



THE NEXT FRONTIER

VIDEO TRANSCRIPT

In 2021, the metaverse burst onto the scene, showing lots of promise and it can expand beyond its gaming roots. Right now, it's evolving our digital culture and offering people and brands a new place for interaction, for creation, for consumption, and for earning.

Now frankly, we have more questions than answers, but major headlines and making us feel like we're on the brink of a new frontier. And one that promises infinite possibilities to create new value. We're defining the metaverse as a convergence of physical and digital worlds.

There are four Ps here, like the marketing four Ps, but kind of different. It's a place where people go with a purpose. They can interact, they can play, they can shop, they can learn, they can even earn income. And the fourth P, they can create unique digital products which are bought and sold by users for cash or cryptocurrencies.

The following six building blocks highlight the technology advancements or the behavior shift—it's a combination of the two—that are giving rise to what might become the metaverse.

So the first is gaming which has really blossomed during lockdown. Games allow people to compete, to connect with others on a shared experience or mission, and to escape into a well-crafted story line that entices and to keep coming back. Now that's different from what we expect from websites or apps mainly.

The second is creator economy, both inside and outside of games. The crazy economy is putting financial control in the hands of the creators. That's really important.

The third signal, of course, is NFTs. So these are unique digital objects and they're creating value in totally new ways.

The fourth is around the behavior changes caused by the pandemic. We had to figure out how to be together while being forced to be alone. We did it on the internet and shared, shared experiences and are breaking out of being just about gaming and into Netflix for example.

The fifth signal is around the tech advancements which are giving us new experiences including, I think very obviously, virtual reality and augmented reality and real-time rendering.

And finally, we've commented on this before in trends, our avatars and synthetic humans. One of the defining characteristics of the metaverse is the opportunity to decide who we are and how we present ourselves there. The metaverse is a guess that these things are all going to come together and the people are going to want the experiences that it offers.

So what's next? Well, we think significant cultural shifts always start in a place—it's that big P again—and we believe that the NEXT will be in the metaverse. Think about it: Renaissance, Florence, Vienna in the 1800s, swinging sixties in London, all associated with place. That's happening again. In the immediate future we expect to see appeared questioning, learning and experimenting on what's possible, lots of trial and error. But there has to be a focus on user experience.



As we do that, it's important to ask these six questions to ground us: What's the entry point? If interoperability is a goal, it seems to be getting harder as this over 200 companies creating their own entry points already.

Secondly, will common standards be developed? If I buy a digital asset, how does the visual quality translate between different metaverse environments? Think about that Gucci handbag which sold for more than the real, the real products. Is that going to look the same in Roblox and the same in Fortnite.

Thirdly, do people value digital products as much as they value physical products? We're going to have to define consumption in the metaverse.

Fourthly, it is the 1% rules still apply in the metaverse. In internet culture, only 1% of websites uses generally add content. Is going to be the same here? Probably won't work if it is.

Is it healthy, that's the fifth one. Is being immersed in 3D worlds, good for our psychological health?

And lastly, are ethics embedded in the rush to create the metaverse as brands seek to capitalize on the opportunities presented by the metaverse? We've got to encourage open debate around the ethics relating to who people are and what they do there.

And all of this has to be thought of with sustainability in mind as well. We can't afford to create an environment which has some people are speculating, doubles the energy consumption of the Internet.

With all that in mind, we still believe we may be well on the brink, well on the way to a new cultural epoch. Whatever happens, a massive us may offer infinite potential as a space for companies to explore, test, and innovate new experiences and products and services. All of which makes it to say, the very least, a tremendously exciting trend this year.

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