



Get Ready for the Metaverse

To BCG's network around the world,

The metaverse is still so young that there isn't even a very simple definition of it yet, but that has not stopped it from infiltrating more and more conversations. CEOs are taking notice and want to understand [what it might mean for their companies.](#)

From a practical perspective, we think about the metaverse as the convergence of multiple technologies and the proliferation of data and content to create new experiences and unprecedented value for users and organizations. At the core of the metaverse is the digital-twin concept, which in consumer applications are the virtual worlds and in enterprise applications are the layers of customer and operational data that can be used to drive tangible value.

So far, most metaverse activity has been in gaming and, increasingly, concerts and other immersive virtual experiences. Retail, fashion, and apparel companies are also early movers, but a growing list of major companies across industries, including in technology, telecommunications, health care, automotive, and industrial goods, have become active. The metaverse is also increasingly used in operations—from manufacturing optimization to disaster management and recovery.

Examples of the metaverse are multiplying fast. It's the advanced merchandising used by a retail giant that links back to and improves the supply chain. It's a smartphone app that integrates with an augmented-reality-enabled windshield to offer driving directions, which then feeds into a car's self-driving algorithms. It's the technology that enables emergency services to respond when a phone or watch belonging to a person in need of medical assistance sends an SOS. It's two friends on different continents shopping together in a virtual mall.

As the metaverse “amplifies” the economy in many ways, its potential value is huge.

We've estimated that a Fortune 500 retailer, for example, could harness the metaverse to realize:

- 1.5–2 percentage points in margin improvement from **improved onboarding and training of staff**
- \$200–\$400 million from **increased store traffic and customer loyalty** owing to an improved in-store experience through benefits such as enhanced marketing and digitally guided shopping experiences
- \$500–\$750 million from **streamlined operations** and improved control of inventory

It's helpful to think of the metaverse as a digital representation of the physical world organized into layers, like a technology stack. Companies will naturally participate at different layers.

Some will be active at the bottom, *core layer*, building the digital infrastructure, providing financing, and delivering connectivity or key services. Others will be more involved at the *utilities layer*, involved in activities such as connectivity and power. Still others will fit in at the *services layer* of the metaverse, in areas such as health care, government services, and law enforcement. But most will focus on the top *applications layer*, where they will interact with B2B and B2C users in metaverse environments.

How to Play

Here are six early steps that BCG's metaverse team suggests leaders can take to get started on building a robust metaverse strategy:

- **Set a broad vision** for what you want to achieve.
- **Build the digital assets and tech enablers** that allow you to put the strategy into practice and expand it over time.
- **Create a digital-twin strategy**, embedding metaverse use cases into regular operations early.
- **Provide personalized attention with AI and build and retain customer trust**, creating segment-of-one offerings, while protecting digital privacy.

- **Equip and engage the organization** by using the metaverse in hiring, onboarding, coaching, and training.
- **Establish a mission control office** to define goals, highlight dependencies across teams, and de-risk the overall plan.

While avatars and gaming are important aspects of the metaverse, it is about so much more. It represents a broad opportunity that will require a robust understanding of the confluence of business strategy, traditional and virtual digital assets, and new tools. Companies won't want to be left behind.

Please see below for more on this and related topics.

Until next week,



Christoph Schweizer
Chief Executive Officer

Further Reading



How the Metaverse Will Remake Your Strategy

The metaverse is already a big part of business. It will only become more central.

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Four Visions of the Metaverse

As first movers shape the architecture of the metaverse, company leaders need strategies to prepare for different outcomes.

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Date: Nov. 4, 2022

Time: 10am ET

In the face of global uncertainty, we examine the macroeconomic forces bearing down on business leaders, offering insight into concrete actions they can take to capture competitive advantage and create resilient organizations.

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