Value creation in the metaverse
Separating ‘hype’ from reality
November 2022
The metaverse may reach $5 trillion by 2030

- Executive survey: 95% said the metaverse will have a "positive" impact on their industry.
- 31% said the metaverse will bring "significant" change to how their industry operates.
- 25% said >15% of corporate revenue is expected to come from the metaverse in the next 5 years.

Metaverse investment in 2022 $ billions

- M&A: 90-100
- VC/PE: 5-10

M&A and VC/PE 2020 through 2022

- 2020: M&A 23, VC/PE 6, Total 29
- 2021: M&A 44, VC/PE 13, Total 57
- 2022YTD: M&A 90-100, VC/PE 5-10, Total 96

Source: VC, PE & M&A - Crunchbase (Jan 2020–May 2022)
Consumers look forward to shifting their activities to the virtual world

Preference for at least one activity in immersive world compared to physical alternative, % of respondents

41% prefer all activities physically

59% prefer at least one activity virtually

Top 5 activities most preferred in an immersive world compared to traditional alternatives, % of respondents

- Shopping: 79%
- Social: 78%
- Fitness: 76%
- Dating: 73%
- Education: 72%

Intelli Metaverse Consumer Survey in Europe, the Middle East, and Asia (EMEA) and Asia–Pacific (APAC); Intelli Metaverse Consumer Survey in United States
What people are already doing today

**Buying NFTs**
$250m+
Daily trading volume of NFTs at peak

**Opening crypto-wallets**
30m+
Monthly active Metamask wallets

**Attending virtual events**
33m+
participants in Travis Scott’s Fortnite concert

**Buying hardware**
11m+
XR headsets shipped, 80% produced by Meta
In our client work, we continue to map cross-sector metaverse-related use cases

Non-exhaustive examples

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<th>Marketing</th>
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<td>Key use cases</td>
<td>Branded experiences &amp; storytelling</td>
<td>Meta/ virtual commerce</td>
<td>Branded virtual goods (e.g., goods, NFTs, experiences)</td>
<td>Planning &amp; Pre-viewing (e.g., layout optimization)</td>
<td>X-to-assisted product design/ R&amp;D</td>
<td>Digital twins/ remote monitoring</td>
<td>Collaboration tools (e.g., X-to-enabled calls &amp; messaging)</td>
<td>Interface Hardware (e.g., VR/AR, sensor, haptics, …)</td>
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<td>Immersive digital marketing, incl. product marketing (e.g., immersive demos)</td>
<td>Fully immersive buying process (e.g., X-to-enabled sales demos/ events)</td>
<td>DeFi products (financial services, insurance, …)</td>
<td>Data visualization use cases (e.g., itinerary planning)</td>
<td>Production site optimization (e.g., production flows)</td>
<td>Digital twins/ remote monitoring</td>
<td>XR-enabled Recruitment &amp; Onboarding</td>
<td>Application development (e.g., social, virtual worlds, data visualization tools)</td>
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<td>Customer service optimization (e.g., Metaverse-powered assistants)</td>
<td>Immersive digital media (e.g., entertainment, advertising, gaming)</td>
<td>XR-assisted product design/ R&amp;D</td>
<td>Digital twins/ Remote Monitoring</td>
<td>Virtual product engineering</td>
<td>Infrastructure provision (e.g., 5G, Cloud, …)</td>
<td>Learning &amp; Development optimization (e.g., immersive training)</td>
<td>Cybersecurity / Digital data protection</td>
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<td>AR-powered retail experiences (e.g., in-store navigation)</td>
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<td>Itinerary planning</td>
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<td>Remote assistance for field workers</td>
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Example 1: BMW is partnering with NVIDIA to create a “future factory” - using digital twins that reflect activities in real time

BMW created a digital twin of the fabrication processes of an entire factory that mimics real-life activities.

This allows global teams to remotely collaborate at scale, in real-time.

It has the potential to revolutionize virtual planning and engineering for highly complex manufacturing systems.

BMW have estimated their efforts to bring a 30% boost in planning efficiency.

Source: BMW.com; CBS news; Press Search
**Example 2: HSBC partnered with Sandbox to offer consumers ‘gamified experiences’**

The partnership between The Sandbox and HSBC will see the global financial services provider acquire a plot of LAND, virtual real estate in The Sandbox metaverse, which will be developed to engage and connect with sports, esports and gaming enthusiasts.

The agreement opens the door for other global institutions to continue innovating in Web3 as consumer adoption demands more robust experiences in the metaverse through decentralized and gamified offerings.

Suresh Balaji, Chief Marketing Officer, Asia-Pacific, HSBC, said: “The metaverse is how people will experience Web3, the next generation of the Internet – using immersive technologies like augmented reality, virtual reality and extended reality. **At HSBC, we see great potential to create new experiences through emerging platforms, opening up a world of opportunity for our current and future customers and for the communities we serve.** Through our partnership with The Sandbox we are making our foray into the metaverse, allowing us to create innovative brand experiences for new and existing customers. We’re excited to be working with our sports partners, brand ambassadors, and Animoca Brands to **co-create experiences that are educational, inclusive and accessible.**”
Act now to prepare the business for the revolution

1. Develop a strategy
   - Define your metaverse goals
   - Determine the role you aim to play

2. Test, Learn, Adopt
   - Select and prioritize the most impactful use cases
   - Monitor near-term results refine long-term potential
   - Learn more about users

3. Prepare to scale
   - Identify and start scaling capabilities
   - Embed in business strategy and operating model