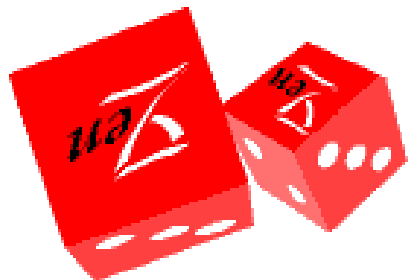




The Metaverse

What Does It Mean For Business?

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22 February 2022



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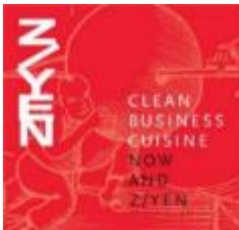
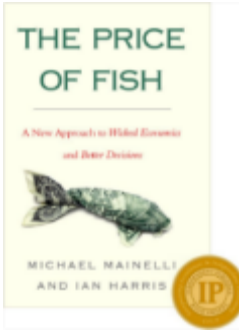
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 - Independent Publisher Book Awards Finance, Investment & Economics Gold Prize for **The Price of Fish**
 - British Computer Society **IT Director of the Year 2004** for PropheZy and VizZy
 - DTI **Smart Award 2003** for PropheZy
 - £1.9M **Foresight Challenge Award** for Financial Laboratory visualising financial risk 1997
- ◆ Innovation – policy performance bonds, prediction markets, medical imaging, support vector machines, low-loss electric cables, risk visualisation, smart ledgers, etc.



Agenda

- The MetaWhat?
- State-of-the-Art, and NFTs
- Some prejudices
- What might we do with the Metaverse?



**"Get a detailed grip on the big picture."
Chao Kli Ning**

The MetaWhat???

“So Hiro’s not actually here at all. He’s in a computer-generated universe that his computer is drawing onto his goggles and pumping into his earphones. In the lingo, this imaginary place is known as the Metaverse. Hiro spends a lot of time in the Metaverse. It beats the shit out of U-Stor-It.”

[Neal Stephenson, “Snow Crash”, 1992]



First Poll

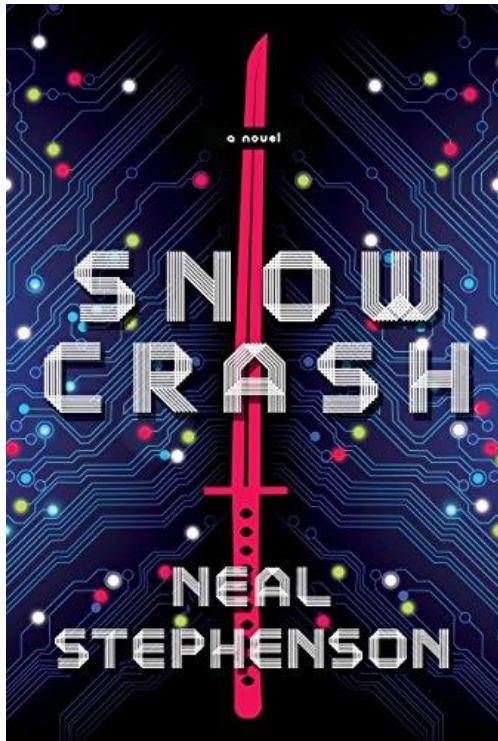
What is the Metaverse?

- Over-egged and under-delivered technology hype
- The next next big thing
- An obvious part of the business environment

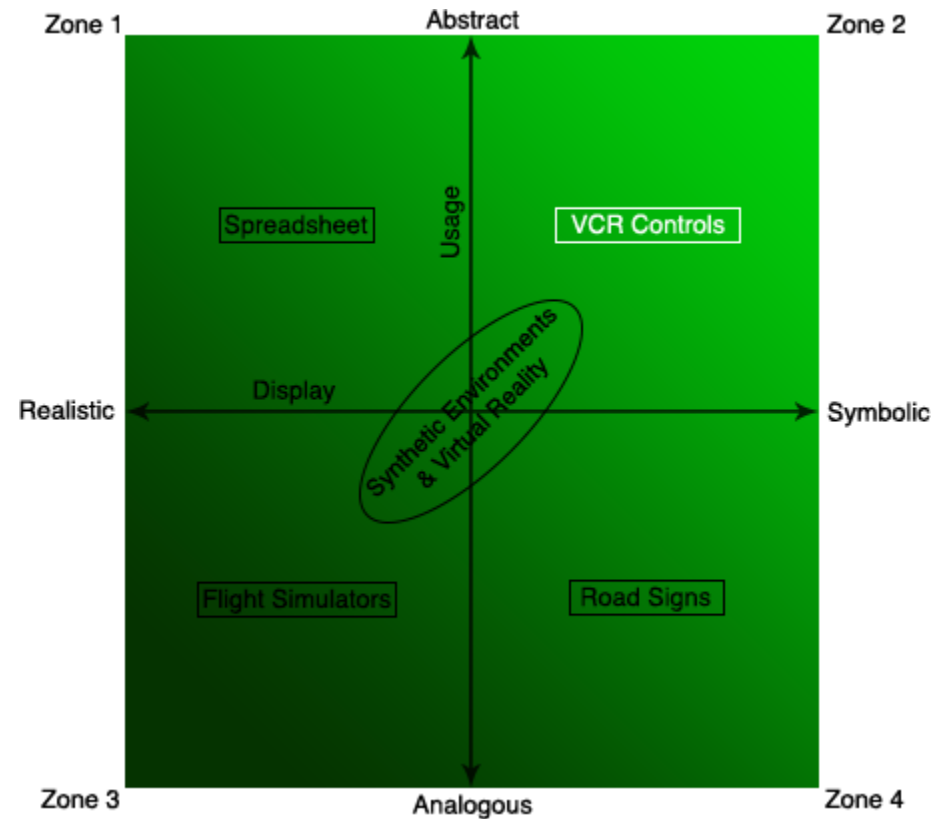


Bandwagon?

1992



Financial Laboratory - 1997



2022



The Metaverse From Science Fiction To Science Fact

- A **persistent** virtual shared space combining virtual reality, augmented reality, and the Internet
- Concept first floated in 1980s - Popularised in the science fiction novels and films
- Widely touted as a virtual reality-based successor to the Internet
- Has the potential to impact on a wide variety of fields
- Facebook's parent company has recently rebranded as 'Meta', planting a (virtual) flag in the Metaverse



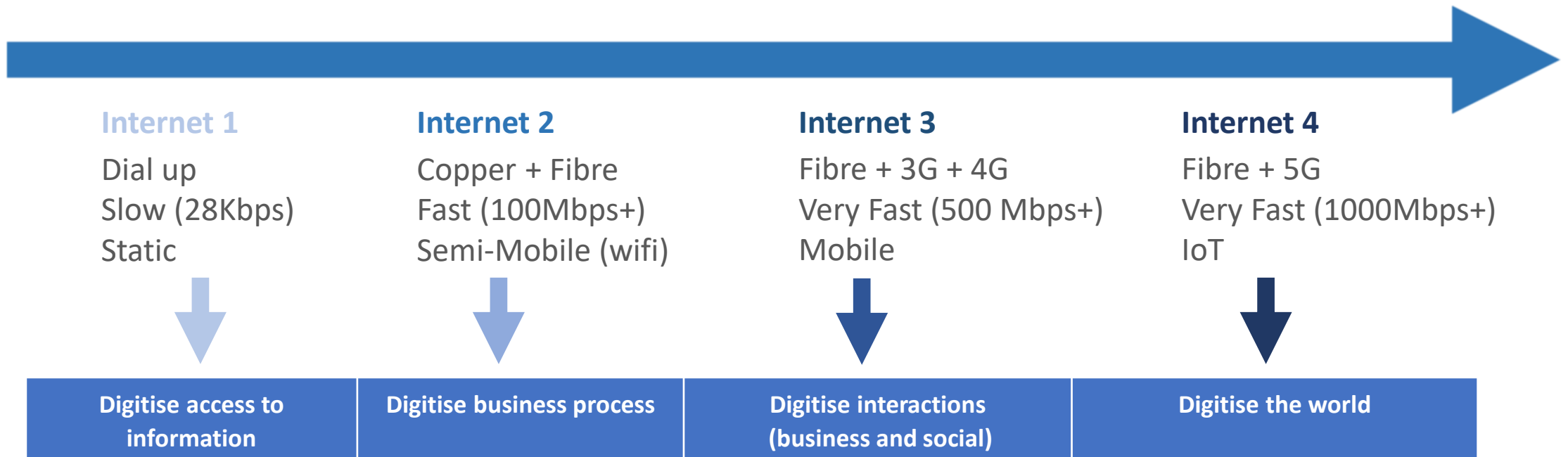
Example

- Ariana Grande is one of a number of musicians, to perform a series of concerts in the metaverse
- Using the video game 'Fortnite' as her platform, the show was held five times in different time zones, and has been viewed by more than 12 million people
- It is estimated that this concert earned the singer \$20 Million



Pinning It Down

- Metaverse' is a term to describe interlinked, persistent, shared, 3D virtual reality spaces - It is an alternate space for social commerce
- It's already here – although still far from reaching its full potential



Reality Check

- The Metaverse is currently a series of walled gardens
- It requires phenomenal bandwidth, limiting access and utility in areas with poor coverage
- Current wearable technology is neither stylish nor comfortable
- Use-cases, such as fintech, quite possibly do not require the Metaverse



Progress

- VR devices are getting smaller, cheaper, and faster
- The rise of 5G will mean that the Metaverse could be accessed by the latest generation of mobile devices
- Connectivity will come as a result of user demand



A Prototype Augmented Reality contact lens by Samsung

Use Cases & Implications For Business

Uses

- Entertainment, gaming
- Digital Twinning
- Training
- Rehabilitation
- Business meetings
- E-commerce in gaming

Implications

- Hyper-connectivity
- Semblance Of Quality Dominance
- New Land Grabs

Case studies include:

- Barbados
- South Korea
- Second Life
- YuLife
- Roblox
- Decentraland
- Legacy
- Superworld
- Republic Realm
- Epic Games
- The Virtually Group
- Microsoft
- Nvidia
- Meta
- Snap
- Google
- ByteDance
- Tencent



Top Favourites

Inspiring



Crazy?



Challenges & Opportunities

Michael Porter's classic approach to "*How Competitive Forces Shape Strategy*" (Harvard Business Review 1979) is a good place to start in examining the challenges and opportunities that the Metaverse presents.

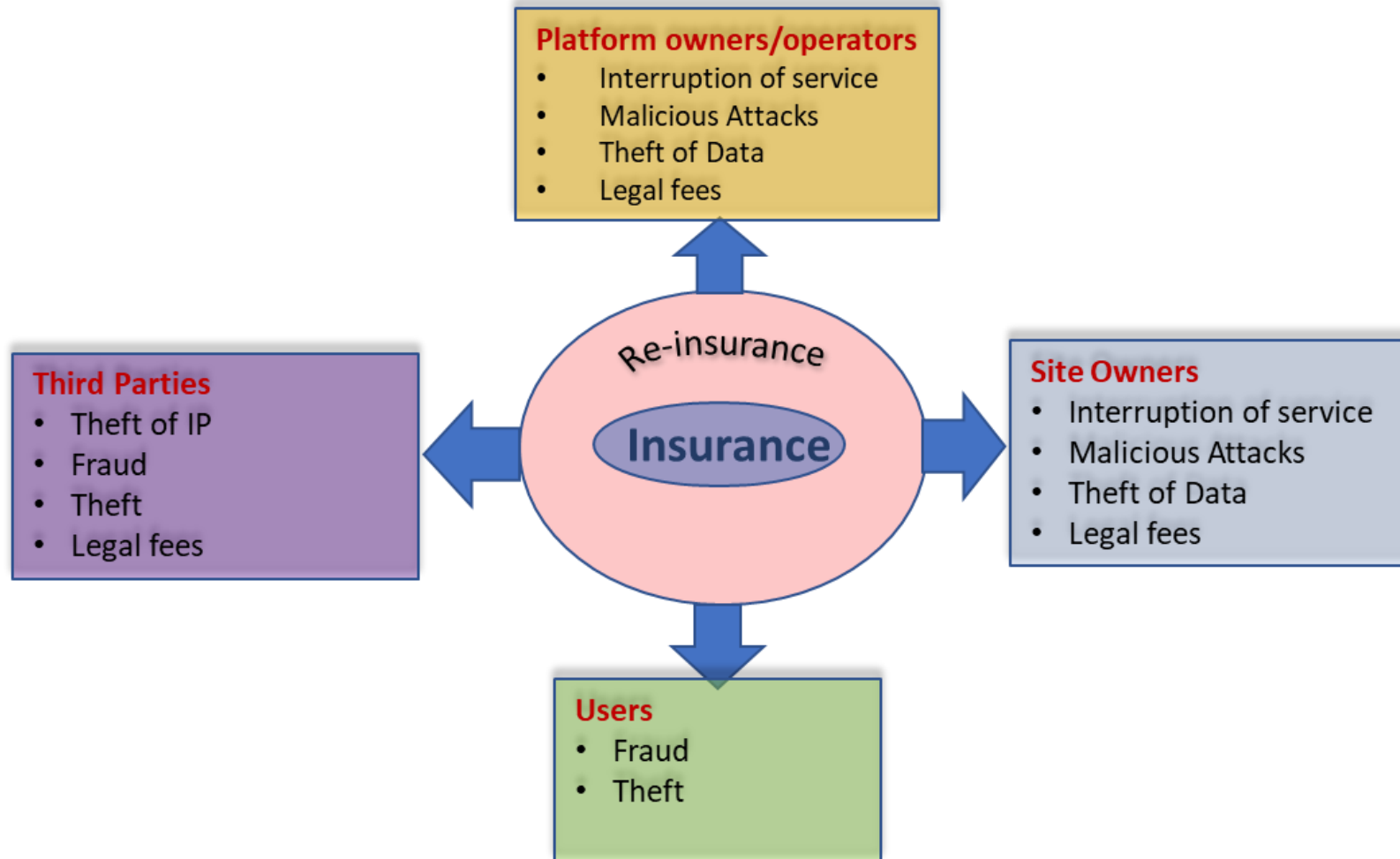


Competitive Rivalry

- Sales in the Metaverse
- New products
- Collaboration
- Modelling and Risk Assessment
- Virtual rights



Buyers



Suppliers

Who is selling?

- Capital Providers
- Advertisers
- ICT Providers
- Legal Services



How could the Metaverse change products and services?

Are new products and services needed?

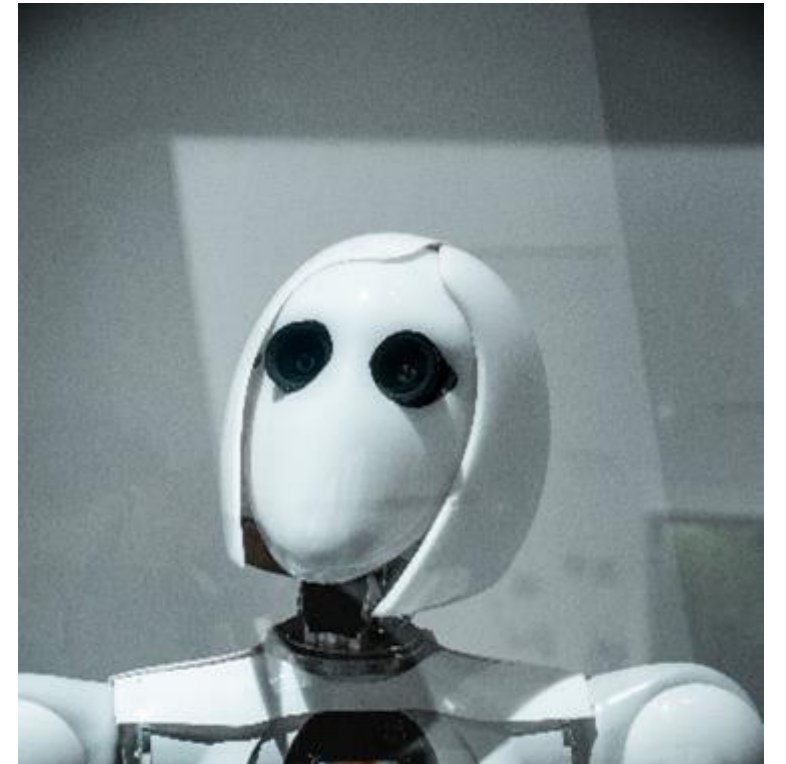
Substitutes

- Difficulty of proving loss
- Valuation – sovereign or crypto?
- NFTs, training?



New Entrants

- Could non-traditional actors provide?
- What role could AI play?
- Will platform providers squeeze competition out?
- How will the Metaverse be regulated/licenced?



Implications for Society - First STEPs

Risks	Impacts
<ul style="list-style-type: none">• Bad actors• Cyber attacks• Fraud• Theft (data, money and IP)• Injury• Accidental loss (e.g. programming errors, power cuts, natural disaster)• Loss – virtual• Loss – physical	<p>Social Impacts</p> <ul style="list-style-type: none">• Health risks- medical impacts of long term inactivity, neurological impacts, psychological impacts• Societal impacts –social isolation, crime and anti-social behaviour• New attack surface for hackers <p>Technical Impacts</p> <ul style="list-style-type: none">• Bandwidth implications (slowing internet traffic for everyone)• Energy (and associated impacts on climate change) <p>Economic Impacts</p> <ul style="list-style-type: none">• Further disruption to traditional (real world) retail• Disruption to commercial property market• Impacts on (business) travel• Loss of tax revenue <p>Political Impacts</p> <ul style="list-style-type: none">• Access• Regulation and enforcement• Geographical boundaries

We Have Arrived



“After millions of years in development, Iceland brings you ‘Icelandverse’, an entirely immersive open-world experience. It isn’t a single place that was built alone and it wasn’t built overnight, Icelandverse is actual reality, it’s Iceland.”
Zack Mossbergsson, 2021

New Lands - Psychogeography

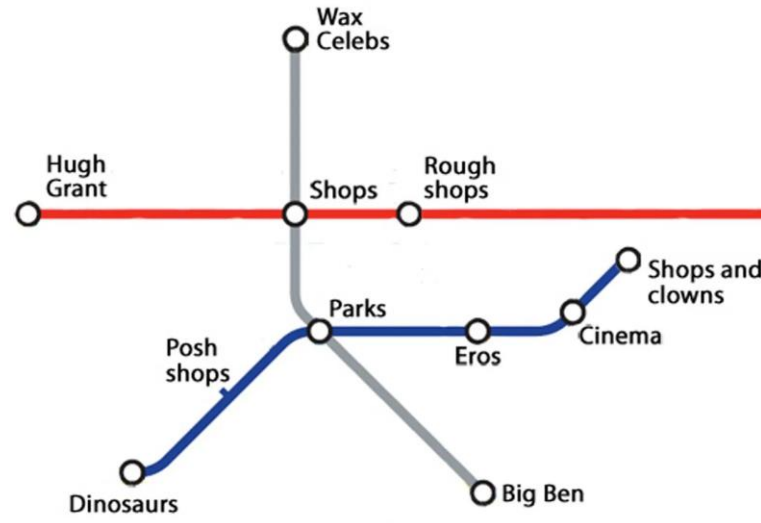
“Buy land, they aren't making it anymore.”

[Mark Twain (1835-1910)]

- The Metaverse is creating ‘new land’ - multiple, even infinite, geographies.
- The Metaverse removes physical geography constraints
- In the Metaverse there are many potential geographies



‘Real’ Tube Map



Minimalist Tube Map

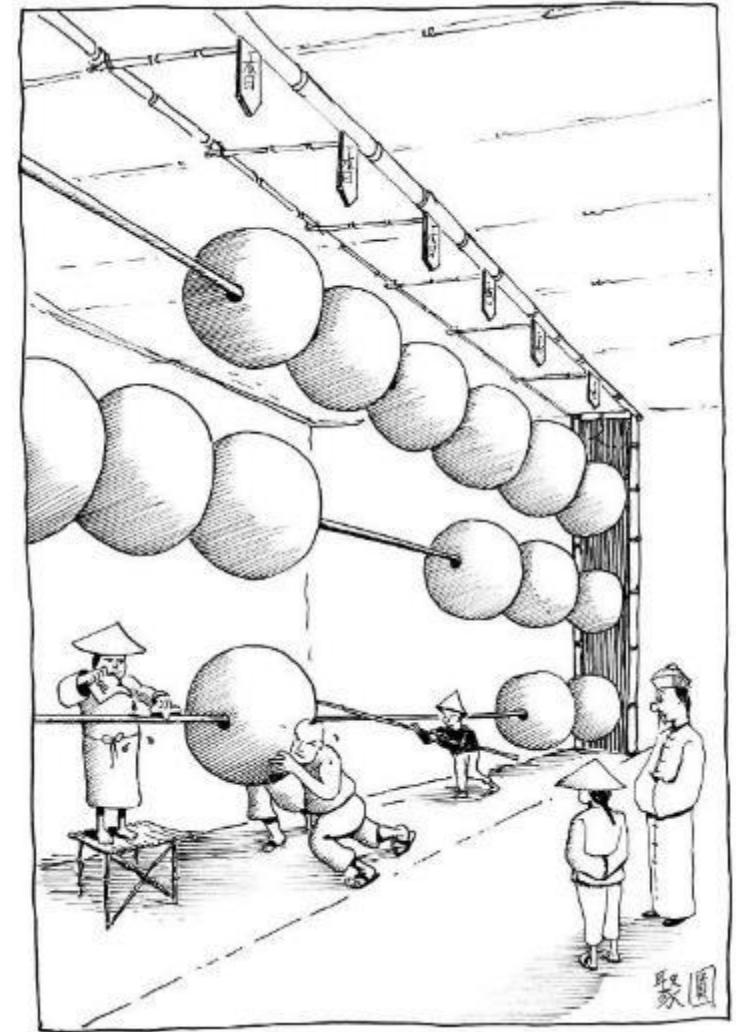


Walking Distance Tube Map

Implications For Business?

- Up your skills base - invest in training and recruit more specialist expertise
- Look at new products and services including:
 - personal data protection
 - insuring digital assets
 - building a brand as a trusted risk barrier
- Be alert to synergistic effects

Keep a sense of perspective, and humour!

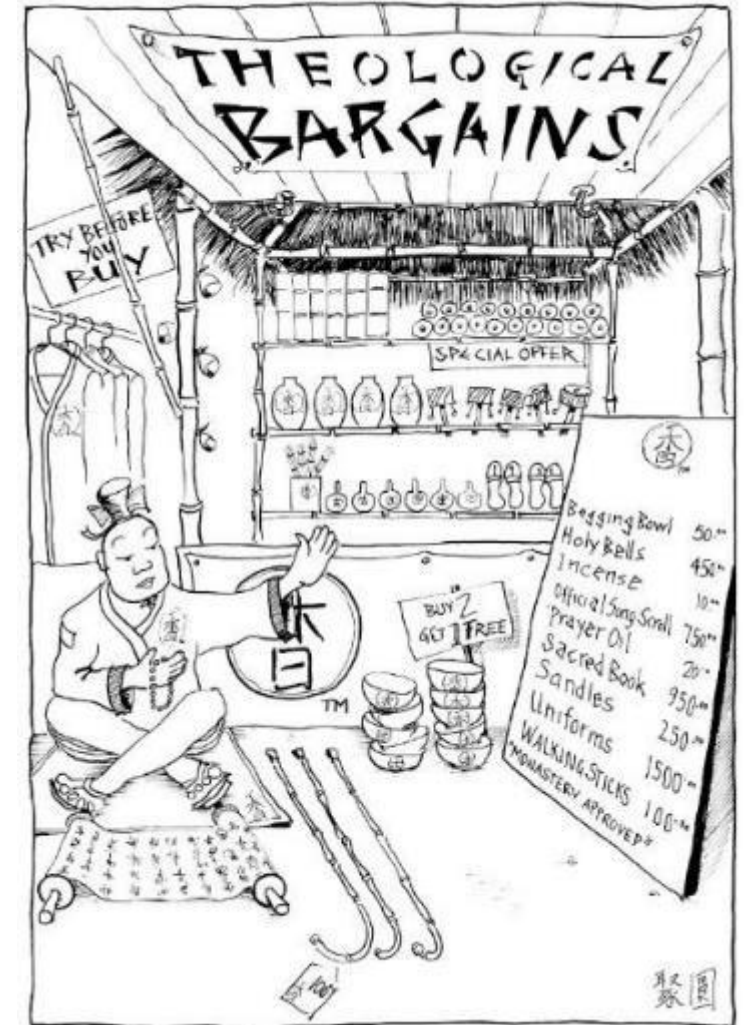


“Get a big picture grip on the details.”
Chao Kli Ning

For Marketers? A Poll

How high should the Metaverse be on a Marketers' in-tray?

- Buying virtual land and building our own Metaverse every day
- High on the pile
- Shall get round to it one day



**"Get a detailed grip on the big picture."
Chao Kli Ning**

Hans Guck-in-die-Luft



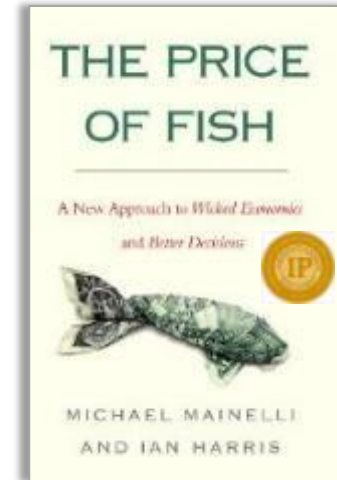
Comments, Observations, Questions, Answers (?)



When Would We Know Commerce Is Working?



“Get a big picture grip on the details.”
Chao Kli Ning



Thank you!

