

The transformation of customer experience within the Metaverse

Rakesh Prasad - April 11, 2022

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Customer experience is set to be the primary focus in the Metaverse. [Gartner](#) Predicts 25% of People 'Will Spend At Least One Hour Per Day' in the Metaverse by 2026.

The Metaverse, a virtual rendition of lifelike environments, is built on the premise of experience. The next stage of digital transformation is the realization of a virtual world where users can meet, greet and do a whole lot more just like they do in real life. In simpler words, the metaverse is an opportunity for users to sink into a virtual immersive experience that is not bound by physical limitations. With the experiential economy holding sway and millennials having a sizeable purchasing power businesses are keen to ensure that they provide a superior experience to all their users and drive a line of distinction that enables their brand to stand out. The playing field is complex and competitive but is also an **\$800 billion** opportunity that has not been ploughed yet.

The future of the metaverse is about attracting and engaging with users to provide them with an exceptional holistic experience that augurs brand loyalty and repeat business. These experiences are aligned to key themes that are centre-pieces, driving the evolution of the Metaverse.

Digital Storefronts, Immersive Shopping Experiences, Digital Avatars and more

Augmented and Virtual reality are the strongest pillars of the metaverse. These are the technologies that are enabling the visual rendition of imagination into digital form. The increased pace of adoption of AR/VR is a strong reason that is giving impetus to the increased interest in the Metaverse. As per an [eMarketer](#) study, 58.9 million people in the US used VR, and 93.3 million people used AR at least once per month in 2021. The increase in use is complemented by a growing interest in AR/VR as expressed in a study that indicated that **71%** of customers would shop more often if they could use augmented reality (AR). In another study, **55 per cent** reported extreme or moderate satisfaction with VR. A satisfying AR/VR experience invariably led to an impressive **28 point lift** in purchases compared to video ads for an online Italian cosmetic brand as noted by Meta. The data on adoption, preference and success of the AR/VR is a clear indicator that AR/VR is going to be a major propeller of the Metaverse. It is not just retail, AR/VR's applicability pervades across industries and its use similarly will be across industries in the metaverse. It is not just AR/VR that is set to influence the shape of things to come in the metaverse. There are other technology interventions that will propel very distinct experiences across the metaverse – Performance improvement in avatar movement and environment rendering. Interoperability, a much talked about and anticipated technological advancement that will power users to seamlessly move and interact with various digital elements across digital environments. Improved accessibility across devices, expanded data analytics and reporting capabilities across platforms are just a few of the other technological capabilities that are expected to supercharge user experience across the evolving metaverses.

Technology is also expected to be at the core to help create the foundation of digital commerce within the metaverse. Non Fungible Tokens or digital tokens represent ownership of specific digital assets that have experienced [impressive growth](#) over the past year and are expected to continue their impressive run. Enabling the evolution of NFTs and commerce as a whole across the metaverse is the blockchain or a digital ledger that is powering transparency and governance. Similarly, the cloud as a technology will be important for the expansion and reach of the metaverse while technologies powering data and analytics will be pivotal for learning about user behaviour and the evolving metaverse.

Commerce within a virtual world

The transactional value within the metaverse is expected to reach **\$42 billion** by 2026 as stated by research firm Strategy Alliance. Retailers, brands, and enterprises have a unique opportunity to set up storefronts, virtual offices, experience centres and a lot more. There are innumerable opportunities for branding spread across the metaverse. There is also an immense potential for entertainers and entertainment agencies to treat audiences to a totally new experience. Justin Bieber and John Legend are a couple of artists who have hosted successful concerts in the Metaverse attracting huge crowds and raising considerable value. Non Fungible Tokens based on blockchain technology spoken about earlier is another opportunity that gives individuals options to trade digital assets. Beeple, a digital artist, recently created records of sorts by selling one of his digital pieces for **\$69 million**.

Hyper personalization

Metaverse will be a seabed of enormous amounts of zero-party data that can be utilized for hyper-personalization and drive the next level of personal experience digital users to expect. In April 2021 alone, Fortnite players spent over **3.2 billion hours** in-game. This is only expected to increase with more users spending a significant amount between 6 to 16 hours of time-consuming digital media as noted by The [Wall Street Journal](#). The significant time spent online gives businesses an opportunity to collect and analyze a lot more data than was previously unavailable. More data



an opportunity to collect and analyze a lot more data than has previously, and analyze more data will ensure businesses and platforms become more engaging and relevant, empowering superior individual experiences for users driving individual or entity driven hyper-personalization.

Conclusion

In the famous quote from Apple, Founder Steve Jobs rightly points out the importance of customer experience, stating, 'You have got to start with the end goal of enhancing customer experience in mind, and work back towards the technology – not the other way around.'

The metaverse is equipped to enchant the world through an unmatched experience. As business leaders, our emphasis should be to understand and conceive these unmatched experiences that can be later converted and rendered in the digital realm of the Metaverse. The growing influence of extended reality and the increasing acceptance of Web 3.0 point to the fact that customer experience, sooner than later will move from the category of a differentiator to becoming quintessential for parity. Every business leader will have to ensure that experience is a driving element when designing products and solutions and that the experience is equally engaging and engrossing across platforms, channels, touchpoints and devices. The next stage of evolution for businesses wishing to have an impact in the metaverse will be to treat users as the kings and ensure every experience is supreme.

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Rakesh Prasad is Senior Vice President – Digital Business at Innover. Rakesh is passionate about solving business problems by leveraging Digital and Analytics solutions and partnering with clients to thrive in an open digital economy. As a business leader, Rakesh has delivered consistent results in leading digital transformation programs, managing global teams and delivering business growth. Having spent 16 years at the intersection of business and technology, Rakesh understands the importance of Experience and Insight coming together for clients to deliver ROI-driven business outcomes.

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