

# FOR META OR FOR WORSE

The Promise and Perils of the Metaverse



# With the dawn of the metaverse, we are potentially moving into a new chapter in the history of the digital world.

Competition for the “metaverse”—what Zuckerberg dubs “the successor to the mobile internet”—is heating up. Big tech companies are placing their bets on the metaverse, an immersive, next-generation version of the internet. Unlike the contemporary internet experience which is 2D and navigated by browsing through a screen, the metaverse is 3D and may often be traversed through connected headsets or glasses.



Metaverse developments are still in their infancy, but may ultimately permeate many aspects of our lived experience, from how we work to how we develop relationships and organize as a community.



Our research study lasers in on public perceptions of the metaverse—what consumers want, don't want, and may not yet fully grasp—in an effort to more effectively create positive outcomes.



# How do we make sure that the metaverse doesn't fall prey to the same issues as the mobile internet, or indeed, make them even worse?

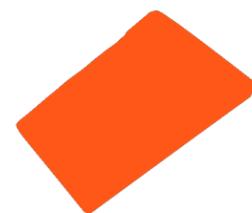
When asked to define the metaverse in one word, many say "Facebook." It's early days and the verdict is still out on exactly how the metaverse will change how we engage with the digital world, and whether it will be a transformative or an evolutionary technology.



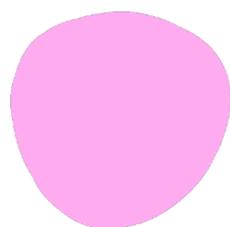
New Everything  
Marvel Online Interact Big Universes  
Interesting Crypto Artificial Data  
Interactive Metaverse VR  
Expansive Gaming Digital  
Another Vast Media

Combination Future Cool  
People **Virtual** Confusing  
Space Infinite Unique  
**Facebook** Social  
Reality Innovative  
Encompassing Play Weird  
Multiverse Unknown  
Different Meta  
Large Alternative  
Awesome Complicated  
Universe **Technology**  
Internet Futuristic Multiple

33% say the metaverse will be a natural extension of how I currently engage with the digital world



36% don't know



31% say the metaverse will radically change how I engage with the digital world

2 in 3 consumers say **I would be excited about a new form of social media where I can engage in a virtual world as if I were there in person.**

58% of consumers believe that ultimately, *the metaverse will replace social media and become social media 2.0.* Similarly to how the rise of the social internet signalled significant opportunities and challenges, both for individuals and society, our study uncovers consumers' hopes and fears for this new wave of transformation.



**43% are **anxious** about the metaverse**

**66% are **excited** about the metaverse**

**22% are **both****

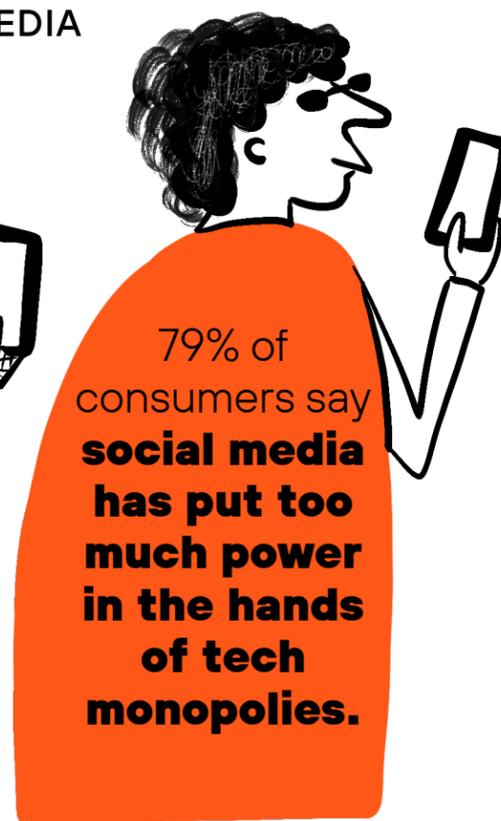
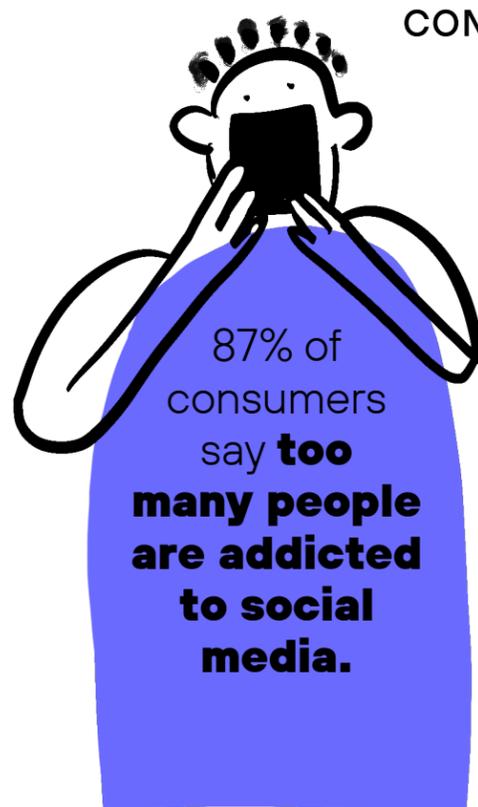
## METAVERSE ANXIETY

More than anything else, people are worried that the metaverse will end up replacing or undermining their offline interactions.

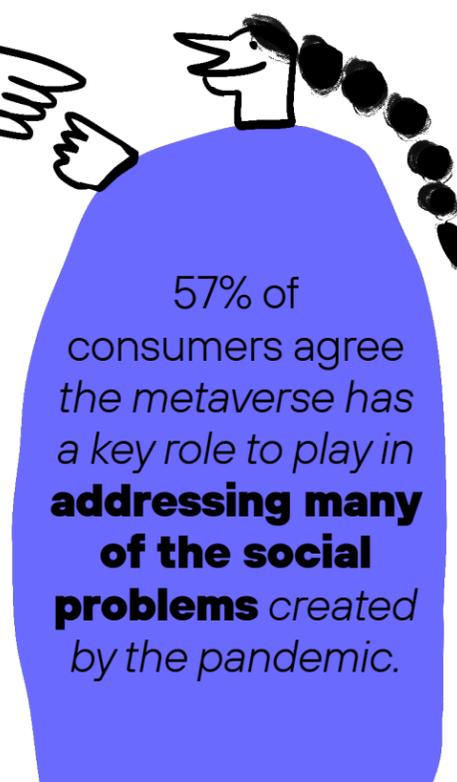
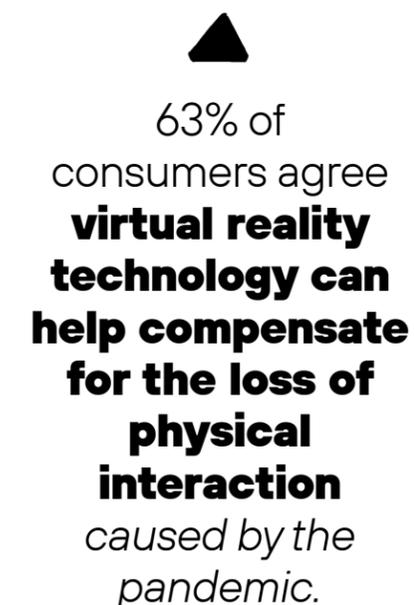
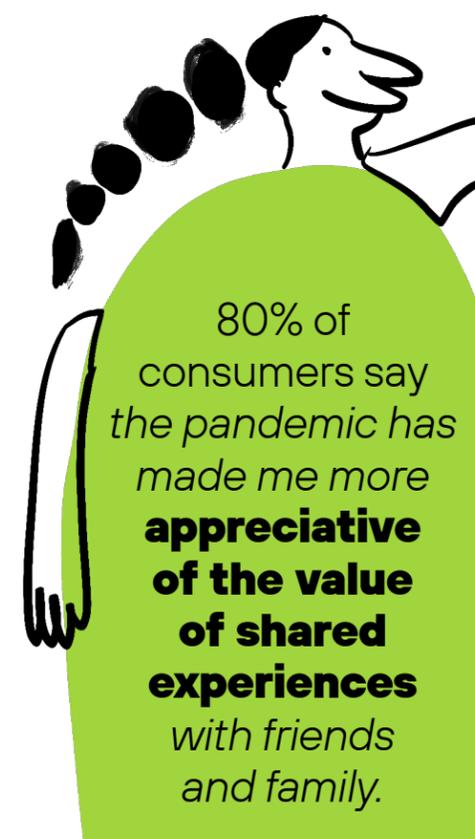
## METAVERSE OPTIMISM

Nearly half of audiences (46%) say they intend to spend more time in the metaverse in the future. In part, that's because events of the past two years have bolstered appreciation for the role that online platforms can play in enabling communities to thrive.

### CONCERNS ABOUT SOCIAL MEDIA IN THE METAVERSE



### HOPES FOR THE METAVERSE



In order to address these concerns, technology companies will need to build metaverse platforms that are intended to augment and extend real-world relationships, not ones that try to make them obsolete.

Some even believe the metaverse will help us heal and improve as a society—that the metaverse can be a more intimate and authentic space to engage with one another.



# If the metaverse is a more intimate space—reducing distance between people rather than creating it—could that encourage people to treat one another better than they do on social media?

A key differentiator for the metaverse, when compared to social media, is the ability to physically touch and interact with others. 84% of consumers say *touch makes me feel more connected to others and makes my interactions with them feel more authentic.*



**79% of consumers believe when people have the ability to physically interact with each other, they treat each other more kindly.**



The absence of physical contact is a key pain point across current digital experiences.

**78%** of consumers say *when interacting with people virtually, I miss the ability to physically touch and interact with them.*

**74%** say *reading body language is easier in person.*

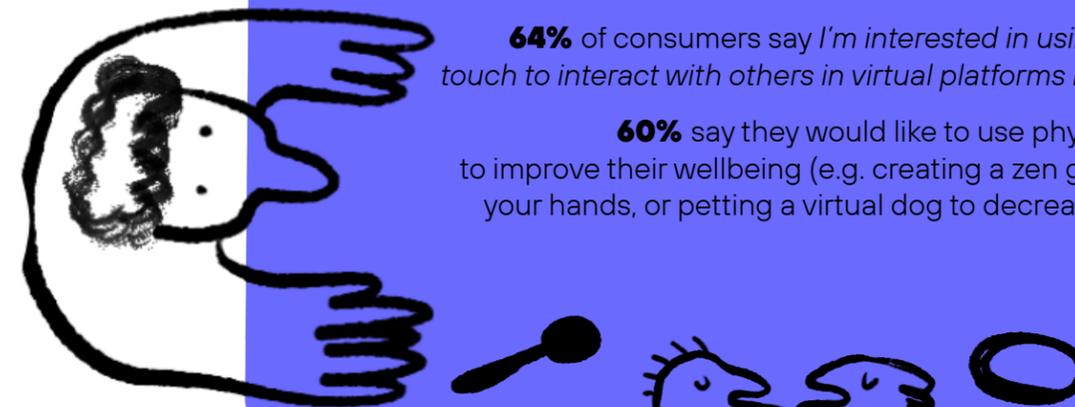
**71%** say *communication through technology is not the same as in person.*

**1 in 2 consumers wish there was a way to physically feel or touch things using technology the same way we can in real life.**

The ability to physically interact more authentically can be a significant driver of metaverse adoption.

**64%** of consumers say *I'm interested in using physical touch to interact with others in virtual platforms in real time.*

**60%** say they would like to use physical touch to improve their wellbeing (e.g. creating a zen garden with your hands, or petting a virtual dog to decrease anxiety).





“

A hug, a touch from your partner, a brush on the shoulder—these are critical human experiences. For the Metaverse to become a milieu for human culture, then we need to solve for personal sensation; presence means more than 360 degrees of vision, the ability to control an individual avatar, and a rumble pack.”

- **Matthew Ball**, Venture Capitalist, who contributed expertise as part of the study.

## INTIMATE CONNECTION

Many of us are limited in our ability to spend time in person with loved ones over the imminent winter holidays, increasing interest in virtual alternatives.

**56%** of consumers say *the metaverse will be better than existing social media platforms because it will more closely resemble physical interactions.*

**53%** of consumers would like to attend a celebratory event (eg. birthdays, graduations), virtually.

**51%** of consumers say *I would be more likely to use metaverse platforms that replicate the feeling of physically touching and interacting with people.*

## Who is buying into the metaverse this holiday season?

The holiday season is a perfect example of how the metaverse, at its best, can act as a way of bringing friends and family together, deepening and enriching real-world relationships.



**45% of consumers would consider buying a VR device** for a friend for a Christmas/holiday present, trailing just behind the 53% of consumers who would consider buying a tablet or gaming console.

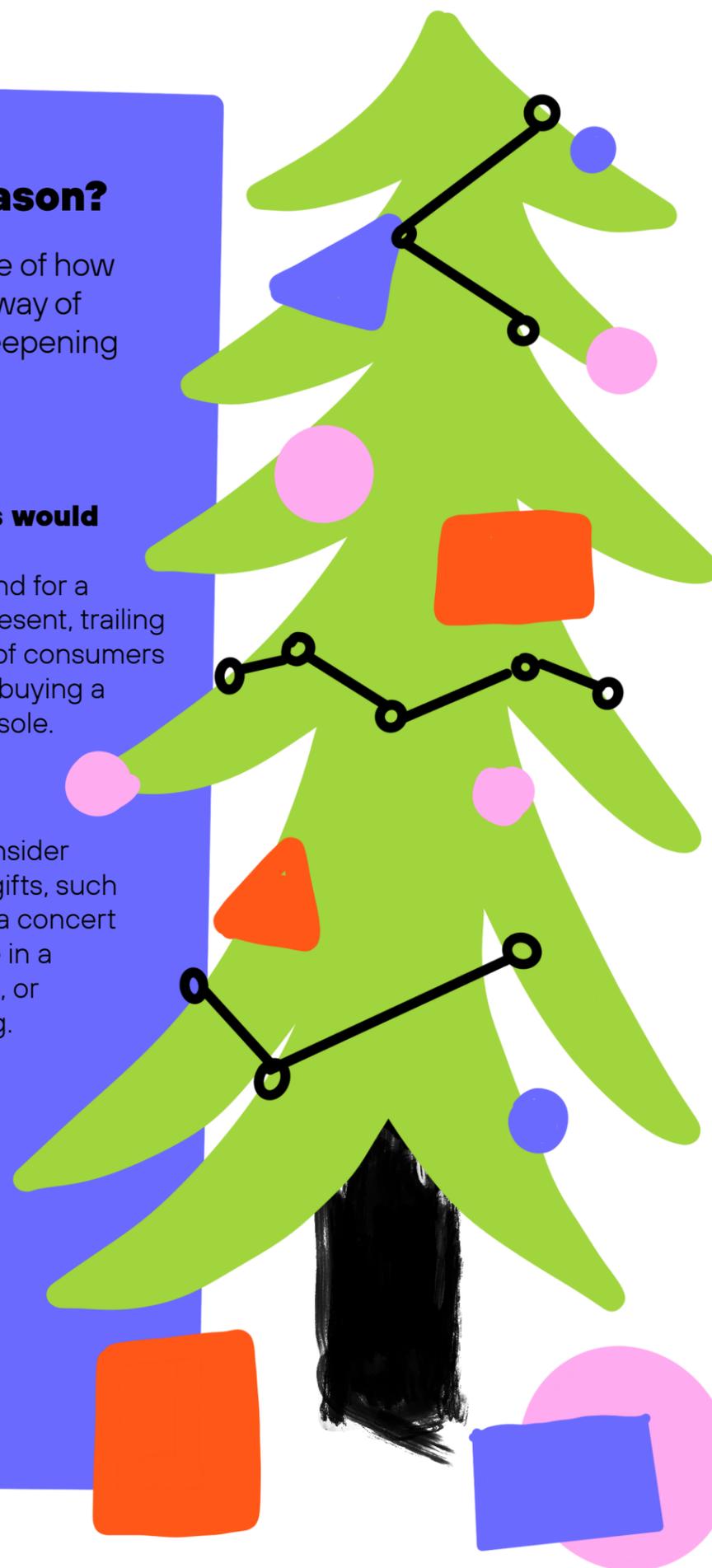


~1 in 3 consumers would consider buying other metaverse related gifts, such as **tickets to a virtual event** (e.g. a concert in the metaverse), **virtual tokens** for use in a metaverse platform (e.g. Robux or V-Bucks), or **digital assets** in a metaverse platform (e.g. virtual clothing items or digital art pieces).

1 in 4 consumers would be happy to receive virtual tokens or digital assets this year, with Gen Z particularly excited about this possibility.

Parents are the most ripe audience for metaverse purchases.

**65% of parents are considering purchasing a VR device or other metaverse related gifts for their children this holiday season.**



## HANDS-ON COLLABORATION

The intimacy of the metaverse won't just change the way we socialize; it will also have a transformative effect on the way we work and learn. In fact, education is the domain where consumers are most optimistic about the metaverse—with 63% saying *the metaverse will have a positive impact on the way I educate myself and learn new skills.*

**63%** of consumers say *I prefer attending work related meetings virtually, rather than in person.*

**59%** of consumers say *I prefer attending an educational learning session virtually, rather than in-person.*

**61%** of consumers are interested in experiencing collaborative experiences with tactile or 'touchable' interaction.



# So, what are the implications for the people and the companies currently working to build the metaverse?

The promise of the metaverse is not to serve as an escape from reality, but rather as a tool for fulfilling our basic need for human connections that are rooted in empathy and intimacy.

The builders of the metaverse, therefore, shouldn't see their products and services as ones that are in competition with real-world experiences; they need to understand that the real value of the metaverse will be the way in which it can help augment and extend those experiences. In practice, this will mean resisting the temptation to "optimize for attention" in the design of those products, creating relationships with consumers that are rooted in addiction and dependency. Instead, they ought to "optimize for intimacy" and look for ways to make relationships in the metaverse as vibrant and authentic as possible.

New frontiers of VR and AR technology will undoubtedly have a key role to play in enabling the creation of those authentic relationships. Already, there are signs that metaverse platforms are moving beyond simple audio and visual experiences, and into the realm of physical sensation. Technologies that can bring the dimension of touch into virtual spaces could help reintroduce the tactile component of real-world interaction, elevating the metaverse into a real force for positive change in the world.

The metaverse, at its best, helps to bring people closer together, whether gaming with friends, celebrating Christmas with loved ones, or simply catching up with an old acquaintance. If the architects of the metaverse are willing to embrace the right philosophy, then it has enormous potential to push humanity in a more positive direction, and to repair the threads of our society that have been under so much strain over the past two years.



**National Research Group:** A leading global insights and strategy firm at the intersection of content, culture and technology. The world's most powerful marketers turn to us for insights into growth and strategy for any content, anywhere, on any device.

Methodology: From March-May 2021, NRG conducted a study on behalf of Emerge, a metaverse start-up. In November-December, NRG independently conducted follow-up studies building on the original insights. The quantitative surveys reached over 4500 consumers ages 18-64 in the United States.

Words and analysis by Lauren Xandra, Marlon Cumberbatch, and Fergus Navaratnam-Blair. Design by Grace Stees. Illustrations by Hannah Robinson.