these endorsements also come with negative reactions from consumers

Given the speculative & constantly fluctuating nature of crypto trading, there will be criticism of celebrity endorsements

'Matt Damon's sold his soul for crypto': Actor is roasted on social media for commercial in which he tells people to invest in Bitcoin because 'fortune favors the brave'

- Matt Damon spearheaded a commercial for cryptocurrency that aired during Sunday's NFL games and has made Twitter users cringe
- The ad likened purchasing Bitcoin to landing on the moon as Damon strolled down a sci-fi-esque hallway talking about how 'history is filled with almosts'
- Vignettes nodded to explorers sailing and climbing Mount Everest, as well as nods to the Wright Brothers, before flashing 'Crypto.com' at the last second
- Crypto.com, which sells cryptocurrency and NFTs, donates \$1m to Water.org, a nonprofit co-founded by Damon that brings safe, clean water to people in need
- Many users tweeted that they felt as if the actor, 51, was calling them a p***y for not spending their life savings on crypto such as a '\$378,000 cartoon ape'

Matt Damon stars for Crypto.com



Tom & Gisele star for FTX

And even as crypto adoption increases, there is plenty of scrutiny

THE CRYPTO MARKET CONTINUES TO SEE VOLATILITY ACROSS CERTAIN DIGITAL CURRENCIES.

GREATER REGULATION IS EXPECTED MOVING FORWARD.

Coinbase to Propose Crypto Regulations to US Officials: Sources

Coinbase is said to be working on a pitch to federal regulators on how to oversee the crypto industry.

Business

SEC's Gensler likens stablecoins to 'poker chips' amid call for tougher crypto regulation

The top Wall Street regulator described the digital assets frequently pegged to the U.S. dollar as a danger to consumers

BUSINESS

Tougher Rules Are Coming For Bitcoin And Other Cryptocurrencies. Here's What To Know

WHY BITCOIN IS BAD FOR THE ENVIRONMENT

Cryptocurrency mining uses huge amounts of power—and can be as destructive as the real thing.

Recent volatility in crypto markets has been a key point of focus

While we still anticipate long term growth, we are keeping an eye on the latest market impacts

***Created to provide stability in the crypto market, stablecoins are pegged to fiat currency - Terra was meant to hold a 1-to-1 value with the U.S. dollar*



JUST HOW FAR THEY'VE FALLEN:

- **Terra, the third-biggest stablecoin**, and sister coin Luna have lost 99% of their value, eliminating nearly \$20 billion**
- **The price of Bitcoin was last down nearly 9%, reaching lows of \$26,848**
- **The price of Ethereum dropped more than 23%, sinking below \$2,000**

IMPACT ON CRYPTO EXCHANGES:

Binance, the world's largest crypto exchange, has halted trading of Terra and Luna tokens on its platform following the meltdown. Other major crypto exchanges have also taken steps to address the incident.

Coinbase warned its users that they might lose access to their holdings if the company ever went bankrupt. The company recently reported a \$430 million quarterly loss and the departure of more than two million users.

Overall media & marketing implications

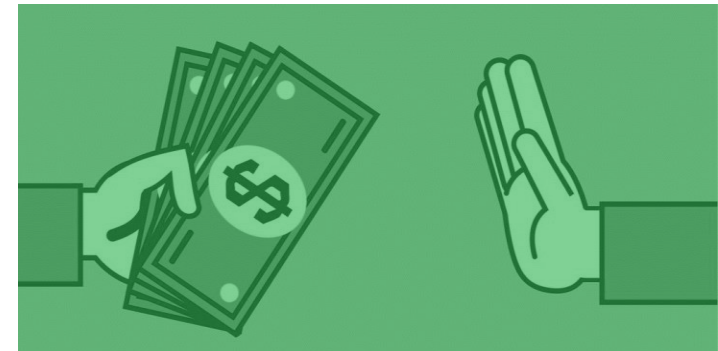
As crypto is more widely adopted by both consumers and merchants, brands advertising crypto will need the trust of NBCU content to validate their products and services.

Within the finance category

Smaller fintech players are already beginning to speak to consumers, even on mass-reach platforms like linear. This boosts their accessibility and differentiation pitch at a time when the finance category is seeing a turnover in wealth.

Outside the finance category

Brands outside of finance (retailers, restaurants, etc.) will begin to communicate they accept cryptocurrency, similar to how they are marketing acceptance and usage of buy-now-pay-later options, such as Afterpay and Affirm.



As Crypto Adoption continues, Ad Spend has increased, but there are still Concerns around Volatility & its Environmental Impact

Biggest Brands still Control Lion's Share of Media Spend

2021 saw a **+530% increase in total ad spend**, with many new brands spending, but 5 top brands still accounted for 92% of total ad spend

Focus on Driving Broader Awareness

There has been a pivot from spending in endemic Finance content (i.e. CNBC) to **reaching mass audience in high-profile Sports and Live Events** (Super Bowl)

Emphasis on Building Trust, Crypto Literacy

Given the **volatility of crypto trading**, marketers are focusing on **communicating the ease of use** and their educational tools

Opportunities for Emerging Brands & Adjacent Categories

New fintech brands are spending, **legacy finance brands are creating new crypto tools**, and more **retailers/merchants are accepting crypto**



Crypto will support a new generation of businesses built atop it, everyone of them an opportunity for agencies to lean in.

In five years, I doubt there's an agency that will be untouched by its impact.

Elizabeth Paul
Chief Strategy Officer

THE
MARTIN
AGENCY

Additional 'Crypto 101' Materials

NBCUniversal

So, what is crypto?

A new digital currency.

Q1. How is cryptocurrency different from regular money?

- **Not controlled by governments or central authorities**
- **Secured by cryptography**
It's encrypted and therefore nearly impossible to counterfeit or double spend

Q2. Why was it created? What problems was it meant to solve?

- **Reduce counterfeit**
- **Eliminate government intervention and distrust of institutions**
No printing of money and resulting inflation issues. Think Venezuela!
- **Avoid middlemen**
Most banks today take a cut and slow down the transaction
- **Address financial inequality & access**
Anyone with a phone can start making payments which allows individuals with little to no access to financial services make transactions

Q3. How do people use crypto?

- **You get a crypto wallet**
These are like crypto versions of PayPal. This holds your crypto/digital money.
- **You go to a crypto exchange**
These online services are places to buy crypto, exchange for different crypto currencies, and store cryptocurrencies

Who are the players in the crypto space?

Crypto currencies are kept in crypto wallets and used at crypto exchanges.

These lists are not inclusive of more traditional fintech players getting involved in crypto, such as SoFi or Robinhood

Cryptocurrencies*

- Bitcoin
- Cardano
- Tether
- SOLANA
- DOGECOIN
- Polkadot.
- USD Coin
- ethereum
- BINANCE COIN

Crypto wallets

- COINBASE WALLET
- Robinhood
- TREZOR
- METAMASK
- Ledger Nano X
- EXODUS
- mycelium

Crypto exchanges

- BINANCE
- FTX
- coinbase
- .US
- Huobi Global
- gate.io
- KUCOIN
- kraken
- crypto.com
- BITFINEX
- GEMINI
- bithumb

*There are significant limitations on advertising the specific currencies themselves

It is very hard to advertise the actual cryptocurrencies (like Bitcoin), which is why the crypto exchanges only promote their services

Even native digital and social platforms have many restrictions on the advertising of actual cryptocurrencies.



TikTok Bans Influencers From Promoting Cryptocurrencies Like Bitcoin, Dogecoin, on Its Platform

The new rules could also hit legitimate financial firms, which will no longer be able to use influencers to push their products

By Edited by Gadgets 360 Newsdesk | Updated: 19 July 2021 11:09 IST



Prohibited globally

The advertising of the following is prohibited globally:

- Payday loans, cash loans, and P2P*
- Cryptocurrency initial coin offerings (ICOs)
- Cryptocurrency token sales
- Binary options
- Bail bonds

Restricted globally

The advertising of the following is restricted globally (please note that this list is not exhaustive):

- Banking services and banking institutions
- Loan products and services
- Mobile and electronic payments
- Mortgages and related services, including debt relief or assistance services
- Investment advice, investment opportunities, and offers to increase wealth
- Insurance products and services
- Securities
- Currency exchange, trading, and related services
- Cryptocurrency exchanges*
- Cryptocurrency "hot" wallets*



Advertisers who promote complex speculative financial products (Contracts for Difference, rolling spot forex, financial spread betting, and synonymous products) or cryptocurrency exchanges are allowed to advertise through Google Ads, but they must be certified by Google, and their products, landing pages, and ads must meet all local legal requirements of the country they want to get certified for.

This certification is required for all ad formats and extensions.

Apply for certification for restricted financial products [here](#).

Why is it so hard to advertise the cryptocurrencies themselves?

The Market

Cryptocurrencies are **highly volatile assets.**

While crypto wallets and crypto exchanges are relatively static products, the currencies themselves are subject to large fluctuations in value, just like stocks.

Cryptos

Elon Musk tweets about dogecoin, and price immediately jumps

MarketWatch

Ad & Regulation Landscape

Restrictions to protect consumers **cannot keep up with the pace** at which the crypto landscape and technology is moving.

There is a waterfall of regulatory response. First the crypto landscape changes, then consumer protection regulations are enforced, and then advertising restrictions are put in place. The media marketplace is on a delay.

Google reversing crypto ads ban a testament to blockchain market maturity?

 THE COINTELEGRAPH
future of money

Consumer Perception

There's so much for brands to address.

Consumer sophistication on crypto varies, positive and negative perceptions on the safety and nature of the landscape, beliefs on how it affects the environment, and more. Crypto brands don't know where to start.

Crypto and the trust issue

 FT FINANCIAL
TIMES

We will continue to keep a close eye on crypto consumer trends, as well as media & marketing spend evolution. In the meantime, we are here to help with any questions or specific requests...

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