

Metaverse 2022

Global Consumer Perspectives



Since Facebook announced its transition to the name Meta in 2021, media and businesses have rushed to address the metaverse and its implications for consumers. While companies worldwide have made numerous announcements and proclamations about the metaverse related to virtual reality, augmented reality, cryptocurrencies, Web3, NFTs, video games, and more, it's become clear that the term is still *unclear*, *vague*, and *ill-defined*. 'Metaverse,' however, generally refers to virtual worlds where users can interact with one another, apps, and services in a deeper, more immersive, and increasingly realistic way. The implications of these innovations on potential future paths remain hazy.

While businesses have been discussing and debating the definition of 'metaverse,' consumers worldwide are just as or perhaps even more perplexed about the term.

“Even though it already appears on news and television shows, the metaverse sounds like an alien to some. When talking about Web3, there is even more confusion.”

— Streetscaper, Brazil

“So far, the public seems intrigued by the metaverse, but not entirely clear on how it can be applied to their lives. They are generally not sure what role it could play in their everyday existence, and while it looks cool, they need a bit more clarity on how it can benefit them or make their lives easier.”

— Streetscaper, Japan

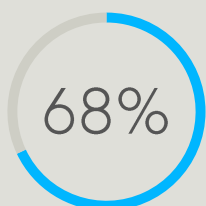
“'Metaverse' emerged in Russia as another buzzword amidst the pandemic – just like 'AI', 'data science,' or 'blockchain' surfaced and occupied every discourse about the future. Metaverse remains conceptually foreign, not a reality in this market.”

— Streetscaper, Russia

Mass understanding of the metaverse may still be a far way off, but as with many new technological changes, consumers are anxious and skeptical about how we're forging ahead. Rightly so, as public conversations have centered on mental health issues from too much tech exposure, as well as the widespread riskiness of cryptocurrencies and NFT scams.

But while the idea of the metaverse still does not have widespread uniform appeal around the world, there is growing enthusiasm in some markets. Taking a look at Global MONITOR data, we see that most global consumers do not currently find the idea of spending time in an immersive world appealing, though some are more intrigued by the idea than others.

Fully immersive digital worlds don't yet have widespread appeal...



Percent of global consumers who agree,

“The idea of spending a lot of time in an immersive digital world isn't appealing to me”

...but consumers who are more open to digital worlds tend to be in developing markets—especially in Asia

China	+32 pts	Markets where consumers agree, “I would be comfortable spending a lot of time in an immersive, digitally-generated world, such as with VR (Virtual Reality)” (by more than +5pts over the global percentage of 32%)
Nigeria	+23	
Thailand	+19	
India	+17	
Philippines	+15	
Indonesia	+14	
Japan	+13	
Malaysia	+10	
Turkey	+6	

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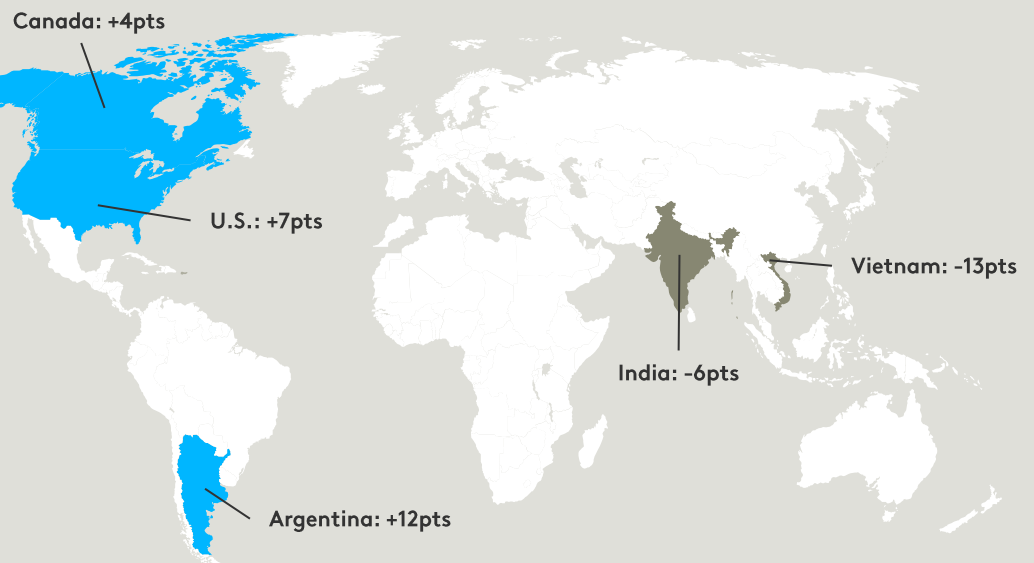


Among consumers to whom virtual worlds appeal, it appears that positive curiosity about the metaverse stems from cultural tastes. While interest in “Virtuality”—the preference to do things and express themselves in virtual worlds over physical ones—is still low globally (with about ¼ of global consumers expressing that it is extremely/very important), this has been shifting in some markets.

The importance of Virtuality is evolving

Since 2019, consumer attitudes have shifted in some markets regarding the prioritization of **Virtuality**: “Preferring to do things and express myself in virtual worlds over physical ones”*

- Countries where the importance of Virtuality has **increased**, 2019-2021
- Countries where the importance of Virtuality has **decreased**, 2019-2021



* Countries shown reported a percentage point difference of 4pts or greater for those who believe that virtuality is an extremely/very important personal value.

Socializing and Identity

For consumers, there are a few key issues contributing to the differing approaches to the metaverse. Businesses are presenting the metaverse as a means of socializing – a position that was reinforced by the introduction of the term into mainstream conversations by social media giant Facebook.

However, most consumers today do not see the technology providing the rich, social connection of real-life interactions, nor do they view the metaverse as being capable of delivering a compelling improvement on sociability in the physical world.

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The final effects are generally satisfactory – two people can meet in a virtual space, but it does not reflect emotions, facial expressions, and subconscious gestures that can be seen in the real world, so a lot of work is needed to experience digitized senses and emotions successfully.”

— Streetscaper, Poland

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The metaverse still feels niche to most Canadians. While there are millions of young Canadians who play video games online wherein interaction and character generation are foundational parts of the experience, the idea of a broad-based metaverse where many Canadians come together to consume just hasn’t become commonplace yet.”

— Streetscaper, Canada

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The metaverse is ideal for communication and having a visually unique experience. Therefore, metaverse users want to talk to and interact with real people in an authentic way, as well as be impressed by exciting new visuals that cannot be created in real life.”

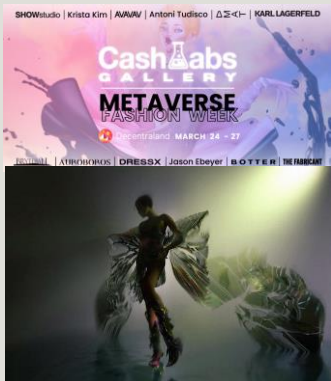
— Streetscaper, South Korea

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Because discussions of the metaverse connect to conversations about social life, interested consumers unsurprisingly associate the metaverse with digital identity and expression. Accordingly, brands in categories such as apparel and beauty are already leveraging this natural category fit by being first movers in metaverse activations.



The first-ever Metaverse Fashion Week was held in the virtual world **Decentraland** in March 2022. Brands as diverse and well-known as Etro, Tommy Hilfiger, Estee Lauder, and Forever 21 participated, as well as virtual-only fashion labels like the Fabricant, DressX, and the Dematerialised.



South Korean beauty brand **Laneige** has made an exclusive deal with **Jiichuan** (Chuan CHUAN), a popular virtual idol, to be their metaverse Trend Experience Officer for metaverse experiences in which the brand participates.

Gaming Extensions

Of course, businesses and consumers recognize that to the extent that the metaverse—immersive realms where people can experience rich interactions—exists today, it is in video games. Video games have long allowed consumers to play out alternate lives, change identities, and buy/sell/trade items. Until recently, however, most of these digital worlds were rooted in fantasy and play, wholly separate from users' identities in real life.



Gaming is being defined as a new metaverse and social [realm], and society is realizing that playing games is a new way to earn, discover, and socialize with other people."

— Streetscaper, Indonesia



Attractive [metaverse] opportunities for companies include avatars and virtual accessories. In fact, video games and the gamer community seem to be the main gateway to the metaverse right now."

— Streetscaper, Italy



Metaverse usage is becoming more common amongst younger Koreans as gaming culture is central to modern socializing and entertainment."

— Streetscaper, South Korea

But as digital technology increasingly affects both our real, physical lives and our lives in the digital realm, many are finding opportunities to blend the two. While VR/AR will make the sensory experience of digital realms more realistic, believable, and interesting, the inclusion of cryptocurrency and NFTs, along with the ability to transform digital behavior into real economic returns is driving passionate believers. Currently, many consumers view this development as extreme financial speculation mixed with overblown hype. However, genuine opportunities are emerging that may spur consumers to think about the metaverse more seriously as a source of real money.



Axie Infinity is a "play-to-earn" video game popular in Vietnam, Indonesia, and other parts of Asia in which players can earn real-life money through playing.



Practical Metaverse

Some consumers are envisioning uses for the metaverse far closer on the horizon. For many, it's easy to see that the metaverse can increase accessibility to important services like health and education – sectors that are sometimes difficult for people to access meaningfully due to geography, costs, lack of skilled practitioners, or outdated techniques.

Businesses, governments and other organizations are already using *digital twinning*—the creation of digital doubles in models and simulations—to help them troubleshoot issues before products and services launch in the physical world. Recently, some are using digital twins in virtual realms to garner consumer input on prospective concepts or expand the audience for existing offerings.



The use of VR in training, such as in paramedic and bushfire response contexts, has had some success, and this domain has the potential to normalize the metaverse. In these and other use-cases, consumers find tremendous value in engaging in the metaverse because immersive environments are more effective for these sorts of learning aims. In this way, consumers would likely wish to interact with brands via the metaverse if there were some real practical value in doing so beyond simply having a novel experience."

— Streetscaper, Australia



The UK's **Manchester City Football Club** is pulling more fans in by building a stadium in the metaverse where fans' avatars can attend remotely in real-time.



Indonesia is building a new national capital, **Nusantara**. The new city will start out as a virtual entity that Indonesians can visit before it is built to point out issues and get used to the city.

Implications

Big money and big tech are continuing to back the development of the metaverse, so experiences in virtual realms will only improve for consumers – becoming richer, more lifelike, frictionless, and (hopefully) more fun and interesting. With realistic expectations and further innovation, both businesses and consumers have a lot to be excited about regarding the future of the metaverse.

- 1 Don't assume consumers are interested in metaverse or know what it is.** Be careful about how your company or brand refers to virtual realms and how exactly you are improving your brand experience with them. Without specifics, you may come off as inauthentic and untrustworthy.
- 2 Expect consumer interest to come from unexpected places.** Because mature markets are leading the development of the metaverse, many businesses are focusing there. The highest interest in metaverse experiences, however, stems from developing markets. If your brand is testing and learning, it may pay off to think about doing so in high enthusiasm markets—especially in Asia.
- 3 Ensure there is a good rationale for consumers to participate.** There doesn't appear to be a solid incentive for mainstream consumers to get involved in metaverse activations right now. If your company gets involved in the metaverse, be specific about what consumer benefits for participation will be.
- 4 The metaverse is really a collection of metaverses.** As developments move ahead, there is no standard digital realm or world in which the majority of consumers will participate. More accurately, the metaverse will likely be an assorted collection of different realms during the next few years. Ensure you have a strategy in place for how you choose partners based on business aims, platform audiences, and viability for collaborations and growth.

To learn more about Global MONITOR or how your business can leverage these insights, contact your Kantar account team or reach out to [Doreen Szeto](#) or [Sara Nettesheim](#) at Global MONITOR.