

Metaverse Primer: What Is It and Where Can It Be Used?

March 2022



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Introduction

Introduction



- As the term Metaverse becomes more common, enterprises will need to understand its meaning and potential use cases for the near future
- While responses to the Metaverse run the full spectrum from complete acceptance of hype to extreme cynicism, the immediate need is for organizations to understand this rapidly evolving space, both today and as it changes; the market is fluid, so organizations need to keep a close eye on it to leverage it within their business contexts
- The frontrunners in this space are social media companies, gaming platforms, and enterprise technology vendors, which have begun to invest meaningfully and build solutions for the future
- We expect in the near future that organizational leadership, technology vendors, and popular media will push enterprises to adopt Metaverse in some way; as it evolves, peer pressure is likely to come into play as well, compelling organizations to develop their own adoption strategies
- We expect Metaverse to become one additional channel to expand business boundaries across dimensions, in the same way social networking has – such as, LinkedIn, Twitter, and Facebook and B2B marketplaces

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Metaverse primer

- Defining the Metaverse
- Components of the Metaverse
- Examples of enterprise adoption

Metaverse broadly aligns to the idea of a next-generation engagement platform that leverages advanced technologies to enable real-life virtual experiences

Defining the Metaverse

We define Metaverse as a persistent immersive mega virtual smart space, akin to a universe, where people have seamless digital experiences that can be extended to the real world.











Source: Everest Group (2021)

Things to note

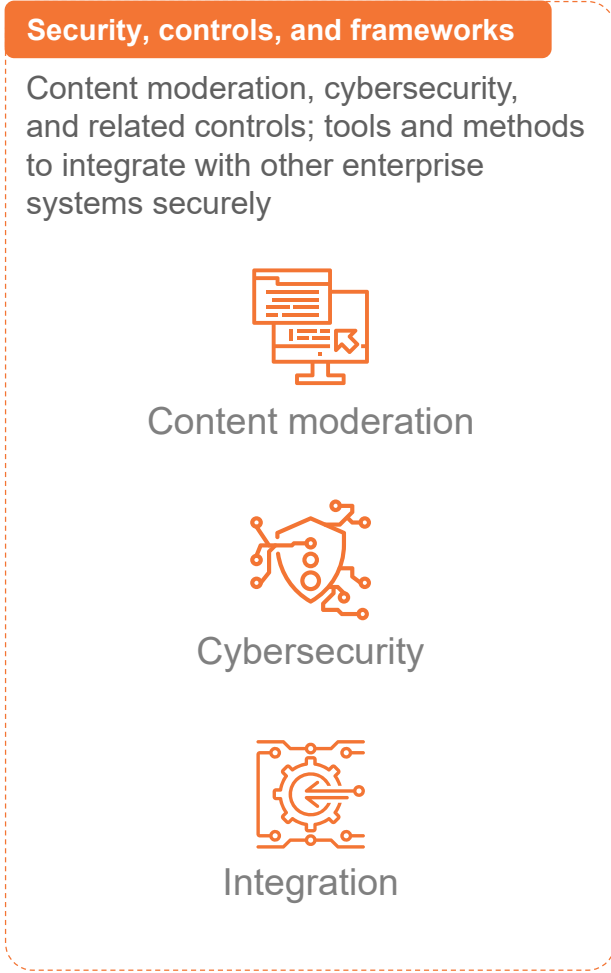
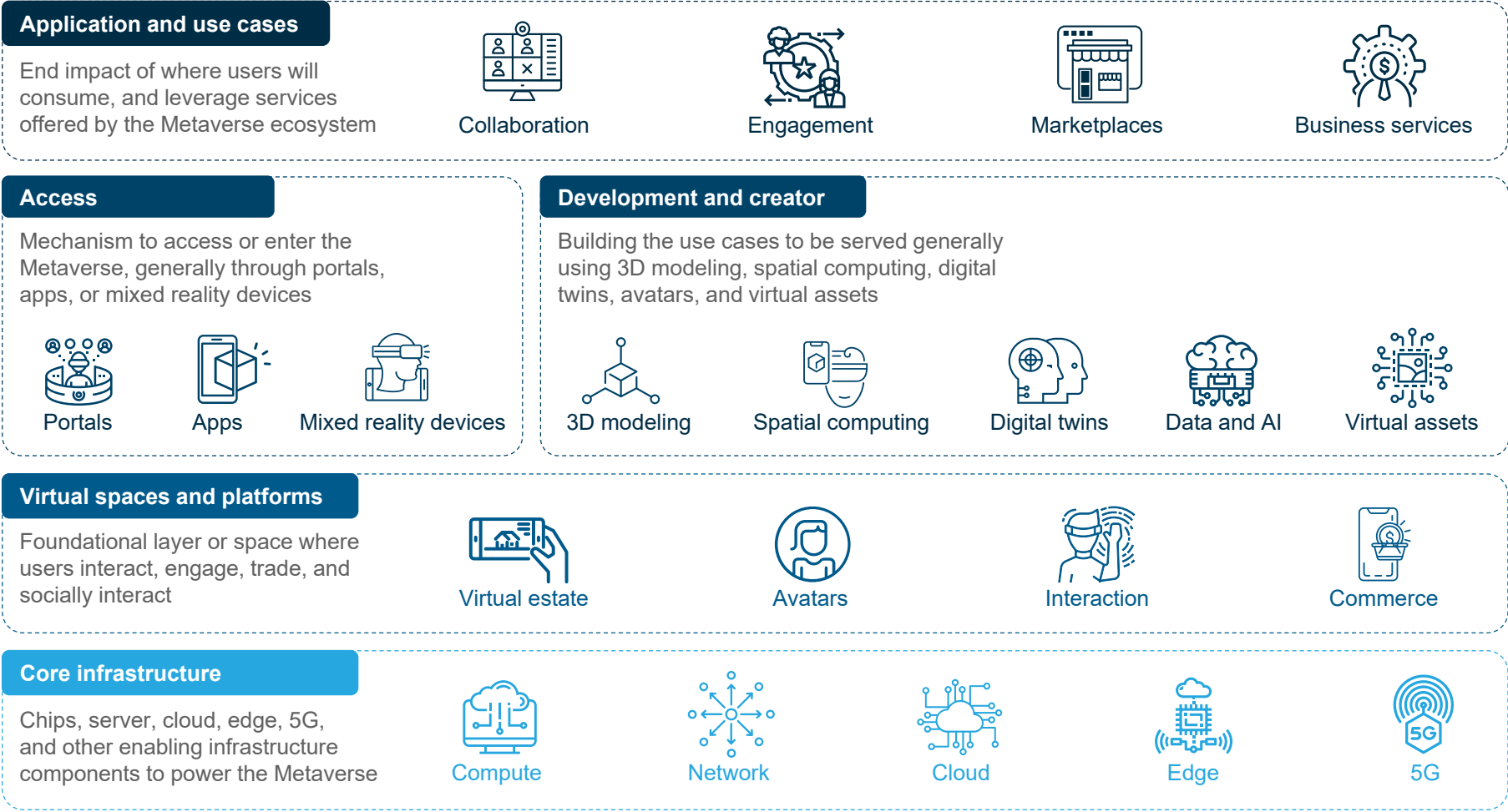
- Today's Metaverse is focused on allowing users to build a digital imitation of the physical world, leverage mixed reality devices to engage in a variety of activities, conduct commercial transactions using digital assets, and drive collaboration and engagement through virtual events
- While the term “verse” indicates a “universe,” it is not “uni,” but multi
 - Therefore, there are many platforms on which people can virtually engage with others, do business, and create a virtual life beyond what they can create in their physical realms
 - These different Metaverse platforms do not always align to an overarching comprehensive definition

Key terms to understand to make sense of the rapidly evolving Metaverse landscape

Term	Description
 Avatar	A lifelike imitation of people in a virtual space to allow them to be “inside” of that space rather than only access it
 Cryptocurrency	The virtual currency generally based on blockchain technology that allows users to buy virtual assets; examples include, Bitcoin, Binance, Dogecoin, MANA, and SAND
 Digital/virtual/Crypto assets	Assets that are virtual versions of physical assets or natively virtual that are built on blockchain technology and are bought and sold on online marketplaces, examples include NFTs and cryptocurrency
 Gaming platforms	Well-established/known games that are predecessors to the Metaverse and that enterprises now also leverage to engage with customers and build their own virtual spaces; examples include EPIC and Roblox
 Mixed reality devices	Hardware devices that may be head-mounted to access augmented and virtual reality applications and content for an immersive experience; examples include Microsoft HoloLens and Meta Oculus
 Non-fungible Tokens (NFTs)	Virtual tokens that serve as unique ownership of physical or virtual assets such as, collectible, digital art, domain names, for a user. These can be traded on NFT exchanges/storefront/marketplaces, such as OpenSea and Rarible
 Virtual spaces	Portals, or virtual platforms, that build digital versions of the physical world and allow users to create their own virtual worlds as well. These spaces can be accessed through mixed reality devices, browser, or mobile app. Many market participants refer to these as Metaverse; examples include Virbela, Decentraland, Sandbox, Meta Horizon World, and Microsoft Altspace
 Web 3.0	Not a well-defined term, but broadly understood to be the next version of the world wide web, where ownership will be decentralized instead of being dominated by a few platform companies

- While there are multiple other terms associated with Metaverse, these terms are most common and serve as a good starting point
- For further reading, users should explore next-generation financial asset market, commerce, and gaming platforms

Currently, the Metaverse is essentially an aggregation of six key building blocks, though the blocks are evolving rapidly



Leading enterprises across the industry spectrum have begun to experiment with Metaverse platforms

J.P.Morgan

- Built a digital lounge on the virtual platform Decentraland
- The key objectives are to better understand Metaverse functioning and provide financial advice to its clients around it



- The Hong Kong arm of PwC bought digital land on the virtual platform Sandbox
- The key objective is to understand the Metaverse and deliver advisory services to clients around potential opportunities and challenges in it



- Bought RTFKT studios, a firm that builds “virtual sneakers” and other collectibles for digital environments
- Launched Nikeland on gaming platform Roblox’s 3D immersive environment for fan engagement



- Filed multiple trademarks to build and sell virtual goods such as sporting equipment, toys, and electronics
- One important objective is to effectively serve the Metaverse-centric virtual and e-commerce business segments

SAMSUNG

- The American business opened virtual version of its 837 physical store on the virtual platform Decentraland
- Also conducted an event on Decentraland to promote its new smartphones

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Metaverse use cases

- Potential pragmatic use cases for enterprises
 - Best practices to prepare for the Metaverse
-

The immediate use cases for enterprise class Metaverse can be broadly classified under two segments

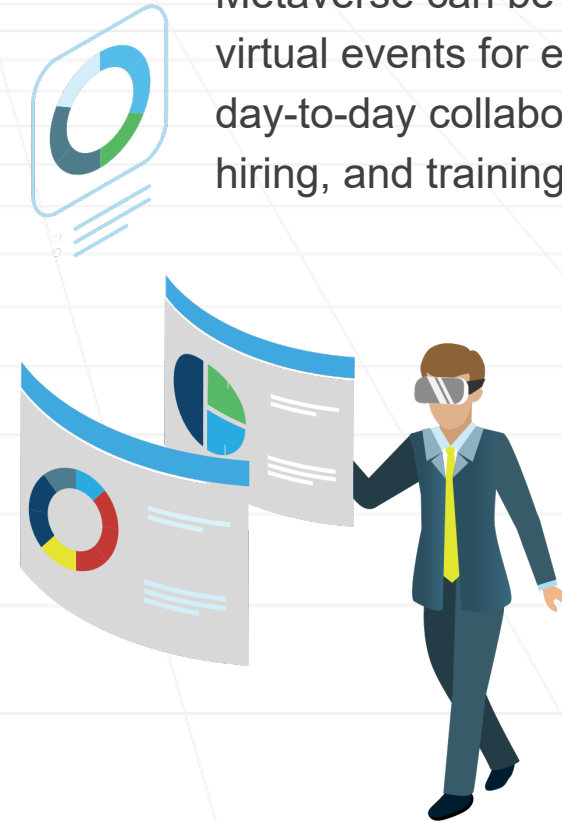
Customer- and partner-related

Metaverse can be used to create customer interaction spaces, innovative commerce, digital assets trade, virtual events, and onboarding






Employee-related

Metaverse can be used to build virtual events for employees, for day-to-day collaboration meetings, hiring, and training and development



Employee-centric Metaverse adoption use cases; these have generally focused on people management and engagement

		Current adoption	Expected adoption	Investments needed	
					<div>Low</div> <div>Medium</div> <div>High</div>
<div>Collaboration and virtual work</div> <div></div>	Employees use platforms such as Microsoft Teams, Meta Horizon World, and Immersed to meet their colleagues in meetings. There are also portals that help conduct virtual events. Employees enter the platform through their avatars that represent them in the meetings or events.	<div></div>	<div></div>	<div></div>	For a true Metaverse collaboration meeting, enterprises will need to invest in mixed reality devices, which are platforms that allow access without devices. These kind of interactions create significantly better employee experience and better meeting outcomes than typical virtual collaboration.
<div>Hiring and onboarding</div> <div></div>	Enterprises adopt hiring and onboarding platforms such as Journee and Zepeto to engage with prospective employees. Some have bought AR/VR devices to make new hires comfortable with their potential offices, colleagues, and leadership.	<div></div>	<div></div>	<div></div>	Enterprises and recruitment vendors will run “job fairs” on Metaverse, which will be mix of device and portal-based. Key to success will be better applications that work seamlessly in immersive and standard model.
<div>Training and upskilling</div> <div></div>	Industrial enterprises are using digital twins-based remote asset training for employees. In corporate businesses, Metaverse will be used for learning and development in soft skills, interpersonal relationships, and cross skilling initiatives, e.g., creation of virtual universities.	<div></div>	<div></div>	<div></div>	Though virtual training is a common practice, Metaverse will improve it, and make enterprises become more creative in adopting advanced technologies to train, test, and upskill their employees.

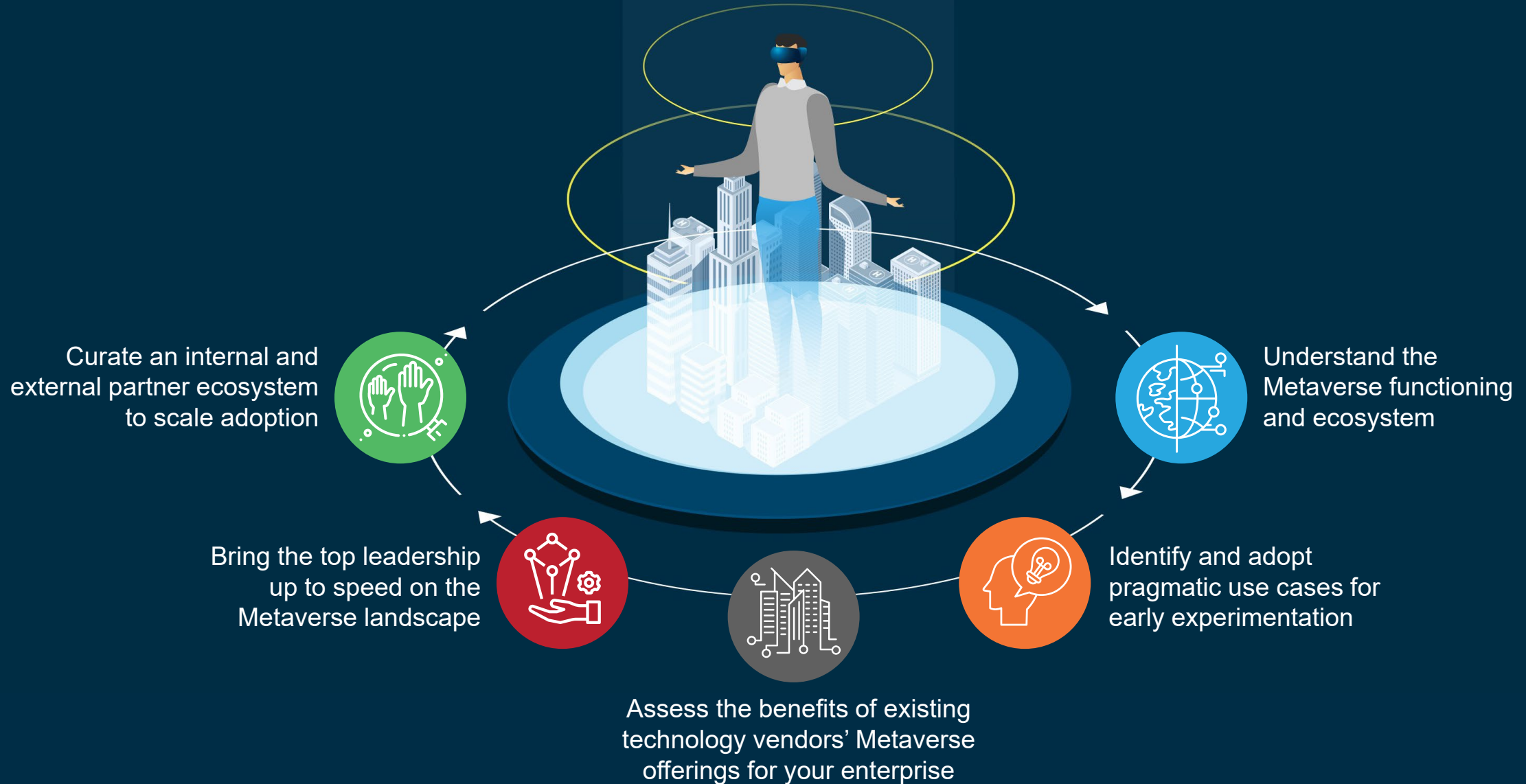
- These examples exclude individual use cases such as digital asset creator and sellers, content creation, and platform development, as well as virtual floors or digital twins of factories that industrial enterprises have built to improve worker safety, productivity, ergonomics, and time to market
- Employees will experiment with Metaverse in their individual capacity and influence enterprise Metaverse adoption

Customer- and partner-centric Metaverse adoption use cases | these have generally focused on people management and engagement

		Current adoption	Expected adoption	Investments needed	
Engagement and commerce	Enterprises are building customer interaction lounges, retail stores, conferences, and other forums in Metaverse. They use spaces, such as Decentraland and Sandbox or a gaming platform. The ecosystem is integrated with NFT marketplaces to create and sell digital assets. Gaming events such as tennis and football have used this concept for quite some time.				Building a virtual lounge is simplest in Metaverse. It must be integrated with the enterprise back-end and commerce systems. Retail outlets proofs of concept need to enhance the retailer's reach.
Customer service	Metaverse becomes an extension of customer service and helps to drive upselling. The virtual lounges have customer avatars engaging with agents. In addition, virtual help desks can assist customer in product demonstration and troubleshooting.				Making Metaverse seamless with customers will be a big challenge, especially across enterprises. Customers are generally unhappy with customer care and adding Metaverse complexity can make things worse. Therefore, enterprises need to make these experiences seamless and smooth.
Product development	Enterprises and partners collaborate on platforms such as Nvidia Omniverse to build advanced digital twin, data exchange platforms and develop custom offerings for customers. They can also visualize the physical world to find the best location to deliver specific offerings to customers.				Metaverse success will depend on deep digital adoption across floor design, material movement, people working style, production, and collaboration. This is the next generation of existing digital twin models and leverages Metaverse-based collaboration.

- These examples exclude industry-specific use cases such as product placement and advertisements for retail firms, digital asset business for financial services, virtual selling for automotive, virtual space for real estate, and travel simulation
- We believe, unlike other areas, Metaverse will see a simultaneous rise in industry-agnostic and industry-aligned use cases

Learning about and leveraging the Metaverse will be a continuous process for the foreseeable future



Five Metaverse exploration best practices for enterprises

Contextualize the adoption

find inspiration from peers' efforts, but contextualize Metaverse adoption to your business environment and priorities



Institute cross-functional teams

identify people who are interested in the confluence of emerging technologies, business, and experience



Set expectations

do not be too cautious, but do set pragmatic and reasonable expectations for your Metaverse efforts



Build your ecosystem
aggressively leverage technology and service partners to build proofs of concept; be open to working with vendors that you currently do not engage with



Create evangelism and governance
do embed the Metaverse journey across relevant business segments, but develop a governance and overarching strategy team to plan and advocate for its adoption



Five Metaverse exploration best practices for providers



Build use case repositories
create ready-to-use adoption templates and exploit clients' comfort with AR/VR, digital twin, NFTs, and virtual events to jump start their journey



Hire techno-creative thinkers
in addition to core tech skills, hire storytellers, visionaries, and next-generation creative commerce talent to proactively engage clients



Build a GTM structure
build diverse technical teams but a single GTM unit accountable for driving initial client conversations for PoCs and related services



Evaluate the ecosystem
move beyond immediate tech partners to evaluate innovative vendors offering cutting edge immersive experience and commerce technologies



Deliver lab-as-a-service
invest in next-generation technologies sandbox, development, and deployment environment needed for simulation and other applications for Metaverse and deliver in a service model to clients



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Appendix

Research calendar

Research calendar

Digital Services

Published Planned Current release

Flagship reports

Release date

Blockchain services PEAK Matrix Assessment 2022	December 2021
Internet of Things (IoT) Supply Chain Solutions providers compendium 2022	December 2021
Enterprise Blockchain services provider compendium 2022	February 2022
Digital Twin Services PEAK Matrix® Assessment 2022	Q2 2022
Digital Twin Services Provider Compendium 2022	Q2 2022
Sustainability Services PEAK Matrix® Assessment 2022	Q2 2022
Sustainability Services Provider Compendium 2022	Q2 2022

Thematic reports

Release date

Confidential Computing – The Next Frontier in Data Security	December 2021
Metaverse Primer: What Is It and Where Can It Be Used?	March 2022
Talent as an Opportunity in 2022: Leapfrogging the Talent Challenges of 2021	Q2 2022
Sustainability Technology Landscape	Q2 2022
ExpTech Radar: Charting Emerging Technologies Readiness	Q3 2022
Edge Computing Platforms for Smart Cities	Q4 2022

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