



## The Corporate Hitchhiker's Guide to the Metaverse

To BCG's network around the world,

My first exposure to the metaverse was through Neal Stephenson's 1992 book *Snow Crash*. He described a fascinating new virtual world that seemed very far away at a time when cell phones were the size of bricks and fax machines ruled the day.

The near-term potential of the metaverse came alive for me in early 2018, when I visited startup Magic Leap and its founder, Rony Abovitz. With a headset on, I watched virtual furniture appear in the room while a friendly dragon sat on the coffee table—all indistinguishable from real life. I could watch a basketball game from any seat in the house. The possibilities seemed to go way beyond gaming, and the core technologies to enable all this were arriving sooner than I expected.

Over the past year, the metaverse has come into sharper focus, with Meta, Microsoft, and other technology players leading the charge. Enthusiasts see the next incarnation of the internet, or Web3, weaving VR and augmented reality seamlessly into our physical world.

While Web3 may still be in its infancy, a fast-growing virtual-asset economy already exists. Estimates show that there are some 30 million NFT wallets, including 1 million active wallets, which spent about \$40 billion on NFT purchases in 2021.

### **A Metaverse for the Rest of Us**

Many Gen Z users are already comfortable with an overlap of physical and virtual commerce, not just in video games but through virtual 3D concerts, virtual malls where they shop with virtual currency, and their own customized virtual homes.

But what about those of us a generation (or a couple!) removed, particularly business leaders wondering if they should enter the metaverse? A new BCG article, [The Corporate Hitchhiker's Guide to the Metaverse](#), is a great primer for forward-looking leaders wanting to dip their toe in and start taking advantage of these new technologies.

No matter how a company might get involved—whether as an adopter of the metaverse or even as one of the builders of it—business leaders should consider what we expect to be a flywheel effect, driven by a virtuous circle of a growing user base, more creators, and ever more relevant content. All of this will be fueled by advances in hardware, connectivity, software, and new platforms, spurring real-world productivity and quality improvements through a broad virtual world of data that can be leveraged in exciting new ways.

And consumers are likely to grow increasingly motivated to jump in, as they discover the benefits of new ways to shop, including being able to try on clothes or test-drive a new car virtually; participate in blended physical-virtual experiences or have exclusive access to a brand's events; and enjoy broader benefits, such as new ways of earning money or exchanging goods and new methods of interacting with others who share their interests.

## **Envisioning New Realities**

As I sat down to write this, I considered how drastically technology has changed my day-to-day life in just 10 or 15 years. Over the past couple days, for example, I watched TV shows without cable, followed the NFL draft live online, navigated the route while on a bicycle trip, found my wife's misplaced iPhone, and collaborated real-time on creating a presentation with colleagues based around the world. What seems utterly routine today was the science fiction of yesterday.

Ever since I read *Snow Crash*, I've wondered when the metaverse might arrive. Now it's closer than many of us expected, and the time has come to begin envisioning truly new realities for our businesses. That requires a spirit of creativity and experimentation, listening to different, often younger, voices as we imagine possibilities, and looking for opportunities in new (virtual) places.

I hope this report will bring you a clear understanding of the current state of the metaverse and the changes we can expect in this decade—and spur your own thinking about whether and how you want to begin your own journeys. With our broad focus on deep tech, BCG is pursuing our own metaverse experimentation

journey, in addition to helping our clients. We look forward to sharing with you what we learn and how you can be a part of it.

Please see below to read this article and find other recent BCG content.

Until next time,



Rich Lesser  
Global Chair

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