



# INTRODUCTION TO THE METAVERSE

LINA BENDIFALLAH AND ZINEB DJERRARI





# INTRODUCTION TO THE METAVERSE



Authors: Lina Bendifallah and Zineb Djerrari





# TABLE OF CONTENTS

Introduction.....	7
<b>1.</b> What is the metaverse? .....	11
1.1. Background.....	12
1.2. Presentation of the metaverse.....	14
1.3. What are the metaverse-type experiences? .....	15
<b>2.</b> Which use cases for organizations? .....	17
2.1. Real estate in the metaverse.....	18
2.2. Virtual assets.....	19
2.3. Experiences in the metaverse.....	21
<b>3.</b> Steps to follow to make your organization metaverse-ready.....	25
<b>4.</b> Conclusion.....	29



# INTRODUCTION

---



**501 MILLION DOLLARS WERE  
SPENT IN THE METAVERSE  
REAL ESTATE IN 2021 (CNBC)**

---



**BY 2026, 25% OF CONSUMERS  
WILL SPEND AT LEAST ONE  
HOUR PER DAY IN THE  
METAVERSE (GARTNER)**

---



**8,300 BILLION DOLLARS  
ARE EXPECTED TO BE SPENT  
IN THE METAVERSE BY 2030  
(MORGAN STANLEY  
ET GOLDMAN SACHS)**

---



**200 STRATEGIC  
PARTNERSHIPS WERE  
SIGNED TO DATE BETWEEN  
CORPORATIONS AND THE  
SANDBOX (JP MORGAN)**

Today, the metaverse drives both hopes and reservations: hopes for new opportunities and remarkable improvements of the customer experience; reservations and fears to see the virtual world gaining a stronger foothold compared to the real world and to see technology taking control of our lives.

This ambivalence is not new. It has been common to all significant technological innovations. In fact, the transformation that we are witnessing today with the emergence of the metaverse and Web 3.0 is not radically different from the ones that unfolded with the emergence of the Internet in 1994. It generates hopes and misunderstandings similar to those that came along with the advent of the web.

In fact, the Web 3.0 transformation is in direct continuity with prior digital transformations. Web 1.0 was built around static information, and content was primarily controlled by organizations and institutions. Individuals could mainly see content but were not playing any actual role.

Web 2.0 refers to a time when individuals started to be present and play a role on the Internet. The advent of blogs and social media helped consumers build their own content. Web companies kept inventing an always greater number of spaces and functionalities enabling people to connect with each other. Brands established themselves by refining their engagement and brand identity. This is the Internet we know today, a model that settled gradually.

Web 3.0 is being built now and its boundaries are not 100% defined. It can be characterized as a "user-generated web": the user is both a creator and an owner of spaces. He is therefore the main character of his online activity, and, being partly an owner, is granted voting rights for decisions related to his spaces and activities. The expansion of Web 3.0 relies both on blockchain-mediated technological disruption and on ideals of decentralization and transparency.

We are thus on the cusp of a major transformation: many players are already engaged in the metaverse adventure, be that tech giants, Web 3 startups or more traditional companies.

This focus book aims to provide an introduction to the metaverse world. It is structured in three parts. Part 1 dives into what the metaverse is. Part 2 presents the use cases of the metaverse. Part 3 provides recommendations to organizations wishing to get ready for their arrival in the Metaverse.

The content of this document is based on the monitoring work and consulting assignments carried out by the teams of the consulting firm in strategy and organization Square Management.



Table 1. Web 2.0 versus Web 3.0 approach to the metaverse

	Web 2.0	Web 3.0
Platform Characteristics	<b>Example of virtual worlds</b>	Second Life Roblox Fortnite World of Warcraft
	<b>Organizational structure</b>	Centralized governance Decisions based on value created for shareholders
	<b>Data storage</b>	Centralized
	<b>Hardware for platform access</b>	PC Virtual Reality or Augmented Reality hardware Smartphone application
	<b>Payments infrastructure</b>	Traditional payments
User interaction	<b>Virtual assets ownership</b>	Owned by user (NFT)
	<b>Virtual assets portability</b>	Transferable across platforms
	<b>Content creators</b>	Communities / users Video game developers
	<b>Activities</b>	Play-to-earn games Immersive experiences Social network Multi-player games Video game streaming Competitive games
	<b>Identity</b>	User-managed, interoperable identity Private keys
Revenues	<b>Payments</b>	Cryptocurrencies and tokens
	<b>Content revenues</b>	Peer-to-peer (developers earn revenues directly) Users are compensated for participation in experiences or governance Royalties on secondary trades of NFTs

Source: "Opportunities in the Metaverse: How businesses can explore the Metaverse and navigate the hype vs reality" Onyx by JP Morgan, JPMorgan.com



# METAV

## 1.

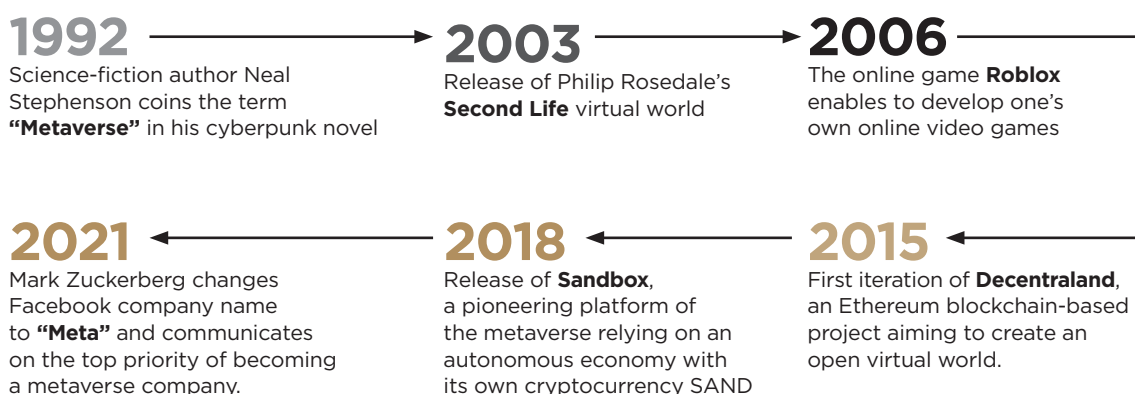
## WHAT IS THE METAVERSE?

The metaverse as it exists today has been built gradually since the 1990s, as detailed in a simplified way on Figure 1.

Neal Stephenson, a science-fiction author, introduced the word “Metaverse” in his 1992 dystopian novel “Snow Crash”. In the novel, the metaverse is used by characters to escape reality. In 2003, the Linden Lab company created the virtual world Second Life, which enables users to design their avatar and online universe and to evolve therein. Shortly after, Roblox was released, enabling players to create games that can be explored by others. Roblox has its own currency and lets users earn “Robux” with their creations and buy artifacts on the platform. In 2015, the first decentralized platform Decentraland was

launched. A virtual world based on an Ethereum blockchain, it is made up of virtual fields that can be purchased with MANA, Decentraland’s cryptocurrency. The Sandbox, which is also based on virtual fields sold as NFTs, is a French decentralized platform that was released in 2018. It is based on the SAND cryptocurrency and relies on a “play to earn” model (this model will be further detailed in the next section of this focus book). In November 2021, Mark Zuckerberg made an announcement in which he staged himself in a virtual world and communicated on Facebook’s decision to become a metaverse company and change its name to Meta. He described the metaverse as the successor to the mobile Internet.

Figure 1. Timeline of the main events of the metaverse



## 1.1 BACKGROUND

To understand the emergence of the metaverse, it is crucial to consider the different trends at the convergence of which it is being constructed. The metaverse lies at the intersection of technological innovations and new purchasing habits.

### 1.1.1 Technological evolutions

The development of the metaverse was made possible by major technological innovations that reached maturity. Four main types can be listed:

#### > Access technologies

Technologies enabling access to the metaverse are the set of technologies making tangible the spaces to which users are connected. They significantly changed during the last decade.

These can include virtually replicating the real world by creating digital twins, the evolution of which can be similar to and synchronized with their real counterpart or whose characteristics can be modified. Spaces can also be created from scratch thanks to virtual reality, or virtual elements can be overlaid onto real ones using augmented reality.

Immersive methods are also noteworthy. Developed for shopping, entertainment or educational experiences, their goal is to fully immerse the user, through the use of virtual or augmented reality technologies or 360 videos, in an experience that creates a temporary rupture with the external world by stimulating several senses.

#### > Technologies operating the metaverse

These technological innovations enable the metaverse to interact with users. One can cite natural language processing and artificial intelligence, which make the human-machine interactions more conversational. These also include low code platforms and the automa-

tion of robotic processes, which provide creation tools to the public directly. .

#### > Infrastructure technologies

Progress on infrastructures, especially 5G and wifi-6, helps make journeys more fluid. Cloud and Edge computing help develop and access tools without the constraint to store them. Such continuous improvement of infrastructures makes it possible to imagine accessing always more sophisticated digital spaces using mobile equipments.

#### > An enabling technology: the blockchain

Blockchain plays a key role in the metaverse, at different levels: it guarantees the traceability of virtual assets ownership, helps transfer virtual assets between users, and helps manage the interoperability of users' identity across platforms.

Furthermore, blockchain technology is used as a building block for cryptocurrencies and tokens, therefore enabling to monetize spaces in the metaverse (paying, being paid).

### 1.1.2 New purchasing habits

Three main market trends can explain the recent hype around the metaverse and help understand the value creation potential for organizations.

First, new technologies are now massively adopted. The smartphone penetration rate is estimated to have reached 67% of the world population in 2020.

The number of users of augmented reality or virtual reality headsets is constantly rising: 30 million virtual reality headsets were actively used globally in 2021, for an estimated 800 million users. In the first quarter, Meta owned 90% of the market, but competition is getting fierce with Pico, Sony and Apple. Apple will enter the mixed reality glasses market as soon as 2023.

Figure 2. The 4 layers of the metaverse

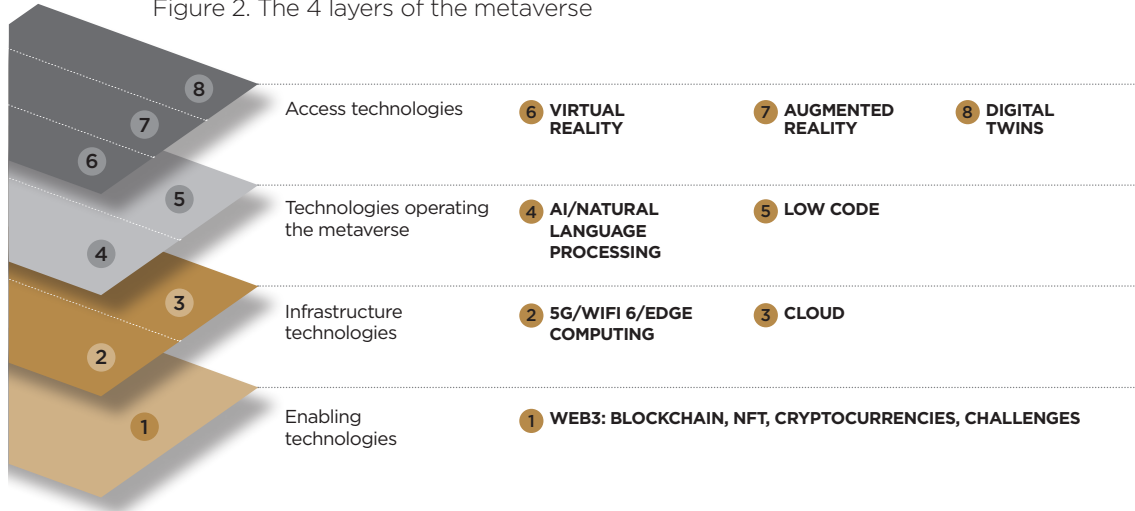
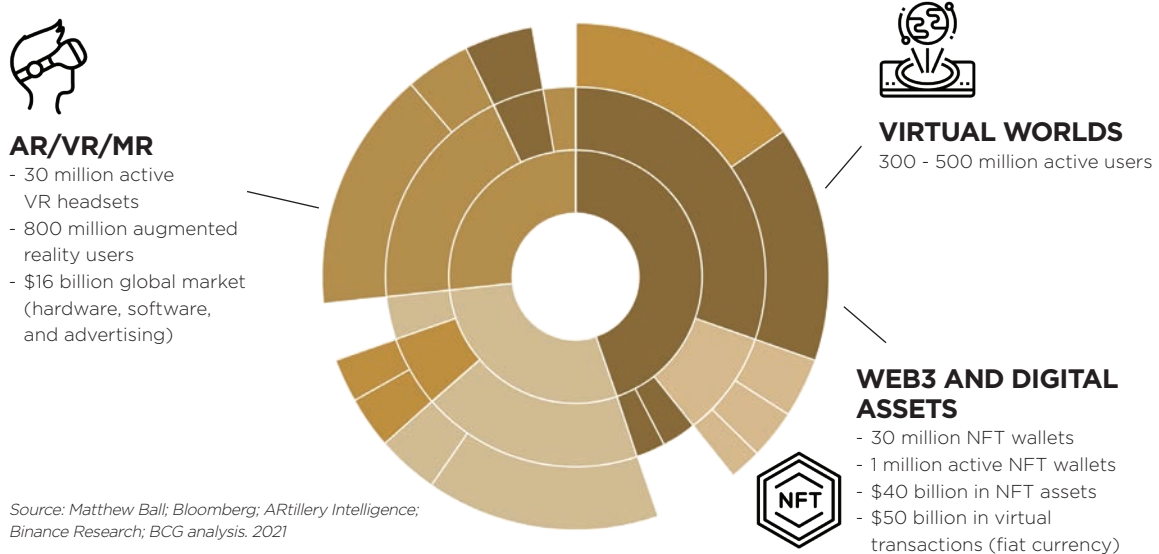


Figure 3. The metaverse lies at the intersection of three trends



Second, virtual worlds, which were first restricted to video games, are appealing to an always broader public, mainly through the introduction of new functionalities. As we will see in Part 2, they now attract the most valuable global brands. Finally, the use of cryptoassets and NFTs has

generalized and the creation of crypto wallets is rising. The number of active NFT wallets was estimated to have hit 30 million globally in 2021. Therefore, technological innovations and new shopping habits are combining and providing a fertile playground for the development of the

metaverse: technologies enabling the metaverse are rapidly advancing, adoption of such technologies is booming, and a significant audience is becoming passionate about virtual worlds.

## 1.2 PRESENTATION OF THE METAVERSE

In its most widely accepted definition, the metaverse is a space to which the user connects using an avatar and in which he or she can interact with people and live experiences. These experiences can either be delivered by the platform directly, or can be offered by a brand, an organization, or another user. Experiences can be of a commercial, entertainment, social, or professional nature.

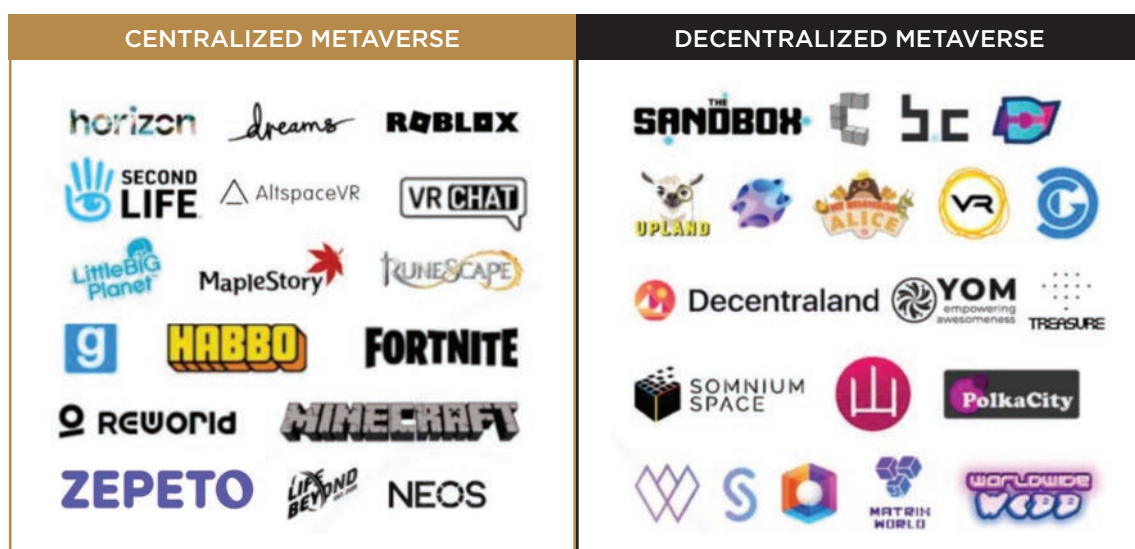
For a virtual space to fit the definition of the metaverse, the expected attributes are the following:

- The virtual space must be “persistent”: continuous, non-pausing, non-resetting and always accessible.
- The virtual space must be “synchronous”: consistent, in real time, for all users.
- The virtual space must be “concurrent”: it must enable parallel, multi-user operations.
- The virtual space must be “immersive”: strongly interactive, with physical and digital experiences.
- The virtual space must be “economically functional”: it must offer the possibility to create, own, buy and sell physical and digital assets and services.
- The virtual space must be “interoperable”: it must enable to transfer the assets and identities of users across platforms.

The metaverse provides the opportunity to move between worlds with one’s assets and identity. It represents the promise of worlds that are both decentralized and interconnected. It is not one single world, but rather a galaxy of spaces and experiences that can be named metaverse.

Today, about 3 billion individuals are active users of the many metaverse-type platforms. There are centralized virtual worlds, with a dedicated

Figure 4. Centralized vs decentralized metaverse



economy and a closed ecosystem, in which assets and services are available on one platform only. Other metaverses are decentralized, community-led, and open: they make it possible to transfer assets across platforms (provided they are interoperable).

### 1.3 WHAT ARE THE METAVERSE-TYPE EXPERIENCES?

The first image of the metaverse coming to mind is that of a virtual reality headset. But several other immersive experiences also fit the definition of a metaverse.

#### Virtual worlds

These are computer-simulated spaces that can be accessed from a desktop-, smartphone- or tablet-type hardware and simultaneously populated by many users. Exploration is done with an avatar, and the user can engage in social activities, and commercial or entertainment experiences.

#### Virtual reality

Using modelling and computing stimulation, it enables a user to interact with an artificial tri-dimensional (3D), visual or sensory environment. Hardware elements such as glasses, headsets, gloves or suits help convey to the user the impression that he or she is immersed in the experience. One could speak of “telepresence”.

#### Augmented reality

This is an enhanced version of the real, physical world, which is enabled by the use of digital visual elements, sounds, or other sensory cues delivered by the technology.

Augmented reality combines the real world with additional layers of projected digital information,

delivering a composite view. Through a smartphone camera or smart glasses, the physical world and the digital world recognize each other and interact.

#### “Play to earn” – “move to earn” games

“Play-to-earn”-type games are online games allowing players to earn rewards having a real value by performing tasks, fighting against other players or advancing in game levels. Rewards are typically in-game assets, such as cryptocurrencies, virtual lands, skins (graphic outfit giving characters their specific appearance), artifacts, and other virtual assets, often NFTs (non-fungible tokens).

“Move-to-earn”-type games are based on the same principles as the “play-to-earn” games. The player is rewarded for his or her actions. “Move-to-earn” games rely on moving, or working out, in real life to generate rewards.

What the metaverse offers today is not fundamentally different from what made the success of the Web 2.0. What people found in the Web 2.0, such as interest groups, the ability to share, the feeling of belonging on topics that they are interested in and the possibility to express themselves, can similarly be found in the metaverse.

The difference lies in the desire of users to become the main player in their experience. They want to be the lead character and feel their power in worlds that are not always physically accessible, and have the possibility to live adventures without having to move.

Customers of the metaverse are looking for a place where they can meet with people sharing similar interests, get fully immersed, be an integral part of the construction of their spaces, and feel included.

Understanding the motivations of potential customers is the first step for any organization wishing to position itself in the metaverse. Understanding how they express their personality, their identity, and understanding the freedom they are given is the second step. Understanding how to engage them in a universe that tells a story, with a scenario, in which they are players and not only spectators is the third.

If an organization succeeds in mastering these three elements, it will then be able to give rise to a passionate audience who acts, projects itself and fully live experiences.



## 2.

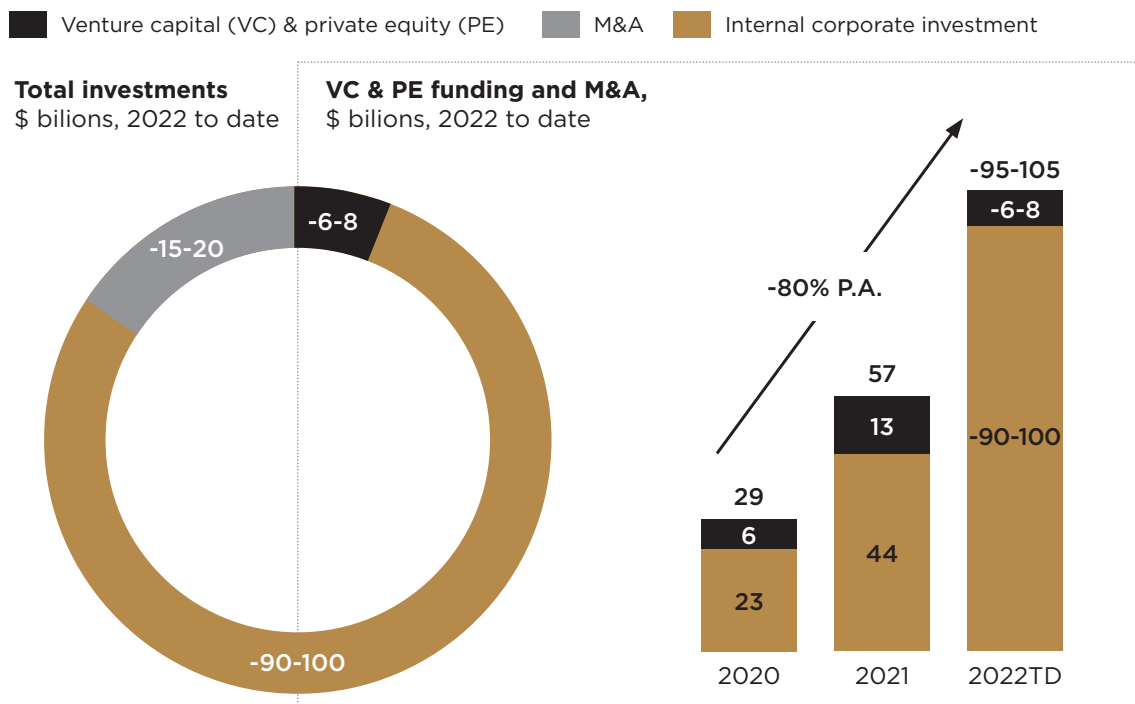
## WHICH USE CASES FOR ORGANIZATIONS?

The metaverse is a field of opportunities that many organizations are set to tap into. Indeed, 27.7 Fortnite users gathered in April 2020 to attend a virtual concert by Travis Scott, virtual RTFKT sneakers sold for \$10,000 a pair, and the first fashion week of the Decentraland metaverse

was held this year, featuring brands such as Dolce & Gabbana, Paco Rabanne or Forever 21.

Investor's interest in the metaverse is surging. Between January and May 2022, about 120 million dollars were invested in the field, more than twice as much as during the entire year 2021

Figure 5 : Value of Métaverse-related investments, \$ billions





(VoxMedia study). Investments belonged to 3 categories: VC funds (6 to 8 billion dollars), M&A (90 to 100 million dollars), and internal corporate investments (15 to 20 billion dollars). The predicted amount of metaverse-related investments could reach 5,000 billion dollars globally by 2030 (McKinsey).

From Carrefour to LVMH to Microsoft, organizations across industries and spanning multiple fields of activity are looking into this opportunity. If some companies have already positioned themselves, others are more circumspect, fearing that the metaverse is merely a hype and not sustainable business.

It remains that 95% of the corporate decision-makers consider that the metaverse will have a positive impact on their industry in the next 5 to 10 years (VoxMedia study). One should nevertheless remember that it is critical for new entrants to define the reason for which they wish, as an organization, to invest this activity. Do they aim to gain knowledge of a new audience, create a community, increase their visibility? Opportunities in the metaverse are many, but having a clear view of one's motivations is critical to build a coherent experience.

While metaverse use cases are plentiful, we made the choice to highlight three of them here:

metaverse real estate, virtual assets and metaverse events.

## 2.1 REAL ESTATE IN THE METAVERSE

According to a DirectPlayNet article, selling real estate in the metaverse is the most common business model today<sup>1</sup>.

The average price of a parcel of land in the Decentraland metaverse doubled within 6 months, jumping from \$6,000 in June 2021 to \$12,000 in December 2021. A similar push is observed across the 4 main metaverses (The Sandbox, Decentraland, Cryptovoxels, and Somnium Space). These 4 players achieved 500 million dollars revenues in 2021 from selling virtual land<sup>2</sup>.

Although many companies now purchase virtual real estate only to boost their visibility, purchasing land in the metaverse can be done for speculative, rental or commercial reasons.

Today, the rise of virtual real estate triggers wariness in many investors, which mostly stems from the surge in the price of land: between December 2019 and January 2022, the price of parcels of land in The Sandbox has been multiplied by 300, according to a study led by Cornell University<sup>3</sup>.

Few organizations are ready to massively invest in virtual real estate, as the environment remains largely uncertain. This enables other companies to rent the land they purchased. For example, the company Tokens.com, which, after having purchased a parcel in the fashion street district of the Decentraland metaverse for 2.4 million dollars, announced its intention to make it the go-to place for virtual luxury stores<sup>4</sup>.

While the price of land in the metaverse can appear disproportionate, it is related to their scarcity in front of a strong demand. Platforms are selling only a handful of parcels, which can be purchased new-build or second-handed on the metaverse platform or in an NFT market-place.

To date, the record is held by the company Every Realm (formerly known as Republic Realm). A leader in the purchase and rental of virtual real

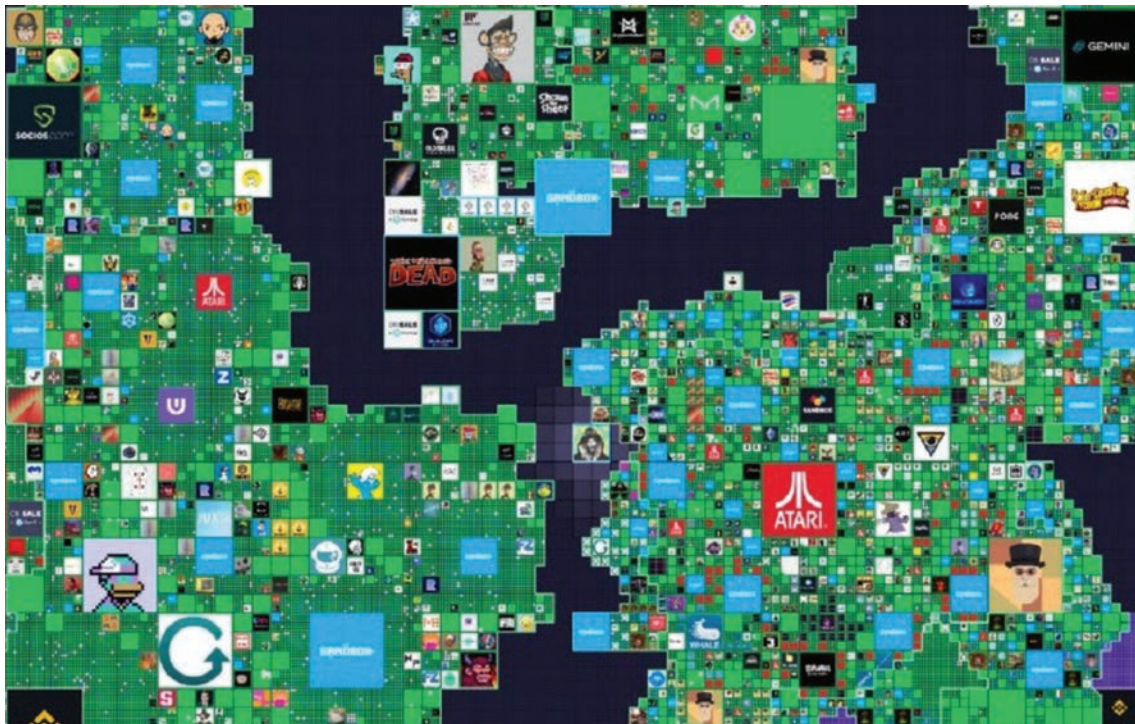
estate, it spent 4,3 million dollars to purchase land in The Sandbox metaverse.

Such initiatives enable brands to open temporary or permanent virtual retail outlets in order to generate traffic in key areas of the metaverse, sell their products, or offer immersive experiences to their customers.

## 2.2 VIRTUAL ASSETS

Buying motives in the virtual world are no different than buying motives in real life.

Some virtual replicas of real artifacts, called digital twins, even sell at higher prices than their real counterparts. For example, Gucci sold a virtual bag in the Roblox metaverse for \$4,115 in May 2021, while its real-life counterpart was worth \$3,400<sup>5</sup>. Similarly, nine NFTs of Dolce &



Gabbana dresses, suits and other accessories sold for over 6 million euros (1885,719 ETH) in September 2021.



A Gucci bag in Roblox resold for 350,000 Robux or roughly \$4,115. The same purse IRL costs \$3,400.

Remember: this Roblox purse is not an NFT and thus has no value/use/transferability outside the Roblox world-yet it's worth more than the physical one.

Watch this space.



6:42 PM - 24 mai 2021 - Twitter Web App

568 Retweets 500 Tweets cités 3 214 J'aime

If some companies chose to sell their digital assets alone, other combine virtual purchases and physical ones. Dom Perignon (LVMH group) collaborated with Lady Gaga for the commercialization of 100 champagne bottles as NFT versions before they were launched in stores. As for the brand Forever-21, it announced that it would simultaneously launch its collections in the metaverse and in the real world.

Because users are personified by avatars, they can equip their avatars with digital twins, i.e.



virtual replicas of real objects. This behavior, far from being new, represents a booming market segment. Called "Direct-to-Avatar" and used for the first time by Ryan Gill in 2020, it takes over the classical "direct-to-consumer" approach and focuses on user avatars to achieve digital sales, whether combined or not with their physical versions.

Although the amount of NFT sales is the most striking element for the general public, what is most sought by organizations is the privileged relationship between the brand and its buyers. Exclusive events, private sales, or promotional offers, a growing number of brands expand their virtual assets to provide a unique, personalized customer experience. Thus, for its cruise show 2022, Etam put 8 NFTs up for sale, each of which allowing its purchaser to access multiple services such as discounts, access to VIP client status, and other privilege services.

If examples are many in the luxury industry, this is partly due to the particulars of the NFTs, which, due to their unicity and traceability, are very close to the sector's values. In fact, the bank Morgan Stanley predicts that NFTs and online

gaming will represent 10% of the luxury market in 2030<sup>6</sup>.

The textile industry is also largely represented in the metaverse. In a virtual world with no limits on what can be worn or designed, the metaverse offers the possibility to set one's creativity free and to express one's own identity. While consumption choices in the real world are often dictated by social norms or comfort, the metaverse gives room to a new culture and new norms. It is a place where experiences, unique and customized, are worth as much, or even more, than the product itself.

### 2.3 EXPERIENCES IN THE METAVERSE

One should not forget that the metaverse was originally a place to exchange, rather than a trading place. It is a social sphere where people can meet through customized avatars, communicate and collaborate, play and learn. It is a place made of experiences, some of which are detailed below.

#### Organization's internal life

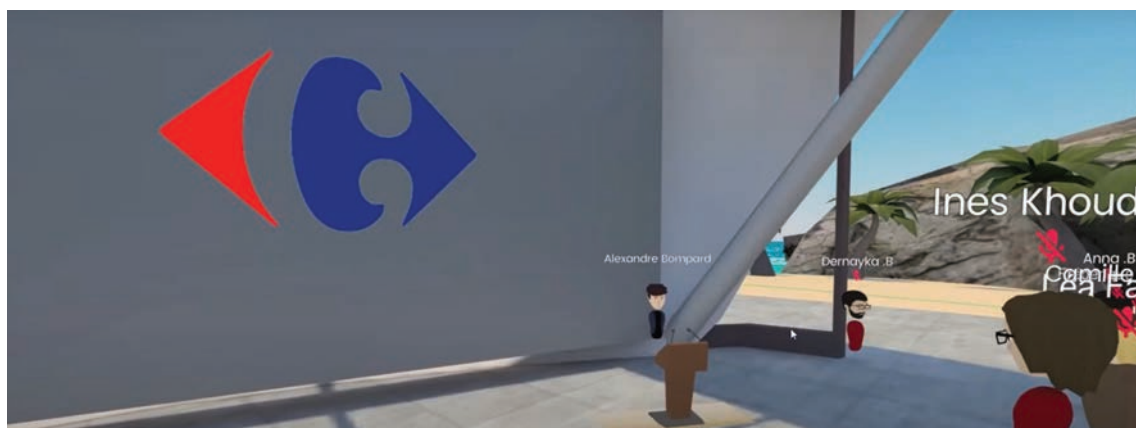
Covid-19 has accelerated the adoption of hybrid

ways of collaborating in organizations, mainly through remote working and virtual events. In this context, the metaverse offers additional settings, which are engaging for individuals.

Imagine a day during which you could lead business meetings in a space station or from a paradisiac island, or simply be teleported anywhere in the world without having to leave your home. These are only a few examples of the type of future work promised by the metaverse. The emerging metaverse offers employees the possibility to recover the spontaneity, interactivity or fun part of work and team learning while retaining the flexibility, productivity and convenience of working from home.

Hiring events, onboarding, remote working or mentoring are examples of initiatives taken in the metaverse. Deloitte, for example, offered a virtual visit of its London office during an online hiring event. Bosch, for its part, is optimizing its onboarding and hiring process with an immersive experience letting you live one day of your life using the brand's products.

If some are critical of the first corporate initiatives, deeming them still not sufficiently attractive, other observers highlight the initiatives taken by





these players and their desire to develop and bring life to their employer brand.

### Socializing: interactions with brands, after-sales

When deploying its activities in the metaverse, any brand should ensure that its customers will live a positive experience. Tomorrow's users will be able to explore new spaces, make purchases, and communicate with the brand and with other users. If a customer needs to ask a question to the customer service, having him leave the immersive experience to take his phone and send an email would be counterproductive. Customers and leads will be fully immersed in an environment in which they will be able to discover the characteristics of products, navigate in 3D and interact with real vendors. Without leaving the metaverse, customers will be able to obtain answers to their questions, leave comments and interact with an agent.

Furthermore, as we are dealing with a completely programmable environment, you will be able to use it and create a motivating, engaging virtual contact center. You will be able to build spaces specifically dedicated to meetings and conversations in order to foster co-creation with your target customer base. The potential of the

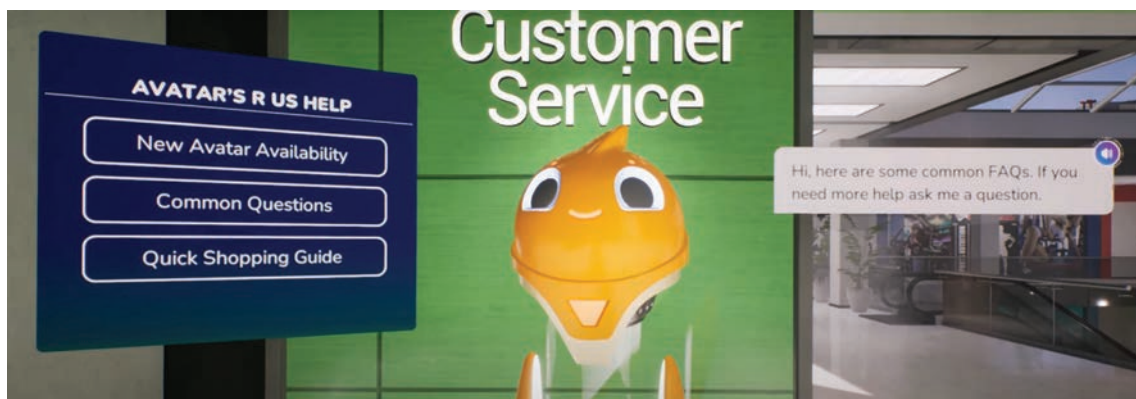
metaverse for connecting customer and brands and creating a positive emotional experience should not be under-estimated<sup>7</sup>.

### Extended customer journey, overlap and complementary of the digital and physical worlds

After the e-commerce and m-commerce, the "metaverse-commerce" enables brands not only to offer new services, but also to use it as purchase channel or sales-enabling tool.

CVS Health has in fact announced its intention to offer non-urgent medical treatment services, well-being programs, or nutrition-related advice services. McDonald's, for its part, wants to open a virtual restaurant, which will offer virtual and real food, combined with home delivery. Finally, Nike, through its virtual universe Nike-land, makes it possible for users to try on its new products on their avatars before purchasing them in real life.

The ultra-customization enabled by the metaverse contributes to the creation of memorable experiences for consumers and help strengthen loyalty. For many brands, it is an opportunity to improve customer knowledge and adopt a "customer-centric" approach through data collection.



A recent study led by Zipcar (one of the largest global drone delivery companies) has indeed shown that 85% of Generation Z respondents, 75% of millennials and 69% of Generation X individuals have an interest in hybrid purchase experiences, which include using mixed reality in stores and for online purchases.

#### Entertainment venues: concerts, visits, exhibitions, virtual tourism

Although still in its infancy, the organization of events in the metaverse is growing. Players, whether brands or cultural organizations, or even local authorities, are exploring the many possibilities offered by this new environment. LVMH is designing digital fashion shows and virtual visits of its leather goods workshops, which let customers buy NFT previews. Marshmello's in-game concert on Fortnite was virtually attended by 10 million people, making it the largest event ever organized by the game<sup>8</sup>.

In May 2022 the city of Benidorm, Spain, launched BenidormLand, a metaverse allowing the 140 million users of the online gaming platform Steam to experience a complete immersion in the city. Other cities throughout the world, such

as Seoul and Tokyo, have launched similar initiatives. They announced their arrival in the metaverse in 2023, when they will be offering tours of the city's main tourist attractions.

Vatican City, one of the world's most conservative institutions, which is facing major challenges due to overtourism, announced on May 5 its intention to open a virtual art gallery that users will be able to visit thanks to virtual reality headsets, or with augmented reality from their smartphone or computer<sup>9</sup>.

#### Training centers: Conferences and universities

For many market players, the metaverse allows to not only create a more immersive learning style but also to replicate the best teaching practices. For example, the Korea Advanced Institute of Science and Technology (KAIST) intends to establish a campus in Kenya with a virtual environment in 2023. This would allow students to practice in realistic conditions with the help of computer simulations. Medicine students, for example, will be able to practice invasive procedures as if they were in real conditions, and to observe the outcomes thereof with none of the real world's consequences<sup>10</sup>.



The metaverse also enables to build teaching experiences that are difficult to perform in traditional environments. Virtual reality helps make content lively thanks to dynamic images and a convenient digital exploration. It can bring real persons and knowledge from other parts of the world in classrooms across the entire world.

A simple Google search is sufficient to show the growing enthusiasm around metaverse events. Companies working in the organization of virtual events are already many. If some are ready to state that it represents the future of the sector, others act more warily and recommend a hybrid approach with in-person events.



# 3.

## STEPS TO FOLLOW TO MAKE YOUR ORGANIZATION METAVERSE-READY

The first and second parts of this document have shown that the foundations of the metaverse already exist and are being used by millions of people for activities such as gaming, social media, retail and virtual collaboration. We are convinced that the metaverse will trigger major changes in the behavior of consumers and organizations. Exploring this territory and designing a metaverse strategy appears critical to us for any organization wishing to have an informed digital strategy.

There follow 8 recommended steps to consider when entering the metaverse:

### 1. LEARN

The first step relies on demystifying the topic to all members of the organizations. Having a sufficient understanding of the metaverse and of the context in which it is developing is critical.

This step must happen at several levels: at the leadership team level, to allow them to make informed decisions; at the business level, to

consider potential uses and changes related to the activity; and at the level of the finance, legal and compliance functions, to anticipate upcoming questions.

It can be necessary to start with an inventory of the existing work and of employees possessing knowledge of or simply having an appetite for these new technologies.

### 2. ASSESS

The assessment step allows to address the challenges and risks related to entering (or not) the metaverse.

Several methods and tools help assess risks and opportunities and consider them from an internal and external perspective. While traditional tools can be a good starting basis, keeping in mind that the metaverse and, generally speaking, the Web 3.0, is based on a platforms and ecosystems logic is essential. A holistic and multidisciplinary vision provides a more comprehensive view of the activities and stakeholders, and helps considering the bigger picture.

### 3. KNOW

To reach convictions that are aligned with the strategy and the values of the organization, the two previous steps can be coupled to a competitive landscape.

Direct and indirect competitors, as well as the behavior of other industries already engaged in the metaverse or pioneering the domain, can be considered.

This third step helps define the posture of the organization and the mission it has assigned to itself with regards to the metaverse. It thus allows to share them internally and, perhaps, communicate these to customers and investors.

### 4. IDEATE-CREATE

The ideation phase helps define concepts and use cases that can be addressed by the organization. Once such cases have been defined and described, they must be studied, prioritized, and for some of them, specified through business models.

Topics of accessibility and ease-of-use are critical when it comes to the metaverse. Often perceived as a space reserved to younger persons and gamers, polishing its access and offering easy-to-use experiences helps ensure that the largest audience can be reached.

### 5. CONNECT

For a number of years, a significant number of specialized organizations have been developing the metaverse and experimenting on the Web3.0. Reaching out to these players of the ecosystem helps, for the one hand, get familiar with existing activities and, on the other hand, find potentially suitable partners.

Specialized trade shows are an excellent starting point, but visits are more efficient when well

prepared and targeted to the positioning of the organization and its projects. Being supported in this approach is essential to identify ahead of time players that must be met in priority and ensure that the potential partner is well aligned with the projections and values of the organization.

### 6. BUILD

Building a first brick in the metaverse must be motivated by the desire to create added value for the organization and its customers. This first experience can be simple and commit only a limited investment.

As described in the first part of this document, knowing the population targeted (customers, employees, institutions, etc.) is critical, as well as understanding what drives and engages them to participate in metaverse activities. The activity can be in line with a business model already used by the organization and replicate it, or explore an as-yet unknown territory.

This step can be co-constructed with a Web3 company selected in the previous step.

### 7. GAIN KNOWLEDGE

Starting from the building step, defining the indicators and assessment criteria based on which the metaverse experience will be considered positive is essential. Assessing innovative experiences requires adapted indicators that are not necessarily those usually used by the organization.

This step also includes communicating learnings and sharing lessons learned with the leadership and business teams.

If the results of these indicators and criteria are not on par with expectations, an external support can help bring a more objective perspective and recommend the next actions.

## 8. SCALE

Based on the type of feedback, the scaling step is critical. It can involve incrementing and thus extending the concepts to several businesses, targeting a broader customer base and/or normalizing the use of the metaverse in the corporate processes.

Similar to the ideation step, it is essential to take into account the viability of the model at the scale targeted and to ensure the accessibility of the experience offered.

A decision can also be to not scale. In this case, this step relies on choosing to build on the learnings to start a new cycle.

The goal of this step is to trigger an iterative logic and adopt a test-and-learn frame of mind.



# 4.

## CONCLUSION

This focus book presents the metaverse and the reasons for the hype it is currently triggering, a hype built on the convergence of societal trends and new technological capabilities (cloud, blockchain, etc.). This document also presents use cases as they are developing now: virtual real estate, virtual assets, and experiences in the metaverse. Finally, it provides a number of indications or recommendations for organizations wishing to enter the metaverse.

The metaverse is now a topic of both high hopes and strong reservations. Hopes to develop new experiences and improve user experience; reservations in front of the risks of seeing the virtual world supplant reality; reservations also, or even criticism, about the energy consumption resulting from the massive use of such technologies. This ambivalence is not unexpected as it comes together with all the innovations that deeply transform our living conditions.

We are convinced that such risks will not hamper the development of the metaverse. As for many other innovations, risks will either be gradually integrated, or mitigated by regulations. The development of the metaverse is inevitable and it will happen very fast. However, the specifics of

this development are still difficult to predict.

For Brian Solli, author and VP Innovation at Salesforce, the development of the metaverse will be iterative:

“It is a virtual immersion in the next generation of the internet. The metaverse will be iterative, not a one size or shape fits all. And the capabilities we will have inside will be unlocked by open standards or equipments that we will be able to use or wear to interact with these worlds”.

In front of this tipping point, organizations must in our opinion be prepared and try, in order to learn, assess, build first convictions, and develop use cases that are useful for their business. They must be ready to test, make errors, and draw concrete learnings from their first mistakes. Such an attitude is now imperative for any organization serious about possessing a digital strategy adapted to today's market.

Experimenting at this stage of the construction of the metaverse is also an opportunity to participate in its construction and decide to make it a space that broadens the range of experiences delivered to customers and that can deliver value to individuals and organizations.



# 5.

## BIBLIOGRAPHY

1. <https://directpaynet.com/curious-about-which-metavers-business-model-is-best-lets-dive-in/#:~:text=Digital%20Land,%E2%80%9D%20lots%2C%20and%20renting%20land>).
2. <https://leclaireur.fnac.com/article/88887-limmobilier-virtuel-dans-le-metavers-interet-reel-ou-future-bulle-speculative/#:~:text=Aujourd'hui%2C%20l'immobilier,455%20millions%20d'euros>).
3. <https://cryptoast.fr/achat-biens-immobiliers-Metavers-investissement-judicieux/>
4. <https://start.lesechos.fr/innovations-startups/tech-futur/metavers-pourquoi-certains-investissent-dans-limmobilier-virtuel-1370770>
5. <https://www.cointribune.com/tribunes/tribune-nft/Metavers-quand-gucci-vend-un-sac-plus-cher-4-115-que-dans-le-monde-reel/>
6. <https://fashionunited.fr/actualite/mode/Metavers-nft-l-industrie-du-luxe-investit-dans-la-mode-virtuelle/2022030729136>
7. <https://www.telecats.com/fr/blog/le-service-client-dans-le-Metaverse/>
8. <https://siecledigital.fr/2022/05/11/blockchain-nft-Metavers-lvmh-a-la-conquete-de-linternet-3-0/>
9. <https://siecledigital.fr/2022/05/09/le-vatican-travaille-sur-un-musee-virtuel-dans-le-metavers/>
10. <https://www.studyrama.com/formations/specialites/metiers-et-formations-de-la-blockchain/le-Metaverse-un-moteur-educatif-tribune-109552>



Founded in 2008, Square is a strategy and business consulting group that bring together 9 medium-sized firms in France, Belgium and Luxembourg. Adway, Circle, Flow&Co, Forizons, Initio Belgique, Initio Luxembourg, Tallis, Vertuo, Viatys are consulting firms specialized in trade, activity sector or level of intervention.

This organization, unique and specific, favours the closeness, commitment, agility and expertise at the heart of each firm. The complementarity of the firms allows Square to address, with more than 800 consultants, the most complex projects of its clients.

#### **DATA**

Square Management élabore des stratégies Data et assure leurs déclinaisons opérationnelles à travers la conduite de projets de Data Management, Data Analyse et Data Science. Notre approche experte et pragmatique vise à valoriser et sécuriser le patrimoine de données des entreprises.

#### **DIGITAL & MARKETING**

Square Management conseille les entreprises de tous secteurs dans l'élaboration de leurs stratégies digitales et de leur stratégie marketing, l'amélioration de leur expérience client, l'optimisation des performances de leur business model et la maximisation des usages du digital dans leurs pratiques marketing.

#### **ENTREPRISES & FINANCE DURABLES**

Square Management accompagne les acteurs du secteur financier dans la prise en compte des risques de durabilité et des nouvelles réglementations en la matière. Fort de cette expérience, et mobilisant les expertises des autres DOMEX, le cabinet accompagne les entreprises de tous secteurs dans l'articulation et la mise en œuvre de leurs stratégies de durabilité.

#### **INNOVATION**

Square Management accompagne ses clients dans la transformation de leur dynamique d'innovation. Nos consultants, par leur approche sur-mesure, aident à concevoir, industrialiser et gouverner l'innovation pour assurer la croissance durable des entreprises et leur transformation en entité socialement et écologiquement responsable.

#### **ORGANISATION & EFFICIENCY**

Square Management aide ses clients à améliorer l'efficacité de leur organisation, de leurs processus, à mieux piloter leur performance et leurs grands programmes de transformation.

#### **PEOPLE & CHANGE**

Square Management aide ses clients à acquérir, fédérer et développer le capital humain de leur organisation. Afin de créer davantage d'engagement au sein des équipes, nos interventions portent principalement sur l'adaptation des méthodes de travail aux changements opérationnels et culturels, l'efficacité des directions des ressources humaines et le développement des compétences.

#### **REGULATORY & COMPLIANCE**

Square Management conseille ses clients dans le déploiement des nouvelles réglementations, ainsi que dans l'optimisation et le renforcement des dispositifs de contrôle. Ce domaine d'excellence s'appuie sur une communauté d'experts de 130 consultants qui, outre ses missions auprès des clients, conduit d'importants travaux d'investigation et de publication.

#### **RISK & FINANCE**

Square Management prend en charge le pilotage des programmes de maîtrise des risques financiers et non financiers, ainsi que la transformation des fonctions Risque et Finance face à l'évolution des dispositifs prudentiels et à l'irruption des problématiques liées à la maîtrise de la donnée.

#### **SUPPLY-CHAIN**

Square Management accompagne les entreprises industrielles et de services dans la conception, le déploiement et l'optimisation de leur supply chain, des achats jusqu'au dernier kilomètre. Nos experts mettent en œuvre les meilleures pratiques en matière de logistique, de digital et de data afin de garantir l'excellence opérationnelle de la supply chain et d'être à la hauteur des promesses faites au client final.

This focus book is an introduction to the metaverse. It presents what the metaverse is and the reasons for the hype it is currently triggering. This document also presents use cases as they are developing now: virtual real estate, virtual assets, and experiences in the metaverse. Finally, it provides a number of indications or recommendations for the organizations wishing to enter the metaverse. The metaverse is now a topic of both high hopes and strong reservations. Hopes to develop new experiences and improve user experience; reservations in front of the risks of seeing the virtual world supplant reality; reservations also, or even criticism, about the energy consumption resulting from the massive use of such technologies. This ambivalence is not unexpected as it comes together with all the innovations that deeply transform our living conditions. In front of this tipping point, organizations must in our opinion be prepared and try, in order to learn, assess, build first convictions, and develop use cases that are useful for their business. They must be ready to test, make errors, and draw concrete learnings from their first mistakes. Such an attitude is now imperative for any organization serious about possessing a digital strategy adapted to today's market.

This focus book was written by two consultants of the Area of Excellence Digital & Marketing, one of the 9 Area of Excellence of Square Management. It is based on field experience gathered on assignments and on the monitoring work led by the firm on the topic of digital innovation.





## CONTACT



### **MARC CAMPI**

Partner Square

+33 6 84 02 68 59

[marc.campi@square-management.com](mailto:marc.campi@square-management.com)





[square-management.com](https://square-management.com)

---