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XSET: Audience Expansion Strategy



VAYNERSPORTS



The New Approach: XSET Creates their own NFT-Gaming Skins with ImmutableX

The Challenge

Expand XSET's audience beyond traditional gaming communities by developing an innovative skin collaboration strategy that integrates gaming with culture.

New Approach

XSET will enter the NFT gaming skin market by partnering with **ImmutableX** to launch a tradable, ownable, and monetizable skin line. These skins will be made in collaboration with popular Gen Z figures and trends, expanding XSET's reach beyond traditional gamers and strengthening its brand in Web3.



ImmutableX

Main Recommendations

Stay True to XSET's Brand: The skin line should stretch XSET's audience reach, but not alienate current followers and undermine current brand equity

Resonate with Gen Z: Stay on top of what is popular and culturally relevant for Gen Z, crafting skins around these factors to authentically reach the younger, culturally relevant audience

Make NFTs Simple: Most gamers don't understand NFTs, or have never used them, ensure XSET's skins are easily understood and accessible.

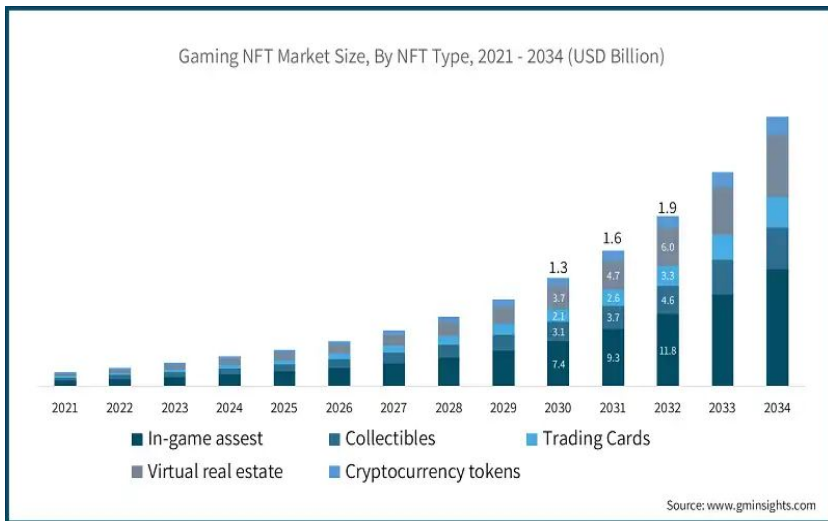
Keep an Eye on Metaverse: Platforms like Sandbox allow brands to go beyond skins and build their own virtual metaverse spaces, which may become more relevant in the future

Watch for Legal & Ethical Issues: NFTs have a history of scams and fraud, resulting in legal trouble; ensure transparent pricing, fair sales, and clear ownership rights.

NFTs and Gaming Skins: A Rising Cultural and Economic Powerhouse

NFTs in Gaming

The global gaming NFT market size was valued at USD 4.8 billion in 2024 and is estimated to grow at **24.8% CAGR** from 2025 to 2034.



Key Industry Factors

Growing Community of NFT Gamers: The number of gamers interested and educated in using NFT's is growing, driving demand

Growth of NFT Gaming Platforms: The number of Platforms fusing NFTs and gaming is growing, like Immutable X, Solana, Polygon, Sandbox, etc.

Mainstream Interest: Big developers and brands like Epic games and Nike have already had successful collaborations with gaming skins

ImmutableX

Leading Platform for Gaming NFTs: Immutable helps brands create NFTs for Web3 games with zero transaction fees and fast trading, making it a top choice for gaming and digital assets

Huge library: Immutable powers top Web3 games like Gods Unchained, Illuvium, and MetalCore, enabling true ownership of in-game assets

Major Brand & Industry Partnerships: Partnered with GameStop, TikTok, and Disney to drive NFT adoption across gaming, entertainment, and collectibles.

SWOT Analysis: Collaboration Between XSET & ImmutableX

Strengths

True Digital Ownership: By leveraging Immutable X's blockchain technology, XSET can offer players genuine ownership of in-game assets, allowing them to trade and monetize their skins freely.

Scalability and Zero Gas Fees: Immutable X provides a scalable solution with zero gas fees, ensuring seamless and cost-effective transactions for users.

Alignment with Industry Growth: The gaming NFT market is projected to grow at a CAGR of 24.8% from 2025 to 2034, indicating great market potential.

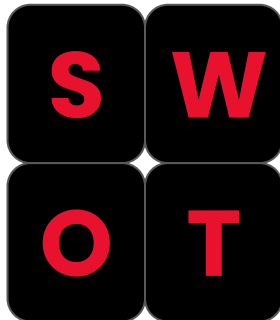
Security and Transparency: Blockchain technology ensures the authenticity and provenance of each skin, reducing fraud and counterfeit items.

Opportunities

Growing Gaming Skins Market: The gaming skins market has matured into a fully-fledged industry with its own economy, supply, and demand, reaching a valuation of \$50 billion as of 2023.

Future Integration with Metaverse Platforms: Collaborations with metaverse platforms in the future, like The Sandbox, can enhance user engagement by offering immersive experiences beyond traditional gaming.

Future Partnerships with Major Game Developers: Collaborating with established game developers in the future to integrate NFT skins can expand XSET's reach and credibility within the gaming community.



Weaknesses

Web3 Exclusivity: Currently, Skins will likely only be accessible on Web3, limiting integration with huge names like Fortnite, Roblox, Etc.

Market Skepticism: A segment of the gaming community remains skeptical about NFTs, associating them with scams and speculative behavior, which could hinder adoption.

Educational Barriers: Many gamers are unfamiliar with NFTs and blockchain technology, necessitating educational efforts to facilitate widespread adoption.

Dependence on Immutable X's Ecosystem: XSET's strategy relies heavily on Immutable X's platform; any technical or reputational issues within Immutable X could directly impact XSET's NFT offerings.

Threats

Regulatory Uncertainty: The evolving regulatory landscape surrounding NFTs and cryptocurrencies poses potential challenges to the implementation and legality of NFT initiatives.

Market Volatility: The NFT market has experienced boom-and-bust cycles, which could affect the perceived value and stability of XSET's NFT offerings.

Environmental Concerns: Despite Immutable X's eco-friendly approach, broader environmental concerns associated with blockchain technologies could influence public perception and adoption.

Proposed Solutions: Impactful Partners to Develop Skins with

Partner with Emerging Music Artists

- Partner with emerging music artists with proven Gen Z audiences and engagement
- Create skins that are based around artists' music, personal style, music videos, etc., which provide early access to new releases, unlock VIP concert perks, and more.

Alignment with Goals

- Expands XSET's Audience beyond traditional gamers by working with diverse and niche artists
- Enhances XSET's fan engagement through perks and rewards
- Further Cements XSET as a lifestyle brand by bridging gaming and music

Partner with Beauty Brands

- Partner with beauty brands that have significant Gen Z following and sales numbers
- Create real world XSET makeup line with matching in-game skins, allowing players to wear real-world makeup lines digitally, and receive exclusive colorways and discounts through NFTs

Alignment with Goals

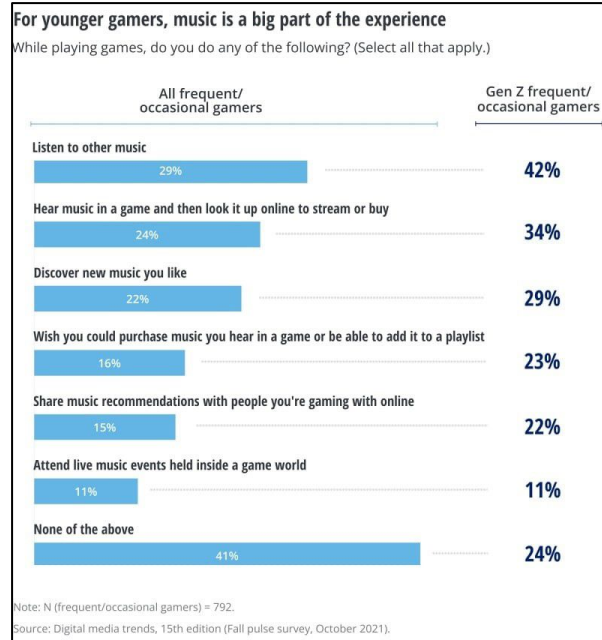
- Expands XSET's Audience beyond traditional gamers
- Aligns XSET with values shared by the beauty industry like inclusivity and self-expression
- Further cements XSET as a lifestyle brand by bridging gaming and other lifestyles

Supporting Evidence: Partner with Music Artists

Partnering with Music Artists

Gen Z gamers have a strong relationship with music—with music they hear in games, discover while watching game streamers, share with other players, and listen to while gaming. This opens more opportunities for stronger partnerships and better integration between music and gaming companies.

- Video games are an increasingly important tool for Gen Z to find music, as 28% use gaming for music discovery.
- As of 2023, Gen Z spend more time with music than the overall population. Those age 13–24 in the U.S. spend 3 hours and 43 minutes daily listening to music — an average of 40 minutes more than the rest of the population.
- 42% of Gen Z gamers listen to other music while gaming, and 34% hear music in a game and then look it up online to stream or buy.
- Some games feature in-game radio stations with exclusive new music releases from top artists, even integrating them into the game's storyline.



Supporting Evidence: Partner with Beauty Brands

Partnering with Beauty Brands

Trends constantly evolve in the beauty industry, and the dynamic preferences of tech-savvy Gen Z consumers are driving a state of upheaval.

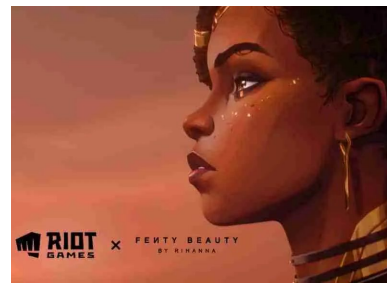
In response to these challenges we laid the the foundation for the "essence FUN PARK" an imaginative, immersive, and colorful world on Roblox.

- For the younger generation, beauty is about freedom of individuality, authenticity, and diversity.
- Research on Gen Z shows that gaming platforms offer them a chance to explore their identities
- Virtual beauty and personalization is rising with digital try-ons, and personal skin assessments, aligning with the same trends in gaming skins

Top beauty brands have already entering gaming, proving the power of beauty-gaming collaborations.

Fenty Beauty makeup collection: Rihanna's Fenty Beauty collaborated with Riot Games, launching "The Legends Vault" makeup collection, reflecting the growing convergence of gaming, and beauty industries

Essence FUN PARK: In June 2023, the beauty brand essence, collaborated with global digital agency DEPT® to launch the "essence FUN PARK" on the Roblox platform designed to engage Gen Z and Gen Alpha audiences by promoting themes of diversity, self-expression, and self-love



Implementation Plan: Music Artists

Phase 1: Negotiation and Development (0-6 Months)

- Select up-and-coming music artists with an established Gen Z audience to partner with
- Negotiate deals with music artists to create NFT skins based around their music and personal style
- Work with ImmutableX to create these NFT skins that can be used across web3 video games

Phase 2: Launch & Promote (6-12 Months)

- Release NFT artist skin bundle in conjunction with album drop, music videos, or tour dates
- Promote skins by having streamers play with the artists' skins on Twitch
- Promote skins by having the artists link skins to music videos or other related media
- NFTs should unlock exclusive perks, such as early access to unreleased music, VIP concert experiences, and autographed merchandise.

Potential Barriers

Brand Alignment Risks: Ensuring music artists are culturally relevant and align with XSET's brand

Sustainability of Popularity: The success of NFT skins is dependent on the long-term growth of the artist's fanbase; if their popularity declines, so may the demand for the skins.

Measuring Success

NFT Skin Sales & Engagement: Track the total number of skins sold, resale volume on secondary markets, and overall player engagement with the skins in-game.

Audience Growth & Cultural Impact: Measure social media mentions, hashtag usage, and new follower growth across XSET and the collaborating artist's channels.

Gaming & Streaming Integration: Monitor how often the skins are used by gamers and streamers, as well as their visibility on Twitch, YouTube, and other gaming platforms.

Exclusive Perks Utilization: Analyze how many NFT holders redeem perks, such as access to unreleased music, or VIP concert experiences

Implementation Plan: Beauty Brands

Phase 1: Negotiation and Development (0-6 Months)

- Select a beauty brand who has a large Gen Z following and experience in gaming crossovers to partner with (e.g. Fenty Beauty)
- Negotiate a deal with beauty brand to create a real life makeup collection with matching NFT skins
- Work with ImmutableX to craft the NFT skins that will be used across web3 video games

Phase 2: Launch & Promote (6-12 Months)

- Release makeup collection and skins on the same day, with discounts on skins if you purchase the physical product
- Promote skins by having beauty influencers promote makeup line on social media, as they shape 74% of GenZ beauty purchases
- Promote skins by having streamers play with them on Twitch
- Have NFTs unlock perks, such as exclusive colorways or new products

Potential Barriers

Brand Alignment Risks: Ensuring the beauty partners align with XSET's identity and resonate with existing brand followers.

Market Adoption: Current followers may hesitate to embrace beauty-integrated skins, requiring strong influencer-driven storytelling.

Lack up Beauty Experience: XSET has no previous experience in makeup, relying heavily on the chosen beauty brand to craft a compelling makeup line.

Measuring Success

Revenue & Sales: Track total revenue generated from NFT sales, physical makeup product sales, and bundled purchases.

Engagement & Usage Metrics: Monitor how many players equip and actively use the XSET x Fenty skins in Web3 games.

Influencer & Social Media Impact: Analyze social media mentions, influencer campaigns, and UGC engagement tied to the collaboration.

NFT Perks & Utility Redemption: Track how many NFT holders redeem perks, such as exclusive colorways, or discounts.

Conclusion: XSET Can be a Leader in the NFT-Gaming Skins Movement

Summary of Key Points

XSETs New Approach

- XSET should enter the gaming skin space by partnering ImmutableX to craft their own line of NFT skins that can be played across Web3
- XSET should keep NFTs simple and easily accessible, as well as pay attention to the current legal battles and regulations in the space

Proposed Skin Partnerships

- XSET should collaborate with emerging music artists with proven Gen Z audiences, creating artist-themed gaming skins that provide exclusive early-access to songs and VIP experiences at concerts
- XSET should partner with popular beauty brands that have gaming crossover experience to create a real-life XSET makeup line with matching in-game skins, allowing players to wear real-world makeup and beauty trends digitally

Call to Action

With an explosive 24.8% CAGR projected from 2025 to 2034, NFTs are set to revolutionize the gaming skin market. XSET has the opportunity to lead this shift by partnering early with ImmutableX, a top Web3 platform, to develop a line of tradable, ownable, and monetizable skins.

By collaborating with music artists increasingly discovered through gaming, and beauty brands successfully engaging Gen Z in gaming spaces, XSET can expand its influence beyond traditional gamers and cement itself as a dominant force in the lifestyle gaming industry.