

VALUE CREATION

in the METAVERSE

HOWARD WANG

**“Metaverse isn’t a thing
one company builds.
It’s the next chapter of
the Internet overall.”**

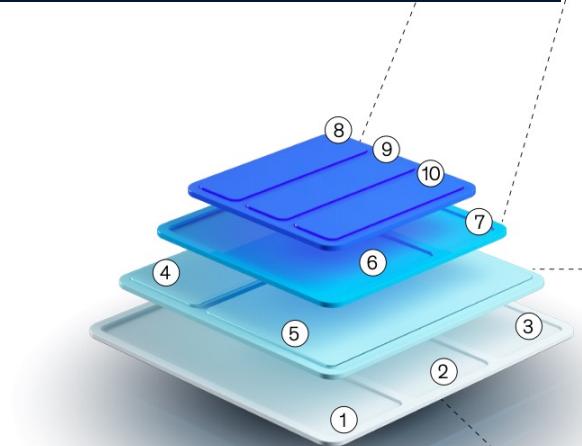
—Mark Zuckerberg, Meta

A woman with dark hair tied back is wearing a VR headset. She has her mouth open as if speaking or reacting. Two large, glowing blue hands are visible, one on each side of her face, appearing to interact with her. The background is dark and textured.

WHAT EXACTLY IS THE METAVERSE?

It doesn't refer to any specific type of technology, but a broad shift of how we interact with technology.

HOW DOES THE METAVERSE WORK?



- **Content & experiences**

- ⑩ **Content:** Enriches the metaverse experiences—including first-party content, developer content, creator content and UGC, etc
- ⑨ **Applications:** Tied to specific metaverse use cases—ranging from learning to collaboration to events to industry specific applications
- ⑧ **Virtual worlds:** Environments where large number of users can gather, interact, create, and move in and out different experiences

- **Platforms**

- ⑤ **Access and discovery:** Platforms that facilitate distribution and discovery of content, experiences, apps—including browsers, search/visual search, app stores, in-app storefronts
- ④ **Creators/3D development platforms:** Core set of tools and platforms for building 3-D experiences—including design, game engines, AI services, creator tools

- **Infrastructure and hardware**

- ⑦ **Devices, OS and accessories:** Device hardware, components, accessories/peripherals and OS layers that are part of the human interface layer
- ⑥ **Infrastructure:** Underlying infrastructure across cloud, semiconductors, networks, etc that powers the metaverse

- **Enablers**

- ③ **Security, privacy, and governance:** Security, identity and data governance, privacy, and content moderation platforms
- ② **Identity:** Platforms that manage digital identity, avatars and social graphs
- ① **Payments and monetization:** Platforms and tools (eg, advertising, asset stores) to enable the metaverse economy

BRIEF HISTORY OF THE METAVERSE

1978

Author Neal Stephenson coined the term “**metaverse**” in his fiction novel *Snow Crash*

2018

Facebook becomes **Meta**, aiming at a metaverse ecosystem

MUD1, the first multiplayer real-time virtual world

1992

Ready Player One, a film imaging a virtual world

2021



Misconceptions

- The metaverse **does not replace real life.**
- The metaverse is **not AR/VR.**
- The metaverse is **not (just) gaming.**
- The metaverse is **not Web3.**
- There are no **multiple metaverses.***



WHAT'S THE OPPORTUNITY? (In \$USD)

~\$13B

Total investments in 2021

>120B

Total investments
in the first half of 2022

~5T

Estimated total value in 2030



01

FACTORS

What's driving
the money and
the investments?

02

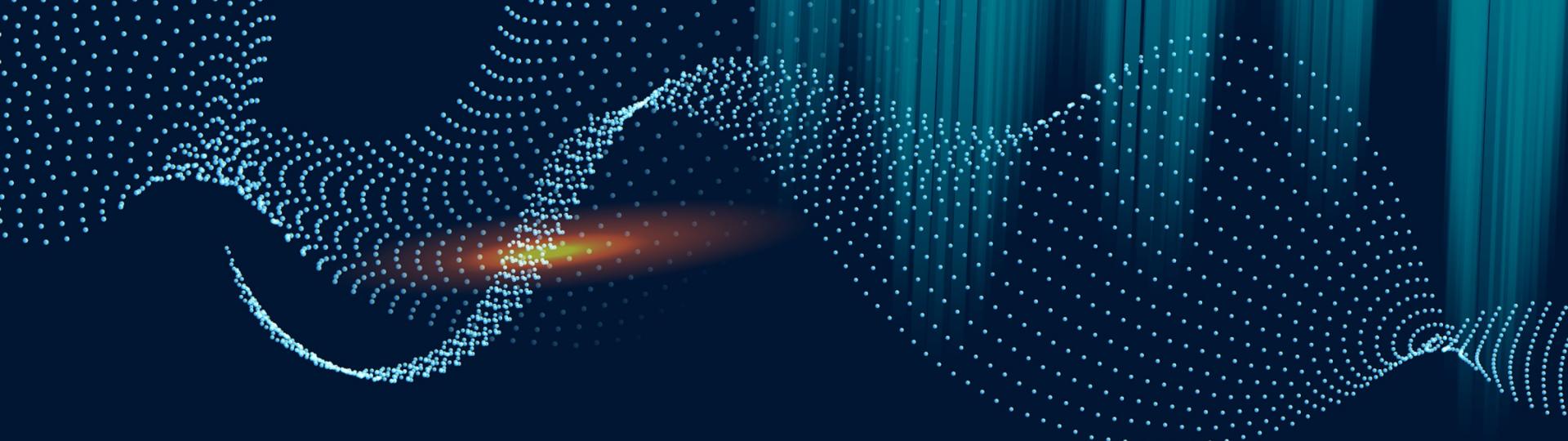
BAHVIORS

How does
consumer and
business behavior
evolve?

03

IMPACT

What are the
potential impacts
the Metaverse
can bring?



01 | FACTORS

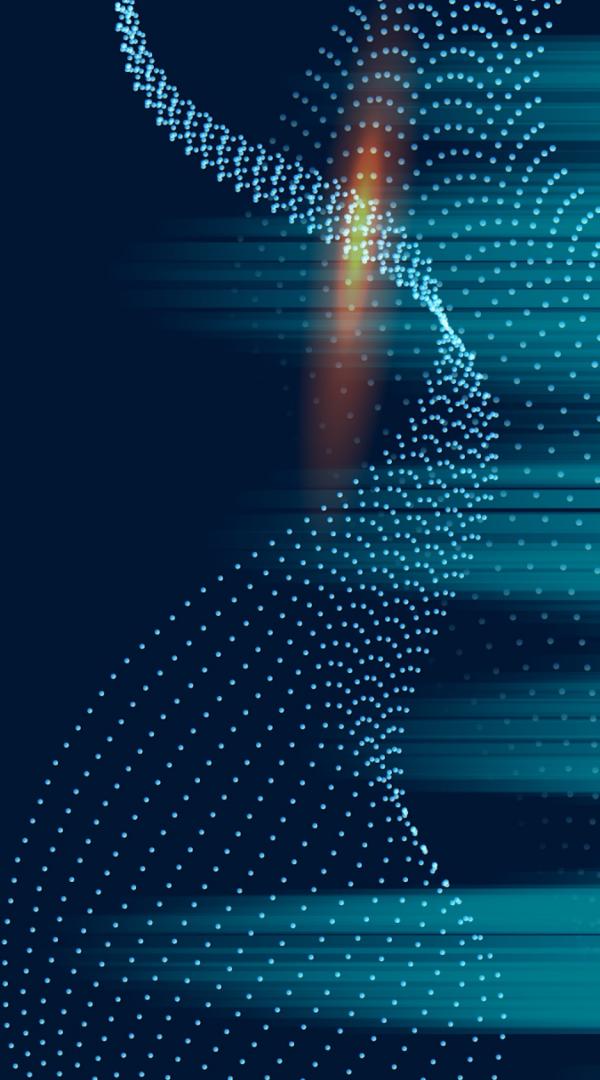
What's driving the money
and the investments?

TECHNOLOGICAL ADVANCEMENTS: SOFTWARE DEVELOPMENT

Leading software companies are betting on the opportunity to build the “application layer” on top of the infrastructure. E.G.: Microsoft Mesh, Azure Digital Twins.

Software development supports the metaverse by:

- Providing a “Base” that the Metaverse will need

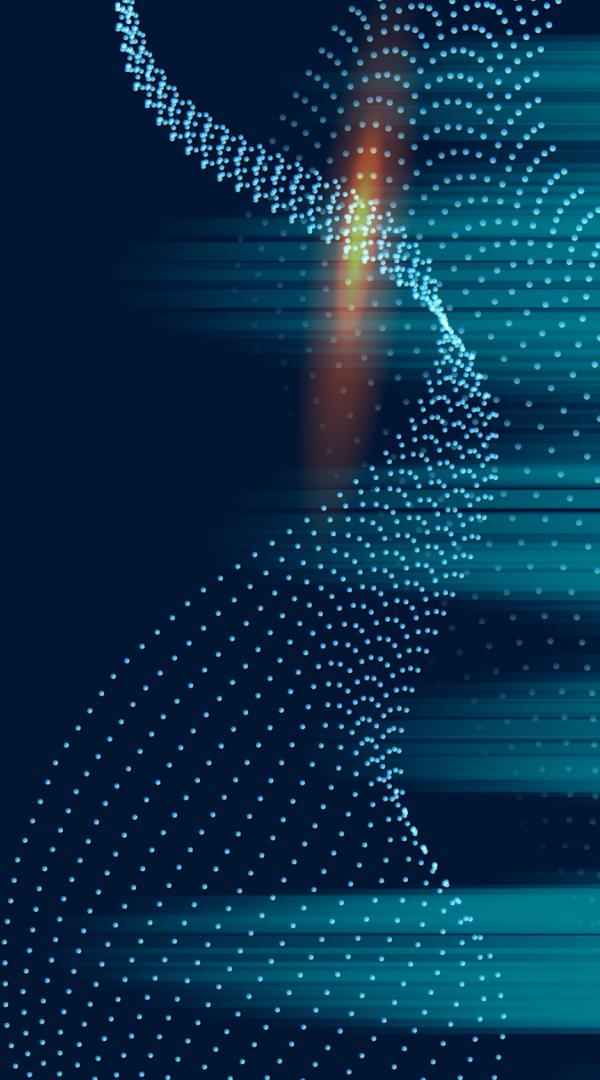


TECHNOLOGICAL ADVANCEMENTS: AR/VR DEVICES

Argument **R**eality/**V**irtual **R**eality refers to computer-generated simulations that integrate The Real World (AR) or The Entirely Self-Contained (VR).

AR/VR devices supports the metaverse by:

- Merging the Physical & Virtual World
- Entering the Metaverse



TECHNOLOGICAL ADVANCEMENTS: EDGE COMPUTING

Edge Computing is a distributed Information Technology (IT) architecture in which the client data is processed at the periphery of the network, as close to the originating source as possible.

Edge Computing supports the metaverse by:

- Minimizing Network Latency
- Reducing Bandwidth Demands
- Storing Significant Data Locally



TECHNOLOGICAL ADVANCEMENTS: 5G

5G is the 5th generation mobile network, the technology solves the need for faster networks.

5G supports the metaverse by:

- Providing Powerful, High-Speed Internet
- Consistent Coverage and Capacity
- Operating Edge Computing
- Operating AR/VR
- Instant Data Transaction



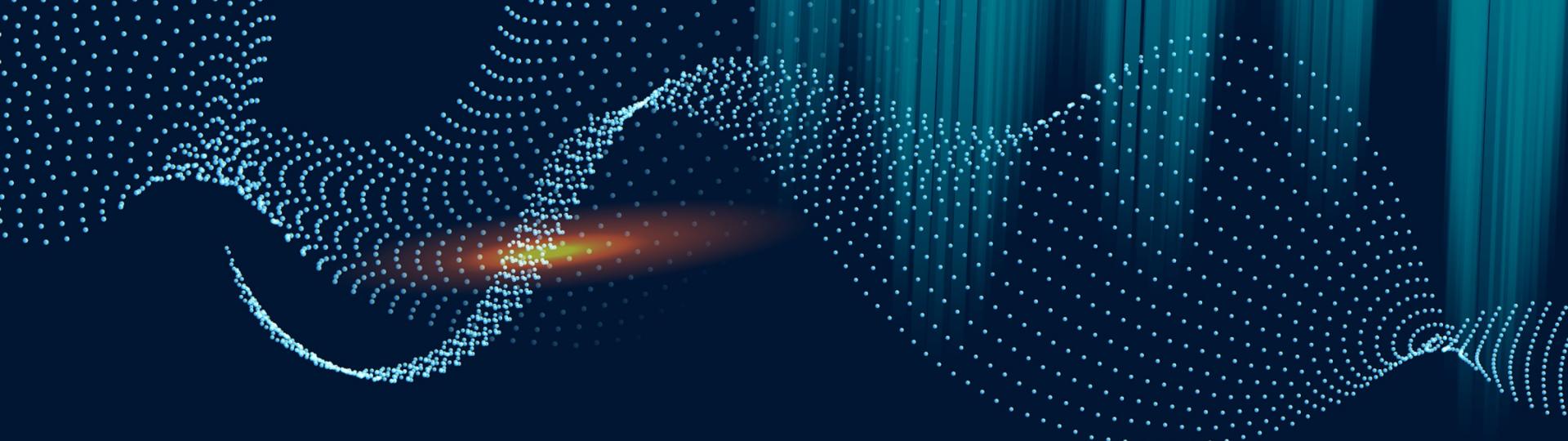
GOVERNMENT INITIATIVES: “Metaverse Seoul Basic Plan”



- The Seoul Metropolitan Government will invest **~\$3.3M USD** to create the metaverse platform.
- Seoul has over **95%** of its **10M** residents already connected to 4G or 5G services.
- Aims to stimulate consumption, provide services such as:
 1. Communications
 2. Education
 3. Tourism
 4. Complaints & Petitions

Estimated Timeline of “Metaverse Seoul Basic Plan”





02

BEHAVIORS

How does consumer and
business behavior evolve?

Partnership — Microsoft & Meta



- Microsoft Teams
- Microsoft Office
- Microsoft Windows
- XBOX Games



- Microsoft Teams has **270M MAU**.
- In Q2 2022, Meta earned **\$452M USD** from Reality Labs



- Quest Pro
- Quest 2
- Quest VR

Meta Quest 2





MICROSOFT TEAMS MEETING IN VR

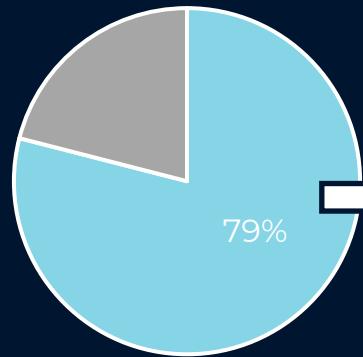
5 TYPES OF DAILY ACTIVITIES

The 5 estimated categories during daily life of consumer usage in the next upcoming years.

- **Gaming**
- **Socializing**
- **Fitness**
- **Commerce**
- **Remote Learning/Meeting**

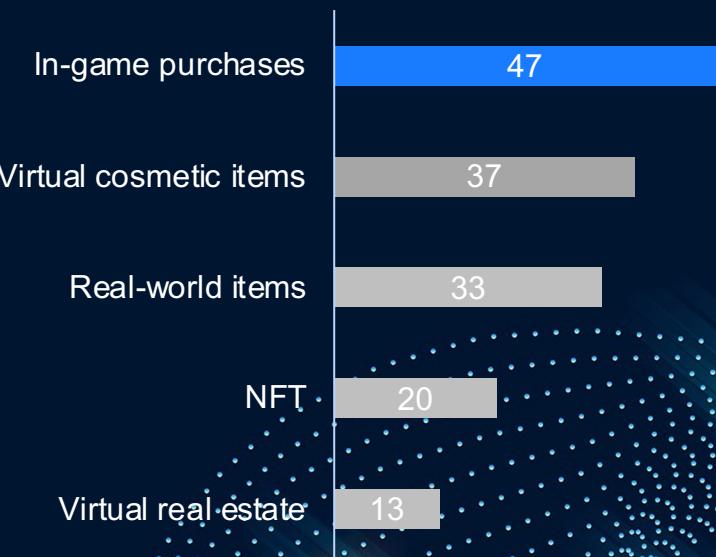
According to McKinsey & Company:

Consumers active
on the metaverse



- Have made a Purchase
- Haven't made a Purchase

Purchases in the metaverse, %



STATS & FACTS (In USD)

\$501M

Spent on metaverse
real estate. (2021)

\$14.8T

Total market cap of
Web 2.0 corporations

400M

Highest monthly
active users. (2022)

\$5M

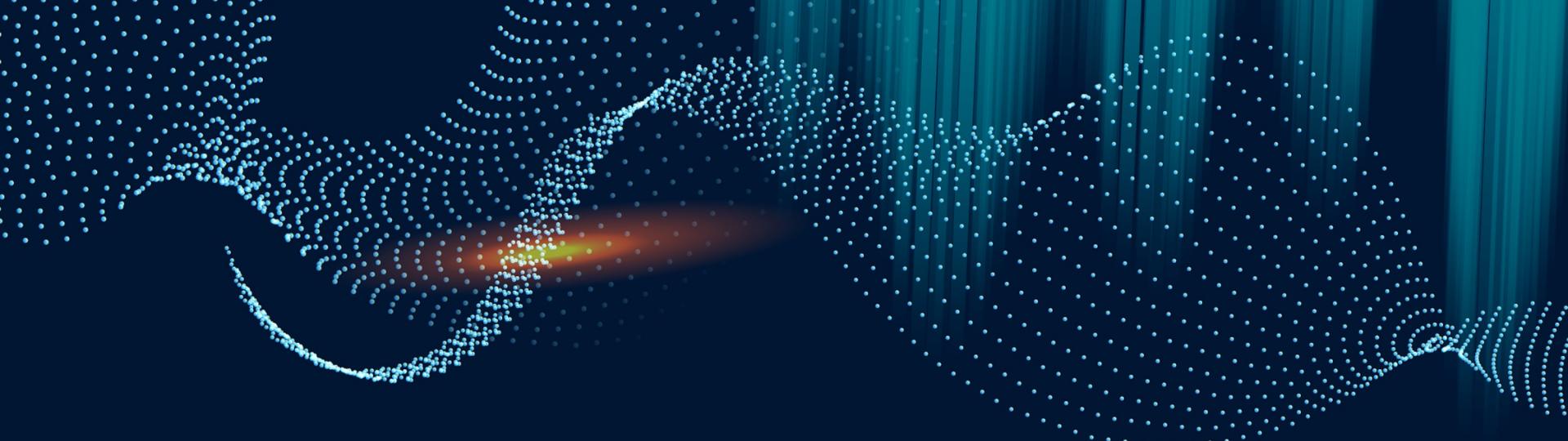
Highest value of
property in metaverse.

Over 84,000

Social media
mentions.

12.3M

People attended an
virtual concert featuring
Travis Scott.



03 | IMPACT

Potential impacts the Metaverse can bring

\$5T USD

Estimated Total Value the
Metaverse Can Create in 2030

REASONS TO \$5T USD VALUE



FASHION & APPAREL

- Digital Fashion Goods
- Virtual Experiences
- XR-enabled Product



TECHNOLOGY

- Manufacturing
- Hardware
- Digital Media



FINANCIAL

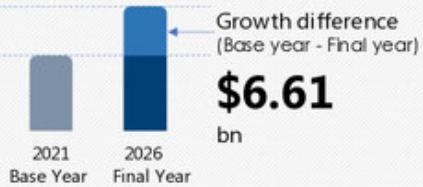
- Digital Payments
- NFTs
- DeFi

Global Metaverse in Fashion Market

GLOBAL METAVERSE IN FASHION MARKET 2022-2026

CAGR of (2021-2026)

 **36.47%**



The market is **FRAGMENTED** with several players occupying the market share



One of the **key drivers** of the market will be the **growing number of fashion brands entering the metaverse platform**



Key Players

- Accenture Plc
- Active Theory LLC
- adidas AG
- Alibaba Group Holding Ltd.
- Animoca Brands Corp. Ltd



38%

of the growth will originate from **North America**



Market Segmentation By Platform

- Computer
- Mobile
- Headset

Global Metaverse in Technology Market

Metaverse Market



2021
\$58.5 Billion
2030
\$1,525.7 Billion

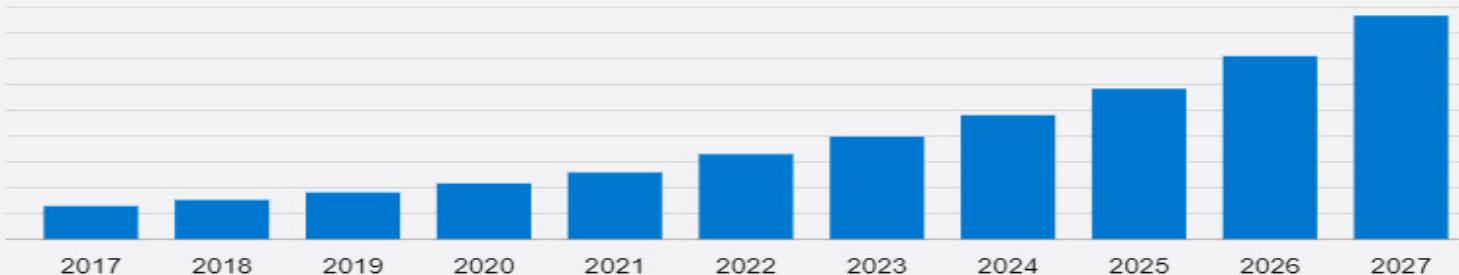


- Increasing demand for metaverse in entertainment and gaming industries
- Rising usage of metaverse to buy digital assets and use cryptocurrencies

PRESCIENT & STRATEGIC
INTELLIGENCE
Where knowledge inspires strategy

Global Metaverse in Financial Market

Market Size Outlook (USD Billion)



2017 : USD **25.58**

20.59%

Year-over-Year
growth rate of 2023

21.33%

CAGR 2022-2027

ACCELERATING

Growth Momentum

USD 107.06 Bn

Market size
growth

2022 2027

RESOURCES

- Value Creation in the Metaverse – McKinsey & Company
- Seoul Metropolitan Government
- Wall Street Journal
- Technavio – Global Metaverse in Fashion Market Size Growth
- psmarketreaserch.com
- Meta Investor Results



THANKS!

Do you have any questions?
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