

The Metaverse, at the crossroads of creating a new world and ambiguous predictions - analysis of trends, features and impacts on consumers and businesses

Alina-Maria Papa (Vasile)

¹Asebuss, Romanian-American Business School, EMBA, MBA, Bucharest, Romania

²Head of Brands and Marketing for commercial and solutions segments, Bridgestone EMIA, Zaventem, Belgium

E-mail: alina.maria.vasile@gmail.com

Abstract. Massively embraced during Covid-19, the digital environment remains one of the key components of our life for various activities. From working to studying, socializing to shopping in what is called the ‘new normal’ post pandemic life. The Metaverse is taking this digital world to the next level through a 3D immersive virtual experience. Identified as one of the biggest trends nowadays, The Metaverse concept raises a lot of questions from various perspectives such as business, social or psychological. The favorable forecasts about its evolution are built on quite attractive assumptions. The Metaverse will open a new, boundless world, full of possibilities that is also financially tempting by the anticipation of new revenue streams. As promising as this new world appears, there is still a flip side with a lot of ambiguity. This article looks at the opportunities and challenges of the Metaverse, through the lens of responsibilities that companies and authorities should take in the rise of this new world.

Keywords: *metaverse, digital, virtual, trend, customers, marketing, impact, risks, preparation*

Introduction – an amplifying phenomenon

Metaverse word started to get more public awareness since Facebook company rebranded itself under the name Metaverse, in 2021, communicating their objective *to bring metaverse to life*. To start with an example for virtual reality popularity, there was already Fortnite, the virtual game for teenagers that gradually became a place for events, being very popular especially during Covid-19, with around 350 million monthly active users (based on 2021 figures). The virtual reality extends incrementally more and more nowadays from entertainment and gaming towards professional and social area; this new world seems to attract increasingly various fields. Expanding between virtual and physical life, over business, financial, entertainment and even education, Metaverse is seen today as the big next thing, in most of the main forecasts trying to predict tomorrow’s landscape,

At global level, Metaverse is a market estimated at almost USD 40 billion in 2021 and it is expected to expand at a compound annual growth rate (CAGR) of 39.4% until 2030. With most of the world’s leaders tech companies already investing in this virtual world, followed by big global consumer brands, it looks like this is the new future. A future showcasing the concept of anytime, anywhere, and rolling out a new way of life emerging experiences: virtual retail, concerts, work, learning or travelling. Next to its huge economic potential, Metaverse seems to open the door to a new experience of buying, interacting and eventually, a new way of living.

1. Introduction – an amplifying phenomenon

1.1. The beginnings and following evolutions

The word Metaverse gained more public awareness when Facebook rebranded itself under the title in 2021. This was to communicate their objective to bring metaverse to life. [1]

While Facebook changed our digital behavior many years previously, the purpose of Metaverse was to bring new dimensions to our daily lives by embracing mixed reality (MR), virtual reality (VR) and augmented reality (AR). Doing so would help users to better interact, perform activities and eventually live. There is a flip side to this enormous investment with several questions such as ‘How the Metaverse will magnify current digital issues?’ and ‘How it will be used by its creators?’ The Metaverse is the newest concept about web evolution, Web 3.0. The development of the web itself brought a lot of opportunities but equally several controversies. The Web version 1.0. was an online space dominated by names such as AOL, Yahoo and a few other portals. Users and organizations were mostly using it for consumption with very little contributing in terms of content creation.

The next big phase, Web 2.0, changed the online model massively, bringing almost a revolution in terms of content creation. The creation of social media platforms, blogs and forums allowed enormous user involvement in content creation and created new opportunities for publishers and big online companies. The phrase Content is King became one of the central motifs in all online discussions and programs. During this time the environment is majorly influenced by ‘GAFA’ the internet’s big players: Google, Apple, Facebook and Amazon. With data collection and processing becoming probably the second biggest theme of internet usage. All advertising and promotion strategies are built around segmentation, targeting and even micro-targeting, based on the individual’s data which is used to conceive the campaigns level.

Eventually, society and authorities realize the impact of this data harvesting and compromising of the individual’s privacy. Actions begin to be taken to regulate the environment, for example the Global Data Protection Regulation (GDPR). The private data access and usage, combined with the lack of ability to control and stop proliferations of false information currently represents one of the biggest challenges for users, authorities and even publishers in the virtual environment. The impact is significant, with long term effects for users’ individual perception of reality and an influence on user’s mental health.

These effects are projected on future web phases. The difficulty is trying to predict and prevent the negative impact as it is almost impossible to anticipate all possible issues that might arise in Web 3.0. However, using a decentralized model and blockchain technology, the Web 3.0 is an environment that will give more power to the individual. Giving back control of personal data and monetizing creators own content. [2]

1.2. The next internet battleground?

While this next phase 3.0 promises to bring a fairer internet, by positioning the individual as the one having control, there is still a lot of uncertainty in how this will actually apply and what will mean for our daily’s lives. Metaphorically, it sounds like a David vs Goliath situation, with individual becoming sovereign of their own micro-universes, their content and data. This was previously used mainly by the giant, centralized platforms to their economic advantage. As good as it sounds, how realistic is this scenario though, in a future virtual world that is built to integrate us more and more? This is what the Metaverse concept aims for a MR, VR and AR. How thin will the border become between our physical life and the meta- one? And how important is it to keep these limits, especially for the younger generations?

Known by the industry as the future of the internet or the next internet battleground, the Metaverse has already attracted billions in terms of investments, a sign of huge opportunities behind this move. This type of virtual experience is not new at all, existing already especially in the gaming field. An example of the popularity of virtual reality gaming is Fortnite. The game designed for teenagers has gradually become a place for events, being very popular especially during Covid-19, with around 350 million monthly active users (based on 2021 figures). However nowadays virtual reality has extended its reach

outside the traditional sectors of entertainment and gaming and towards professional and social spheres; this new world seems to be attracting an increasingly various and diverse industries.

At global level, Metaverse is a market estimated at almost USD 40 billion in 2021 and it is expected to expand at a compound annual growth rate (CAGR) of 39.4% until 2030. With most of the world's leading tech companies already investing in this virtual world, followed by big global consumer brands, it looks like this is the new future. Expanding between virtual and physical life, over business, financial, entertainment and even education, Metaverse is seen today as the big next thing, in most of the main forecasts trying to predict tomorrow's landscape. A future showcasing the concept of anytime, anywhere, and rolling out a new way of life experiences: virtual retail, entertainment, work, learning or travelling. Next to its huge economic potential, Metaverse seems to open the door to a new experience of buying, interacting and eventually, a new way of living. Promising a fully immersive experience in a VR and AR, who will include elements from the real life (under various aspects like working, making money, studying, entertaining, interacting and maybe even more than these), in combination with growing capabilities and control of the Artificial Intelligence (AI), Metaverse aims to position itself as the next paradigm of the Web 3.0. [3]

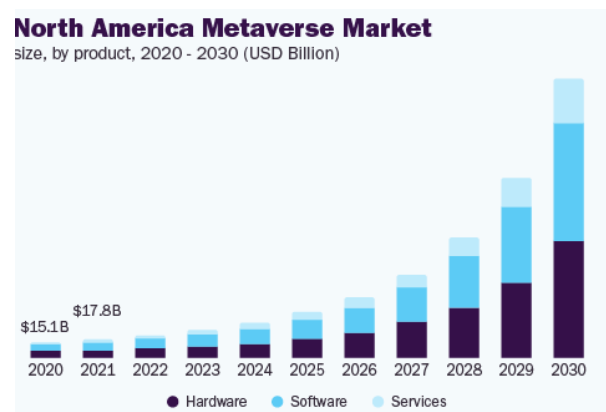


Figure 1. North America Metaverse market forecast

1.3. Pro and cons about Metaverse future

Even though today there are not many scientific researches and surveys available to give strong figures, the opinions of future web predictors remain split, between those seeing Metaverse advancing in the coming decade and those giving it less credit. The big business potential of this new emerging world represents the main driver for those believing in the rapid growth of Metaverse, followed by the continuous technological development that will give mainstream access to new experiences.

Creating this new virtual experience where people are fully immersed in a 3D dimension replicating real life (XR) could become a breaking point in the digital development, and there is much more likely to attract various segments of users, going beyond the current niche segments. On top, the believers in the ascension of Metaverse genuinely believe in its capacity of contributing to the greater good by facilitating a richer educational experience, better online medical procedures, creating stronger communities thanks to superior interactions, new virtual travelling experience and last but not least creating more opportunities for business exchanges.

As we are still in the age of predictions and hypothesis for the Metaverse and online environment evolution, current premises make the above probability likely to happen. Still there are important issues emphasized by the sceptics in the rapid adoption of this new online experience. In this regard, they expressed doubts concerning the useful aspects of the Metaverse for the lives of real people, the idea that of most of the population will get fully immersed in a VR and AR or even the limits of technologies to allow the promised experience.

However, there is the fear of losing even more the control. On one side some key powerful rich companies or platforms will play more of the role of "Big Brother" by gaining control of data and

affecting people lives, by influencing their online reading habits, their opinions and, gradually, their behaviors, no matter whether if that'll be for economic, political or any other purposes. On the other side, there is a potential danger that the Metaverse space, by its almost real-life experience will amplify and worsen the existing issues such as discrimination, fake news, bullying (especially for the teenagers, but not exclusively) or this fully immersive digital experience to induce the feelings of loneliness in the real life creating even more mental disequilibrium and anxiety.

Even though the above pros and cons concerning the Metaverse are not scientifically sustained at the global scale, these are data collected by empiric or ad-hoc researches expressing the main questions, doubts or arguments circulating today when referring to this virtual space.

2. Highlights – features and technical aspects

There are various factors impacting the current analysis concerning the Metaverse, from its features to its technical characteristics that are integrated in the macro-context release potential opportunities and challenges. According to Deloitte's definition, the Metaverse is seen as "a converged world of the virtual and the real", integrating a virtual reality, aspects of real world, pure virtual elements and the junctions between these two dimensions. Even though the Metaverse is built on a virtually transposed vision of the real world, it can exist without being tied to physical assets. It's less dependent on the data integration based on sensors, which obviously doesn't exclude that great amount of data could be collected. Its main characteristic is the necessity to immerse in the virtual experience. This represents at the same time the way to encompass great experience, while also being a potential entry barrier as it's more difficult to be accessed by anyone from any device, at least so far. [4], [12]

2.1. Technological challenges for rapid growth of Metaverse

To make this 3D development for virtual experience possible, advanced technological assets are needed. Tools such as AR, VR, AI, the Internet of things (IoT) and blockchain technology are among the most requested and used. All these technologies and the necessary knowledge behind them might represent a barrier to entry in this new field for less technological companies but, at the same time, a great opportunity to develop new competences and skills for these jobs of the future. Moreover, the speed of development and technological capacities are also a key influencer for the Metaverse future evolutions. While the Metaverse may seem highly promising there are clear technological limitations that have to be resolved quickly to achieve the goals. [5]

Even though the virtual experience is quite advanced, the full 'real-life' replica is not yet there. We can experience advanced 3D immersion but this is still far from the reality - for example, multi-sensorial experiences that humans have in real life, including all emotions are still not integrated well. There is also the financial and business aspects that need to be addressed. The Metaverse announced they will rely on blockchain technology and NFTs (non-fungible tokens). The financial industry and big business will need to familiarize themselves with and proactively use these technologies. Something the general population will also need to do however currently these terms remain abstract.

As long as people don't have knowledge about these new opportunities and don't understand them, it's much less likely they will adopt or invest in this project. Building the awareness of the above technologies under some simple, educational initiative might then be the logical action to be taken to stimulate Metaverse usage. In a similar situation, the IoT requires more accessibility for the public to become mainstream. Embraced mainly by certain groups, much liked by the young generations, the IoT continue to expand, but at a moderate pace, due mainly to aspects like costs, security concerns and the capacities of the technology itself. As long as this keeps a rather average growth pace, it will impact Metaverse implementation at a large scale. The new digital experience will equally require very performant mobile communication network, at least 6G, which means that in the very short term there will still be room for many developments at least from this perspective. [6]

Also, most of the future trends suggest that computing power will evolve more and more and there are increasing efforts for the construction of computing centers. All the evidence suggests the clear need that technology has to accelerate even more for its development. This is necessary to sustain and enable the futuristic scenarios that the Metaverse promises, such as stimulating business, empowering people self-expression in this new world, create new possible experiences in health, education, culture,

entertainment or encourage people's interactions to create communities. This refers to everything that can assure and allow access to the new digital world, to all the technical application needed behind the experience itself, to the tech platforms and engines (AI, digital twins blockchain, NFTs) and of course to the technical infrastructure, with a focus on the cloud computing as the future key enablers for data.

The question is how ready will the technologies be to provide all the above in a fluent and sustainable way? And how open are the main players of the industry to collaborate in terms of software, hardware, internet providers and other technological suppliers? Even based on the few empiric research studies communicated so far, there is a quite clear agreement that Metaverse, which is still in the infancy of its existence but on upwards path, still has a long way to go to get to maturity in the future. Close to these rather positive views from technological angle, it remains the uncertainty concerning the significant risks related to psychological impact on users, private data, trademark and intellectual rights, profitability, control, regulations or governance.

3. Metaverse - a new way of living?

With huge financial sums already invested and further investment to be announced, some of the biggest global brands are raising billions in short-term to fund their long-term vision in the Metaverse. It looks like a new way of living is opening up. As long as a significant part of our daily life or our friends' and families' lives could happen in Metaverse. Be it for interacting, entertaining, buying and studying – does this mean we have to prepare for a new way of living? There are certain reservations to be kept in mind, especially about the practical evolutions.

Metaverse is promoted like the new digital environment that will change our way of living. Even though there are still significant reservations about the impact of the previous statement, the virtual world evolves in a direction that could strongly impact our daily lives. [7]

3.1. Major anticipated impacts of Metaverse on daily way of living areas

3.1.1 Shopping

With big brands already present in the virtual world, the Metaverse will impact the way we shop. Using AR and AI, brands will be able to present their product from a perspective that is not accessible today, such as to display the composition of their products to emphasize the quality or sustainability of their production process. As a consequence, users will get to fully access immersive retail experience, from cosmetics to furniture or to car maintenance.

3.1.2 Learning

The way of learning could be positively impacted, thanks to technologies like VR or AR, which will allow students to be transported to different places and even times with digitally recreated events. The very first virtual learning experiences have started to receive positive feedback.

For example, during history classes, students will “travel” back in time, with past experiences recreated in Metaverse.

3.1.3 Healthcare

Advanced immersive technologies are already use in some areas of healthcare for example AR is used in complex surgeries. The Metaverse will aim to use this in our current healthcare checks, thus some procedures to be done either in a full digital environment or using many virtual enablers (like for example VR goggles for therapists). It will be interesting to see if this will bring more confidence to patients, who could feel in safer in a well control environment. Or would this have the opposite effect with patients lacking confidence in such a practice and having a tendency to avoid them.

3.1.4 Travel

Thanks to VR and AR, people can travel and explore places that they might have never reached any other way. From exploring hotels' room to visiting tourist attractions. Getting a cultural experience

from a distance and feeling like you are there. This is already a very appealing opportunity for many businesses including, travel operator, hotels, cities, to count only few key players of the industry.

3.1.5 Entertainment

The Metaverse was first built with the entertainment industry in mind. Particularly the gaming industry. The adoption rate among these users is one of the highest. It is already well known that gamers are already quite active in this virtual world and large gaming communities have been created. On top of gaming, which is more likely to stay as one of the main drivers for Metaverse adoption, there are also other type of entertainment experience, for example musical events. These events have been organized in the virtual reality have had hundreds of millions of users participating.

3.1.6 People interactions

If social media changed the way we meet, connect or stay in touch with other people, the Metaverse will bring all this to the next level. Being at the convergence of the physical and digital worlds, it promises to give users endless possibilities to create and re-create themselves and to interact with other people. Great opportunity for creativity, fully new experiences and 3D profiles in the virtual environment. It looks like a world of infinite possibilities where people can socialize, relax and entertain. But what will be the impact of all this be on our identity and personality? How much will this impact our self-awareness and perception on reality? And what will be the impact on communities and their behavior. And what will the consequences in the real world? All these are questions that experts or researchers can't answer so far, as multiple parameters for estimating the real social impact are too complex and it's still difficult to have an in depth understanding. They can only try forecasting some answers, based on projections and the few early researches conducted in this field.

A survey conducted by McKinsey over more than 3,400 consumers around the world, revealed that two-thirds of the respondents "are excited about transitioning everyday activities to the Metaverse, especially when it comes to connecting with people, exploring virtual worlds, and collaborating with remote colleagues". Based on the same research, "almost 60 % of consumers prefer at least one activity in the immersive world versus the physical alternative and 79 % of consumers active in the Metaverse have made a purchase". Even though this is one of the few systematic research projects about Metaverse, the above figures should be considered useful information in the projection of various Metaverse growth's scenarios. [8]

4. Question marks for today and tomorrow in Metaverse world

One of the first questions concerns the identity and the configuration of Metaverse. So far, it has been announced the virtual world will replicate and highlight the physical real world. Here for people and organizations including social, economic or legal aspects. Still the big question remains: What will be the mental impact, the capacity of Metaverse to stimulates people feelings and emotions. By encompassing this key factor that defines us as human, Metaverse aims to be more than just the sum of different parts of our lives, it could be a new world, where everything is connected and amplified and where one plus one could become three. No clear answers so far for important questions concerning the virtual world impact on: our mental health, on young people as Gen Z, on the new consumption behaviors or on data protection – to count only a few. There is already a discussion concerning the social and cultural impact of the Metaverse. Effects are still hard to predict due the early stages of the phenomenon. Still the exercise starts to shape if we integrate Metaverse in the context of:

- An increasing anxiety especially among younger population and with focus on Gen Z;
- A prevalence to develop the side hustle, again mainly among millennials and Gen Z population;
- The new way of working and studying created by the digital push during pandemic and kept in the post pandemic age, known as the smart way of operating.

While matching the above points with the full virtual immersion required by the Metaverse, it immediately raises several questions on how this will affect the daily life of people from economic, social and psychological point of view. The possibility to create and explore an almost boundless

world, lacking the inherent physical barriers of the real world, under an avatar giving the user practically a new identity, opens a multitude of opportunities and threats. Clearly we can already anticipate positive effects for interactions, business, exploring new experiences, but also the darker side of all this, the impact on people's self-awareness, self-confidence, behavior and even business risks. Another big question is about how to obtain a profile in the Metaverse and live in a virtual life, and to what extent, how to keep a proper and healthy balance with the real world, where one can't hide one's own identity. If the human imagination is the limit in Metaverse, then where is this limit between the good and bad, how fragile is the barrier and how prepared is the population and especially the young for this? And, from marketing point of view, there are other key questions arising about what the Metaverse will represent for brands: another channel in the marketing mix or an entire environment including its specific distribution and communication strategy? There is also the possibility that the Metaverse fades in time and take just a minor role in marketing strategies. In the absence of any clear answers, businesses and brands should start to properly analyze and understand how the Metaverse functions by evaluating the opportunities and risks, envisaging possible strategies and being prepared to take action.

5. New horizons and challenges for businesses and brands

Still if consumers do adopt the Metaverse, adjust their virtual behavior and bear with these transformations, how should most of the brands react to not miss this potentially great opportunity? How brands can deal with the risk adversity and the skepticism waves against the Metaverse? Will most of the brands wait and see how serious the Metaverse really is or they will take risks now? It will be interesting to closely follow developments and for marketers be part of these evolutions, this is certain.

In the meantime, it's interesting to see what global brands do. If the high tech and consumer market-oriented brands might be more opened to invest in the Metaverse. The large mass of brands, adopting the follower-strategy, are still reluctant or, at best, in an expectative position. This situation shows similarities to what happened years ago with the creation and rise of social media: While some brands were pioneering adopters willing to use the platforms to interact and give their customers more power on the content creation. There were many other brands waiting to better understand social media, without being yet prepared to jump in to the new digital environment.

As millennials were driving social media usage as consumers at that time, now Gen Z is immersing itself today in the Metaverse. It started with gaming but there is a high probability it will continue into other areas of activities.

5.1. Early data from branding field

Following the survey conducted by McKinsey with over 450 senior leaders, the executives seem more reserved to express enthusiasm or even strong opinion. Still, they agree on one thing: "95 percent of them believe the Metaverse will have a positive impact on their industry". Around 30 percent of executives think the "Metaverse can bring significant change in how their industry operates". 25 percent of them have confidence that "Metaverse will generate more than 15 percent of corporate revenue in the next five years". With consumers being very open to this new technology (at least according to McKinsey survey) and leaders seeing quite a lot of business potential there, it looks like the Metaverse appearing to be the big next opportunity. According to another survey conducted by McKinsey over 1,000 consumers between 13 and 70 years old, the respondents were quite enthusiastic to see and interact with brands in the Metaverse, "two-thirds of them indicate they would be excited to engage in a digital experience with their favorite brands". [8]

Obviously, if consumers embrace this new technology, brands should follow suit and take advantage of the new opportunities. And companies have already started working on their presence in the Metaverse, to build their road map and strategies on how to operate in this world. Even though these strategies should be built for long term, the business leaders are aware of the fact that the Metaverse will continue evolve. For those companies that want to succeed in the Metaverse, one of the main skills they must possess or acquire is to be agile. As marketing history has already showed us, we

should expect seeing different reaction among companies in terms of adoption, investment and creating virtual consumer experience. In fact, there are brands that have already stepped into the Metaverse with a clear vision of their future path and seeing the advantages of being the early adopters. There are some other brands that have been preparing intensively for their virtual experience and have created a business model for this new world, but still have some uncertainty (fast movers). Finally, we can see a big category of brands that prefer to wait, being more skeptical, or maybe just less prepared to accept the Metaverse as a impactful future world. They prefer to wait and see what this virtual environment's impact will eventually be. They will watch how other brands manage and then subsequently build their own strategy. The main technologies could have low penetration today but are expected to become mainstream in the near future (and the proof of confidence is represented by the millions of dollars invested in this field). The consumers show clearly their openness to be part of the new Metaverse world and to try unique virtual experiences. Based on all this, is becoming quite evident that brands won't want to miss the next big opportunity. The customer represents the main driver of the business environment evolution. However, those companies that might chose to not adapt their strategy to the new environment will still be a big question mark over whether they made the correct decision: is this the right way of anticipating the future or do they risk making the biggest mistake of their evolution? Marketing courses are full of examples about big brands that missed important changes in customers preferences and behaviors, thus compromising or even sometimes destroying their image, reputation and business profitability.

According to Douglas Rushkoff, digital theorist and host of the NPR One podcast "Team Human", quoted in the Pew Research, "the only true purpose of the Metaverse or the 'decentralized' Web3 blockchains administrating it is to create more 'surface area' for the markets. The purpose is to quantize and monetize more aspects of our world and experience". While only the future will show us the real purposes of Metaverse, there is no doubt that the above affirmation is funded on the reality of economic interests that can't be denied in the virtual environment. But we can already try to anticipate the strategies and movements of big business names within the Metaverse space. [9]

In the current context, with trends announcing Metaverse rising and shinning, based on predictive logic, most of follower-strategy brands still need to work their fundamental approach to get prepared for the new possible evolutions. The first step is whether a brand decides to join the Metaverse or not. It will be interesting to see if this remains a real option especially as there were some other tentative moves to build a virtual life in the past, e.g. Second Life. Or will it be that brands won't actually have a choice especially if they want to maintain and grow their market share, as was it the case in the past with other channels like social media.

If current favorable forecasts are to be believed concerning the incremental increasing of the virtual reality, those pioneering brands that will first enter the new environment will get the most of the advantages and opportunities of Metaverse. From brand image (bold, innovative, advanced) to business growth by generating new sources of revenues. As the Metaverse aims to be a virtual replication of the real world, it's expected customers will have both the current and new needs, wants or demands also in the digital world. The appetite for possession is quite likely to exist in the virtual world too. For businesses and brands this represents a great opportunity to attract new customers. They will try to meet their specific expectations in this new world and create a fully new experiences for the audiences.

From a marketing point of view, all this will translate not only in higher financial results but also in a better brand image and affinity, as these companies have higher chance to be perceived as daring, advanced, futuristic, thus to raise a positive feeling among their customers. As for the brands highly positioned and well perceived in the virtual world, we might see a transfer of positive influence in the real world. They may be seen as inspiring for traditional customers. Last, but not least, being part of such an immersive and real time environment, will give these brands the opportunities to better understand much their customers and even their employees' preferences and behavior.

This unprecedented connection to the user experiences can create stronger competitive advantages for these brands, which eventually should be translated into better returns. Even from an organizations internal perspective, if we look through the rose-tinted lenses, the Metaverse could be the perfect new way of communicating. This was observed during the Covid-19 pandemic, by reducing the need to gather people together in a physical place, lowering the costs for travelling and still offering a great

'almost-real' experience. There are, of course, pros and cons – We've already seen, post Covid, many employers asking their staff to return to work and to have real human, face to face interactions. And this type of request for human, direct connection surprisingly comes from the younger generations, this is in contrast to the fact this age group is mostly associated with usage of the digital world. It's clear that the Covid period helped to develop people's familiarity with virtual activities. It also revealed a stronger and deeper need for direct human connection. And this might be one of the premises for moderating the enthusiasm of those voices sustaining that the future is in the Metaverse. But also, subduing and pacifying skepticism for those considering that the Metaverse is just the "buzz" of the moment but will remain a modest presence in the future.

5.2. High hopes and avoiding risks?

Brands are already facing fundamental strategic questions while thinking about their strategy to adopt the Metaverse. Even though for many companies, the Metaverse could represent the "blue ocean" in terms of marketing and business, where they can build their business, there are still important aspects to be considered before opening the business in the virtual world. All the positioning steps will have to be re-evaluated while preparing for the Metaverse. Starting with the key targeted segments, to understand how likely are they enter the Metaverse, who are they in the Metaverse how will they behave and how different their needs and expectations could be in this virtual world versus the current one. For brands targeting mainly the younger generations there will be a pressure to speed up towards this new environment, as long as their consumers will be expecting them to do it, otherwise they risk being replaced by a more agile competitor.

On the other hand, those brands that today are targeting a more conservative customers segment, risk losing an important opportunity in the long run, as future generations are happy to live part of their lives in the new virtual world. It's normal that the Metaverse raises strategic question marks about segmentation and targeting for all brands, no matter what their current strategy is. As mentioned previously, not all the brands have the same speed or pressures to understand and project themselves in the virtual world, but once the direction becomes clearer and big brands will move there, it's quite likely that followers and waiters will start doing the same. If the impact of the Metaverse on people, individuals and consumers is widely discussed and becomes the subject of several research studies it will be interesting to have more data and projections concerning the impact for the business to business (B2B) field too.

Huge businesses revenues are coming from the B2B area, so it shouldn't be dismissed as the Metaverse positions itself as the next big milestone in peoples, societies and business evolution. The potential penetration of the Metaverse in the B2B markets might actually represent a strong indicator of the real amplitude of this new world at least from business perspective. If the Metaverse can manage to attract interest of biggest private and public commercial deals, then indeed we could say it does represent a big shift and is opening a new age. But how big is this probability?

Today's existing data predicts a clear impact on people, with probably most entry points in area like entertainment, games, shopping and probably going further towards education or even medical health. But how possible will be to create a world that supports big business's interests? So far, it's not something that is really appealing based on the existing information. This is why, even though in the B2B field, big brands names might be in the followers category concerning the Metaverse adoption. Most probably, the brands might consider trying this new virtual world, but only for awareness and image reasons in the first phase, without aiming to go deeper into the brand funnel, towards the purchasing stage. [10]

On top of the reservations identified by McKinsey while questioning the top or senior executives of companies are not necessarily translated in skepticism. This could rather show big brands' need to have a long run vision and approach. The general public consider the Metaverse to be the next big thing and they would test and experience this first out of curiosity. For companies the reasons to enter Metaverse are different. They need planning, investments and also to make sure they can remain consistent in terms of their vision, value and brand personality in virtual world. To ensure all this, brands will need to properly anticipate their actions, position themselves strongly in Metaverse. Next to the business financial aspects, brands need equally to protect themselves and their reputation.

Once the decision to enter this new world is taken, fundamental business decisions need to be analyzed concerning what business model to use in Metaverse. From this perspective it's important to understand the way of monetizing the new environment. Next to this, there are other important strategic pillars such as: identifying company's goals and strategies for the Metaverse, understanding the behavior of consumers in virtual worlds, defining audience segments, creating ways to transpose the unique brand identity in this world – all these are some of the main challenges that brands should face now. Product and services will also take on different forms in Metaverse and there is still a challenge to have a clear view on how to offer them in the virtual world. For example, one question concerns the NFTs, are they representing the only way of virtual possession and trading, or some other means could be identified later? [11]

To put all of this in action, brands will need to think what platforms they need to use for Metaverse, to re-assess and most probably upgrade their technical capabilities, to create new partnerships in order to better leverage their performance in Metaverse. And, of course, on top of all the above, brands should be able to measure their actions, to clearly define their KPIs (key performance indicators) and what units they will use to regularly track them. Being a new world, it will be interesting to see how much the current marketing metrics (for brands, media, sales performance) will actually apply in Metaverse and how much an adaptive versus innovative approach will be requested. Another challenging area of concern is within the legal sphere. From data protection perspective, the overall digital environment is not yet fully regulated (even though some important steps were created with GDPR in Europe for example). However, the new virtual life is still far from having clear rules protecting data, identities or against other virtual risks.

In order to cover all the above previously discussed, the right capabilities will be needed for making decisions and implement them. New skills will have to be developed and not only from marketing perspective but with a holistic mindset of doing business, from top management to sales, customer-care, financial, legal and any other relevant field.

6. The big next - uptrend or at a crossroads?

Closely linked to the internet environment evolution towards Web 3.0, where users become both content creators and owners, Metaverse is identified today as one of the most promising trends that will keep growing, and significantly impacting our lives. It's still hard to predict how much people are eager to embrace this virtual world and move part of their life into this new space. Today's numbers seem to be favorable to that possibility. However, it's difficult to say to what degree this will continue and if there might be a breaking point where the current trend could start declining or simply switching to something else that we can't even shape yet.

According to Deloitte conclusions, the Metaverse will present 6 main characteristics: realistic immersive experience, complete world structure, user generated content, big potential economic value, new regulations and big uncertainty. This synthesis puts forward the essence of the Metaverse as it reveals its main objectives, from creating excitement among users, bringing complex elements of real life into the virtual environment (from business to deep personal emotions) to unlock users' creativity and give them the control over the content (or according to skeptical voices at least the feeling of control). This rather reserved attitude is mainly due to the many unknown factors and open questions concerning the Metaverse's way of operating over the medium and long term. If there are two things the analysts and researchers can agree on, it's the ambiguity of predicting the future of this new world. And one of the most important questions concerns the governance of Metaverse. [12]

As long as Metaverse projections indicate a high economic and public power, it is critical to ensure a fair and ethical management of the whole structure. This is key to build a Metaverse world that brings real value, not only from business point of view, but especially for what could really help and inspire people in their daily life, from working, creating, interacting and more. Looking a bit deeper into the value of the Metaverse, our analysis reveals also questions about its capacity to strengthen what we recently saw that really matters to people, from deep emotional connection to personal and spiritual development. In this landscape, Metaverse can contribute to enrich people experiences and feelings by allowing them to discover places, people or notions and to stimulate their creativity. Even though all this sounds very appealing, so far it looks more like a utopic projection and not necessarily

because of the skepticism manifested by some voices. This is mainly due to some quite practical factors like the technical accessibility, security and privacy concerns, huge complexity for storage and computing power resources and lack of clear governance.

Let's go one step further with the projection and assume that all the above will be possible in a perfect world, with a perfect set up. Even in these conditions, the main silent question remains: will human beings be ready to make this switch and live in virtual world? The mirage of a perfect world where everyone can be whoever they want to be. Will that be appealing enough though? And even if the answer is yes, what will be the ultimate costs for human beings in terms of mental, social, developmental aspects? This shift impacts people lives, the biggest risk being that some of the effects might be irreversible. Or, maybe, people will adopt Metaverse as a place to escape and build an alternative ego, a better one or at least, one closer to their real deep convictions. But how sustainable is this approach and what will be the medium- and long-term consequences? Obviously, it is still far too early to get answers to these questions but various scenarios can be anticipated. This is based on current observations of the effects social media environments have on people's psychological health, emotional health and their behavior.

From this perspective, a full immersion of our lives in the digital world has some worrying side effects, questioning the actual purpose of the Metaverse. These aspects will bring us back to the main points about governance, as this will represent the central driver for the Metaverse's usage and mission. The main players in the Metaverse, the way how they cooperate and compete, will set the direction and the "tone of voice" for this new virtual world. Will this be profit-oriented with the risk of "exploiting" human emotions and data or will the Metaverse reach that level of maturity to favor a sustainable, healthy and creative environment? Using the positive scenario, the mental shift happens, the virtual existence is accepted and people start using the Metaverse. All of our lives' dimensions become part of this virtual ecosystem.

The impact will be huge from all angles mentioned already (emotional, economic, social, cultural, technological and so on) and could expand continuously, as Metaverse growth is limited only by the human imagination.

7. Various projections for future evolutions

However, while this new promising world continues to develop, it is important that companies and authorities use previous knowledge from past experience with new channels and environments to ensure a safe and sustainable experience in the Metaverse. Alongside the individual and the private sector, the Metaverse could represent a great opportunity for the public sector to reinvent itself in a virtual world. It could help it to come closer to its citizens, to improve the city services and the improve administration processes. A big challenge to direct all the actions and interests in the Metaverse - those of consumers, companies and authorities – towards the greater good, to create an environment that will be safe, inclusive, fair and ethical.

We know these are serious concerns that are not fully controlled yet in social media — fake news, data protection, bullying and virtual pressures. This, in turn, is creating real life anxiety and deviated behavior especially among the younger users. The Metaverse is at a crossroads about how to create a healthy environment. But how could they go a step further and use the amazing virtual evolutions to actually improve people's lives?

Web 3.0 and the Metaverse is here and all the premises indicate it's to here to stay and is developing over time. No doubt this new age will enable people and society to live experiences that we were so far just imagining. It will also open the doors for new business models. While huge amounts of money have already been invested in the Metaverse, it seems this is just the beginning. One of the big questions refers to how open or closed the Metaverse will actually be: Will it be for real users who have actual control? Offering them endless opportunities as promised? Or it will serve the interests of a tiny elite from the big tech sector?

Finally, the Metaverse and any technology are just tools eventually. The only thing that matters is how they will be put at people disposal and to what purposes will be used. Both positives and negatives have been learnt from the digital world so far, in any of its forms, including social media. While logically all that has been learnt, should be addressed and integrated into the Metaverse for it to

be a better digital world. There still remains concerns that the Metaverse could only worsen things no matter it's about data privacy, money control, dependencies or other psychological effects.

There are certainly big questions concerning the Metaverse's evolution, such as: Will it have the capacity to overtake the current technical limitations? Will it have the power to create new profitable business models to attract companies? Will it have the inspiration to take it to the next level? To transform the way how humans identify themselves and connect to each other, while giving them a full new world to develop and express their creativity? Whether all this remains possible, then at what speed will this all happen? Will it be a gradual evolution or an abrupt sprint? And most importantly, how is all this going to happen and what will be the consequences for people? Based on the above analyzed hypothesis, the Metaverse will possibly change things for the better or the worse, emphasizing positive and negative aspects of our current lives. I also see even bigger challenges in how we can take advantage of all these incoming opportunities of a boundless world, so far only imagined.

There is a new world ascending, full of possibilities. But at the same time authorities, companies and society, each of us, will be responsible for making sure this new world is sustainable and best used by all of us. And this might be the next big test for humanity.

References

- [1] McKinsey and Company 2022 Marketing for the Metaverse: An opportunity for innovation and experimentation
- [2] Silver, Charles, Forbes Jan 6th, 2020 Innovation – What is Web 3.0? Available online: <https://www.forbes.com/sites/forbestechcouncil/2020/01/06/what-is-web-3-0/?sh=4bd9a32b58df> (accessed on 28 of August 2022)
- [3] Grand View Research 2022 Market Analysis Report, Metaverse Market Size, Share & Trends Report 2030
- [4] Deloitte, March 22, 2022, Metaverse report - Future is here: Global XR industry insight, <https://www2.deloitte.com/cn/en/pages/technology-media-and-telecommunications/solutions/metaverse-whitepaper-series.html> (accessed online 14th of September 2022)
- [5] Influencer Marketing Hub 2022 The state of Metaverse 2022 Challenges and Opportunities
- [6] Forbes 2022 Preparing Your Company for The Metaverse
- [7] Forbes, August 2022, The Effects of the Metaverse on Society, <https://www.forbes.com/sites/bernardmarr/2022/04/04/the-effects-of-the-metaverse-on-society/?sh=61714e46765b> (accessed online 1st of September 2022)
- [8] McKinsey, June 2022, Meet the metaverse: Creating real value in a virtual world, <https://www.mckinsey.com/about-us/new-at-mckinsey-blog/meet-the-metaverse-creating-real-value-in-a-virtual-world> (accessed online 1st of September 2022)
- [9] Pew Research Center, June 2022, The Metaverse in 2040 <https://www.pewresearch.org/internet/2022/06/30/the-metaverse-in-2040/> (accessed online on 28th of August 2022)
- [10] Harvard Business Review, January 3, 2022, How brands can enter the Metaverse, <https://hbr.org/2022/01/how-brands-can-enter-the-metaverse> (accessed online 13th of September 2022)
- [11] McKinsey, June 13, 2022, Probing reality and myth in the Metaverse, <https://www.mckinsey.com/industries/retail/our-insights/probing-reality-and-myth-in-the-metaverse> (accessed online 11th of September 2022)
- [12] Deloitte, May 2022, The Metaverse overview Vision, Technology, and Tactics, <https://www2.deloitte.com/cn/en/pages/technology-media-and-telecommunications/articles/metaverse-report.html> (accessed online 29th of August 2022)