

The Human Story of the Metaverse

Q4 2022

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WHAT DO PEOPLE REALLY WANT FROM IT?

The most chaotic hype around the metaverse has calmed (somewhat), but, as with other waves of technology, now is when it gets interesting. In our 2022 Q4 report, we take a look at the consumer behaviors that are driving the adoption and rejection of metaverse experiences to answer the question—what’s the ***real*** metaverse opportunity?

While the many technologies and devices that power metaverse experiences are important, the thing that really interests us ***right now*** is human desires. Understanding what people really want from the metaverse helps us better predict what the future holds. After all, the intended use of a technology is often quite different from the way people eventually use them.

We also think the metaverse deserves a bit of a fresh start in Q1 2023. So we’ll keep monitoring and sharing our findings with you all.

A woman is shown in profile, wearing a black VR headset. She is looking forward, and her expression is neutral. The background is dark with out-of-focus, colorful bokeh lights in shades of blue, green, yellow, and red. The text "SOLO VS. SOCIAL" is overlaid in the center in a bold, white, sans-serif font.

SOLO VS. SOCIAL

The metaverse might not be the next social realm.

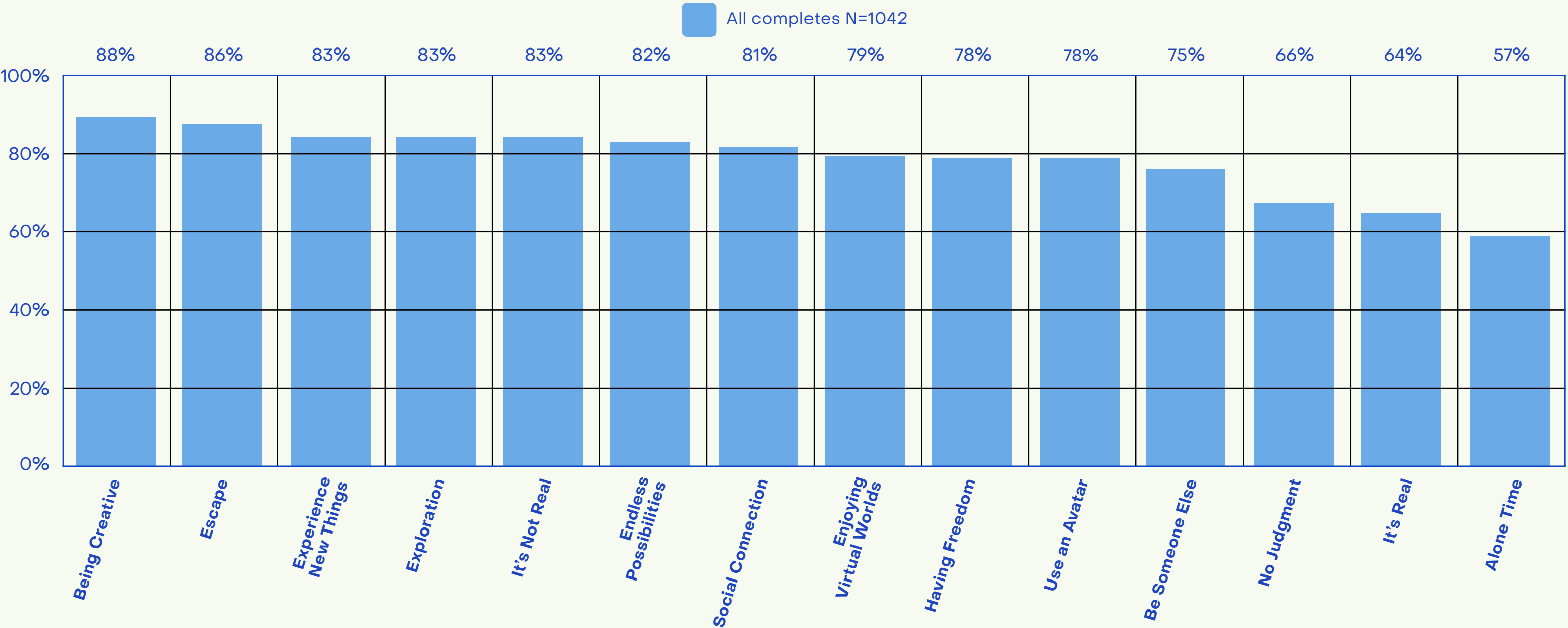
Concerts. Parties. Meetups. E-sports. Competitive gaming. The metaverse already seems primed for group activity, but that doesn't necessarily mean it's going to be an inherently social medium.

Our research shows that people also want metaverse experiences that are solo endeavors, especially Gen X. When people want to escape, not only would they be willing to consider escaping to an alternate world, but to escape from social environments and enjoy alone time as well. Our findings bear out a basic human truth: people desire moments of connection as well as solitude, regardless of what world they're in.

To that end, the metaverse will need to be built for both private spaces and public spaces. (And hey, sometimes you just don't want to be around a bunch of floating torsos.)

So, what does this mean for brands? Imagine places where you can get away from real-world stressors, where time stops, or as the Calgon ads of the 1980s suggested—you can be taken away. Wellness design, safe spaces, and ambient elements could all be valuable elements in metaverse environments.

In a few words, what do you enjoy most when you're in a virtual environment?



A group of people, including a young man with a large afro and a woman, are looking at a large model of a planet in a museum-like setting. The scene is dimly lit with warm, orange light. The text "THE GAMING GATEWAY" is overlaid in the center.

THE GAMING GATEWAY

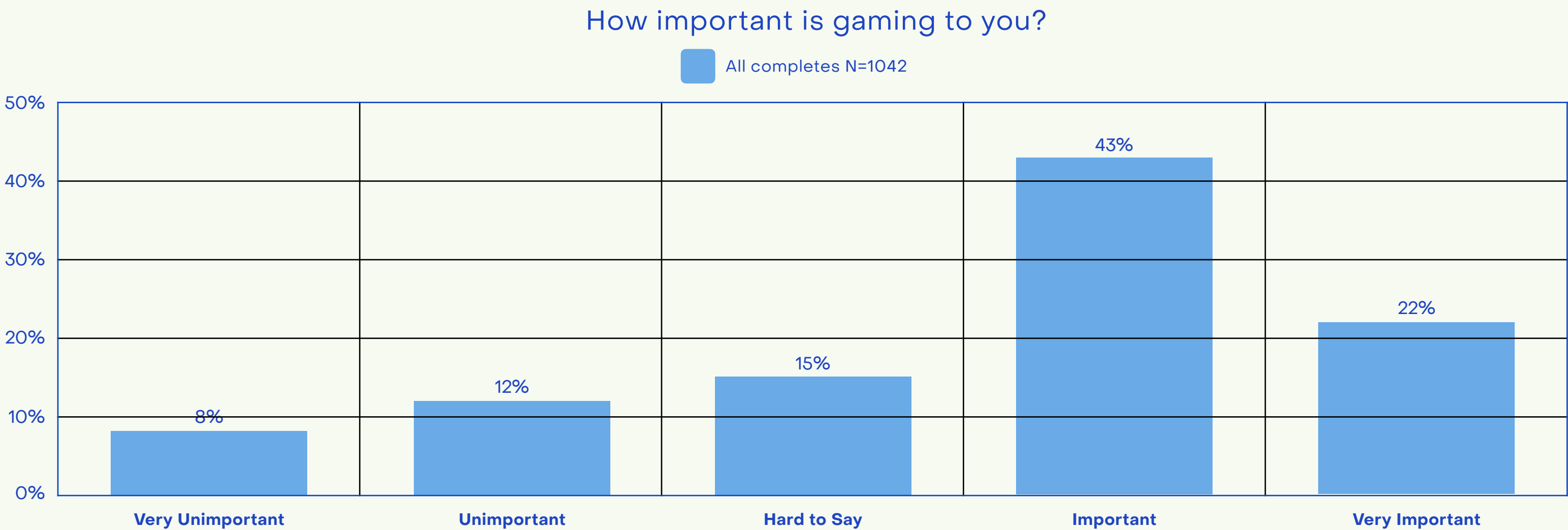
Metaverse adoption: some people are game, some are *anti*-game.

There's no question about it—gaming is how most consumers are adopting (or planning to adopt) behaviors central to future metaverse experiences.

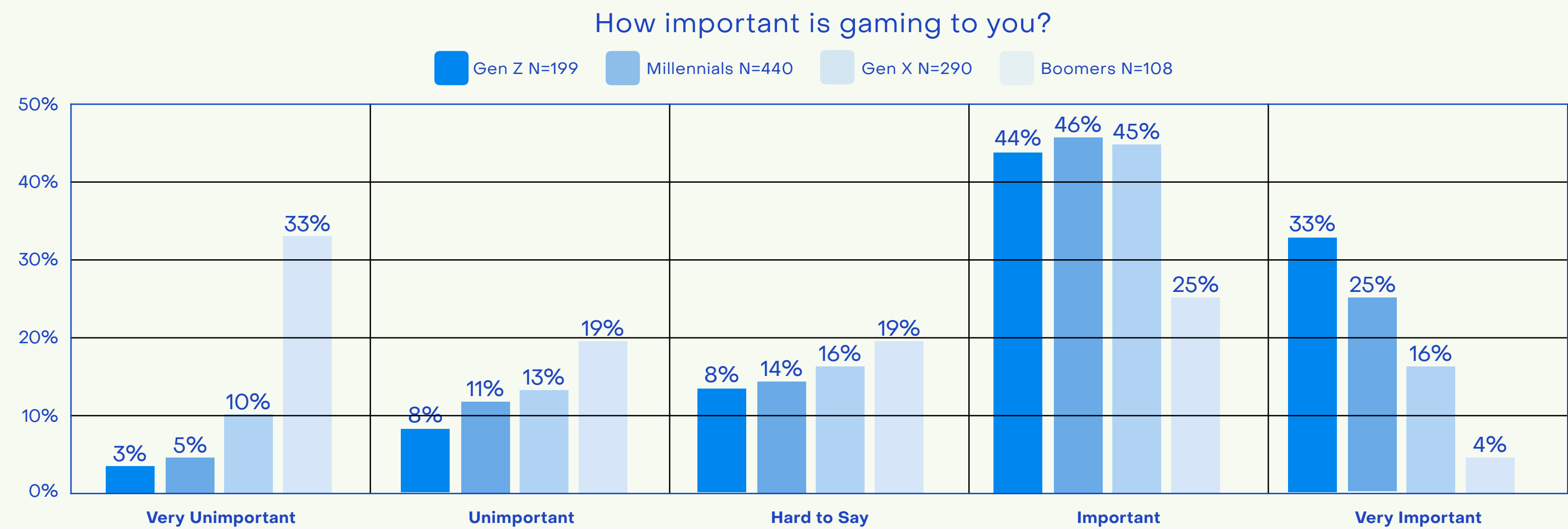
Just as academic researchers were the first heavy users of the internet, or university students were the first heavy users of social media, gamers will emerge (and are emerging) as the first heavy users of the metaverse. And gaming itself has paved the way for immersive environments, virtual communities, digital transactions, avatars, and many other elements that are shaping the metaverse.

Our study showed us that over 90% of current metaverse users said they were interacting with other gamers in the metaverse. Not only that, we found a correlation between those who game and a willingness to have social interactions in the metaverse.

65% of metaverse users say gaming is very/important.



Gaming is important to Gen Z, X, and Millennials equally.



Having said that, our study found that gaming is a polarizing pastime. Some consumers are self-described anti-gamers! Those who said they were “against games” accounted for over half of the people who were metaverse rejectors. It’s at least partly a perception issue. Over two-thirds of respondents said the metaverse has a “gaming connection,” and it appears that people who aren’t into gaming are, likewise, less attracted to it based in part on that perception.

Platforms and marketers who want to attract anti-gamers will need to demonstrate the metaverse’s benefits and uses beyond gaming.

CROWDSOURCING THE METAVERSE



Four ways to make the metaverse into what people really want.

As we see the metaverse hype die down and the shiny objects start to dim, it's a perfect time to hit reset and create experiences that build true brand affinity. Brands can start by identifying which motivations are best aligned with them, and then build empathetic experiences that people really want.

No matter how much everything in the digital world changes, the best experiences will always be the ones that are designed around real human needs, desires, and behaviors.

So, in no particular order, here are four fundamental drivers behind users' most positive experiences in the metaverse:

SEEKING EXCITEMENT

The metaverse is a blank slate for three-dimensional exploration, novelty, and creativity.

Users who build their own new worlds and explore their peers' fascinating creations show enthusiasm for partnering with brands to co-create metaverse products, experiences, and content.

SEEKING CONNECTION

The metaverse offers new opportunities to meet others with similar interests, or maintain connections with IRL friends and family.

These communities also enable users to play with their identities, whether enhancing themselves through avatars or walking in another's shoes.

SEEKING LIBERATION

Some users enjoy the sense of liberation that comes from the metaverse's endless possibilities, enabling the carefree pursuit of experiences without traditional judgments.

SEEKING RELIEF

The metaverse is often characterized as an escape from reality, but respondents provided additional nuance, noting that the metaverse can provide relief, solitude, or a break from the demands of everyday life.

The image features a silhouette of a person with long, wavy hair, seen from the back. The person is positioned in the center, with their head and shoulders visible. The background is a deep blue gradient, with a bright light source behind the person's head, creating a halo effect and illuminating the edges of their hair. Overlaid on the center of the image is the text "THE GENERATIONAL BREAKDOWN" in a large, bold, white, sans-serif font.

THE GENERATIONAL BREAKDOWN

Help the generations jump in: The X, Y, Zs of metaverse adoption.

It's not just for kids! Every generation is participating in the metaverse, but, as you may have guessed, how and why (and how much) they're participating differs.

When it comes to Gaming and Chatting in the metaverse, Gen Z and Millennials lead the pack. They're the heaviest gamers to begin with, so gaming in the metaverse is a natural extension of existing behaviors. As far as social interaction in the metaverse goes—they're more comfortable with it, and they have clear preferences. They prefer Discord to Facebook, and Gen Z describes their preferred branded experiences in the metaverse as ones where they can connect with others.

Members of Gen X are more lured by Immersive Escapism and Shopping, which arguably builds upon the way they already use the web. They like that what they do in the metaverse “is not real,” but the activities they do need feel familiar—i.e., a new way to experience things they're already doing online.

Boomers are, obviously, the least active in the metaverse, under-indexing across most activities, except for Immersive Escape. Even though they're not flocking to the metaverse in droves, there's reason to believe that they would be inclined to experiment with experiences that take them away from their day-to-day world—and they may be tiptoeing in that direction; 17% of Boomers, for example, have created an avatar.

The takeaway: as brands consider how to reach key audiences in the metaverse, they need to understand what's driving adoption. Often, it starts with activities they're already doing on the web.



SURPRISINGLY WELL UNDERSTOOD

Most people are ready and equipped to use the metaverse — they just don't realize it.

The Myth

Because the metaverse is relatively new and still being defined, most consumers don't actually understand what the term means, and they won't engage with brands in a space they don't comprehend.

Before we bust the myth we just spelled out, we want to further point out that only 16% of our respondents felt they were “very familiar” with the metaverse. As it turns out, they're not giving themselves enough credit.

These findings lend support to some experts' beliefs that the metaverse is more likely to live on non-VR devices for the foreseeable future.

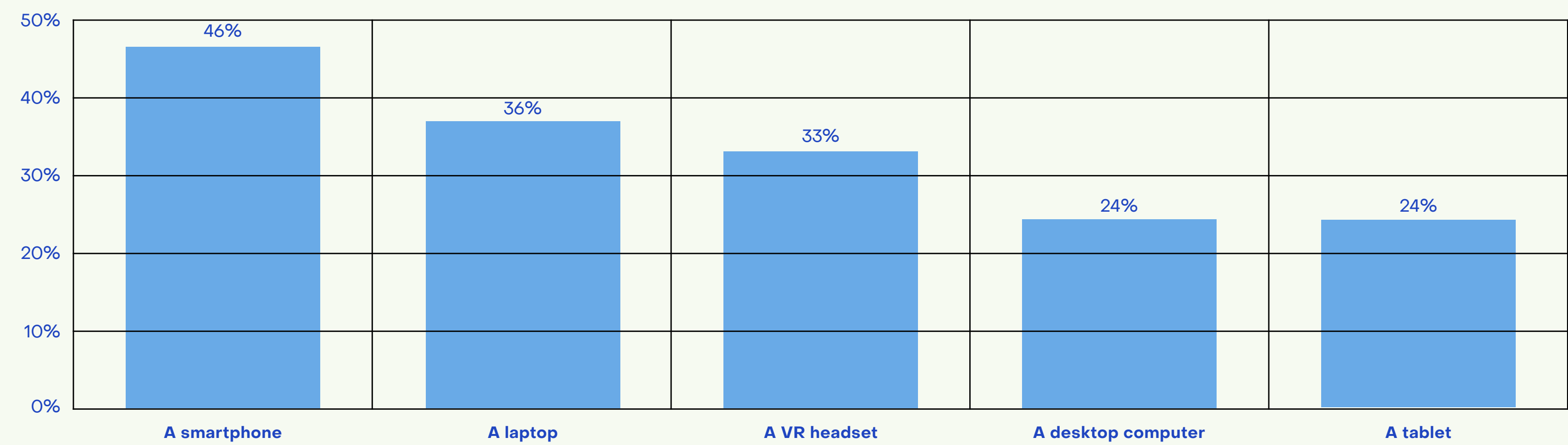
The Truth

When we asked the same respondents to describe the metaverse to a friend, they showed an impressively nuanced understanding of the concept. They realize it is:

- Reality in a virtual setting (not just virtual reality)
- It's a place for community (not just a solitary experience)
- It's an alternate reality (not just headsets)

Our respondents even recognized that the metaverse isn't something that always has to be strapped to your face. Many reported interacting with the metaverse through their smartphones (46%) and their laptops (36%) than through VR headsets at this point (33%). Even desktops clocked in at 24%—on par with tablets.

Percent who have engaged the metaverse via the following:



On the tech diffusion scale,

50%

of respondents who use the metaverse are either Innovators or Early Adopters.

This includes 62% of Gen Z and 54% of Millennials.

The top three brand categories for best metaverse brand experience:

97% Tech Vendors

96% Game

95% Platforms

92%

of Respondent users who described their best metaverse brand experience as

Exciting

also mentioned VR headsets.

Respondent users who like to interact with Brands and Influencers preferred to interact with

New People,

but NOT Friends, Family, Colleagues, or Like-minded People.

Vice versa was also true.

The best ways to get non-users to try the metaverse:

1. Give them an explanation and/or demo
2. Show that it's more than gaming
3. Address cost & safety concerns
4. Connect it to an existing hobby they already enjoy

Top two metaverse activities among respondent users:

48%

Played virtual games

46%

Created an avatar

58%

of respondent users were very/interested in helping a brand design and evolve its product.

Top two descriptions of the best brand experience in the metaverse among respondent users:

99% Connecting with Others

96% Shopping

Top three things respondent users enjoy most in the metaverse:

88%
Being Creative

86%
Escape

82%
Experiencing New Things

Top four product categories most likely to be visited by respondent users:

57%
Gaming

51%
Clothing

43%
Grocery Stores

41%
Home Technology

57%
of respondent users were very/interested in co-creating online content together with their favorite brands.

On the tech diffusion scale,

38%

of respondents who don't use the metaverse are

Late Majority,
and these are mostly
Boomers.



Top five things respondent users enjoy most in the metaverse, across all generations:
Being Creative, Escape, Exploration, Enjoying Virtual Worlds, It's Not Real.

Top three benefits of being in the metaverse for respondent users:

59%

Gaming

52%

Chatting Online

52%

Immersive Escape

Unsurprisingly, metaverse users are

10X

more likely to spend free time visiting
Virtual Environments.

But SURPRISINGLY, they are about

25%

more likely to spend it
Playing Sports/Exercising
than non-users.

Top five desired personality traits for metaverse user avatars:

86% Creative

81% Adventurous

81% Me in Real Life

80% Whoever You Want to Be

80% Positive/Approachable

44%

of respondent users were very/interested in investing crowdsource-style in favorite metaverse brands.

65%

of respondent users said gaming was very/important to them.



Survey Methodology

For this report, we conducted an online survey.

Our sample size was 1,350 respondents, who roughly fit the general population profile from the U.S. (64%) and UK (36%). We spoke with metaverse users who were familiar with the term “metaverse” and/or had done activities related to the metaverse. We also spoke with non-users, who were unfamiliar with the term “metaverse” and/or had not done any related activities.

The survey was in field during September 2022.

