

CHAPTER I

INTRODUCTION

In the digital age, the growth and development of technology have redefined the boundaries of possibility and open access to a new world entire of innovative opportunities. However, the current paradigm is still shackled by the centralized model of Web2, which limits access, control, and innovation. In response to these limitations, Web3, with its decentralized principles built on blockchain technology, offers a solution that enables the transition to a more open and innovative system, reducing dependence on large service providers and giving greater control to users.

A recent report from MarketsandMarketsTM estimates that the global Web 3.0 market will grow at a compound annual growth rate (CAGR) of 44.9%, from USD 0.4 billion in 2023 to USD 5.5 billion in 2030 (marketsandmarkets.com, 2023). This is also supported by projections made by Fortune Business Insight, which estimate the growth of the global blockchain market from \$7.18 billion in 2022 to \$163.83 billion in 2029 (Thomas Kräuter, n.d.), and it reflects a strong growth trend that can be directly attributed to the adoption and development of Web3. However, there are still significant challenges that need to be addressed to realize this potential fully.

Alongside the growth and development of Web3, today the digital industry sector has adopted decentralization principles through Web3 technology and experienced significant growth, including finance through Decentralized Finance (DeFi), digital asset markets through Non-Fungible Token (NFT), and Web3 Gaming as a decentralized gaming platform operating on blockchain technology. This could represent a shift towards a more open system, giving more control to users and democratizing access to financial services, digital asset markets, and entertainment.

To fully understand the phenomenon described, our research will critically and deeply explore the impact of Web3 adoption on digital industries, with a focus on financial sectors such as Decentralized Finance (DeFi), Non-Fungible Token (NFT) digital assets, and Web3-based gaming. The main problem addressed in this research

is how Web3 adoption affects these sectors. We used a qualitative methodology that included a literature review, phenomenological research of data and trends taken from Binance and Footprint, and in- depth interviews with Web3 industry experts. This research identifies and documents changes brought about by Web3 that have not been fully explored in previous research and hopes to broaden understanding and provide relevant insights for developers, investors, and policymakers in designing adaptive strategies for the digital future. However, the subjectivity of phenomenological interpretation limits this research and only focuses on certain sectors, so it may not reflect the entire spectrum of the digital industry.