



# FUTURE» TENSIONS

» IN THE METAVERSE



# » CONTENTS

## **Introduction**

Foreword	03
Our approach	04
Origin and definitions of the term 'metaverse'	05
Why the metaverse is relevant today	06
Why we should care about the metaverse	09

## **Tensions in the Metaverse 10**

Interactions - research	11
Information – product experience	15
Value - commerce	19
Ethics – brand relationships	23

## **Conclusion and Summary 27**

For more information	28
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## Foreword

# » THE METAVERSE IS ON THE HORIZON

During the pandemic we were all looking at the virus. We should have been looking at the internet.

As the dust settles, we've realised that our online habits during lockdown will have changed us and society forever. Brands understand that the way we consume, interact and what we value will never be the same again.

The surging use of online from all audience groups is changing the way all categories and sectors interact and connect with their audiences. The term 'metaverse' is currently the shiny new word that seems to encapsulate current excitement of the new stage of the online experience.

So, in recognition of these changing behaviours, the investment from some of the most important companies in the world, and because every shiny new toy needs examining, we set out to understand what new tensions may arise from these innovations and prepare for this new space.

In this report we hope to provide clarity of what the metaverse is and isn't, understand the tensions that will exist for consumers in these new spaces, as well as what roles and responsibilities will be needed by our industry and by advertisers as the metaverse evolves into our everyday lives. We aim to show how brands will need to adapt the way they communicate to connect in the right ways, particularly through media execution and advertising.

We hope you find this report clear, insightful and inspirational. No one has all the answers yet, but we hope to be asking all the right questions.

So together, let's intelligently explore this brave new world.

**Nadine Young, CEO Starcom UK  
and the Starcom Team**



# Introduction

## » OUR APPROACH

### Our Questions:

Five questions prompted this study:

- What is the/a metaverse and why is it of interest to the media industry?
- How will the metaverse impact the way people connect and interact with each other?
- What opportunities and dilemmas arise when people start to engage, research and shop in metaverse spaces, and how can brands navigate these tensions?
- How might curated and designed metaverse spaces impact core human values such as truth, value, belonging and status?
- What new considerations and responsibilities will emerge for advertisers and media distributors in the metaverse?

### Methodology:

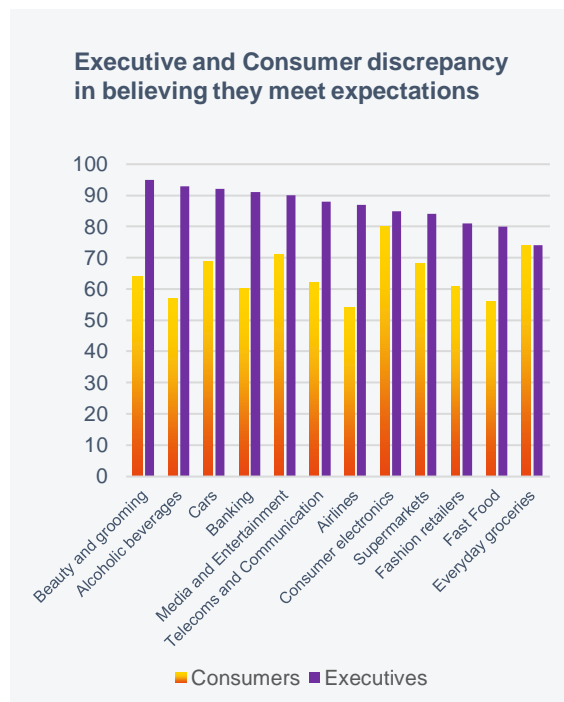
- Forum discussions with 100 UK members of Starcom's bespoke online community 'The Street'.
- Desk research via reports and research from institutions including, Foresight Factory, Mintel, University College London.
- Online content analysis using Netbase QUID platforms for social media and published content.
- Expert interviews:
  - ▶ **Alison Goldsworthy**, Founder and CEO, The Depolarization Project
  - ▶ **Alex Le**, EVP of Strategy & Special Projects, Reddit
  - ▶ **Jay Owens**, researcher and writer in tech and design
  - ▶ **James Chandler**, Chief Marketing Officer, IAB
  - ▶ **Lindsay Rowntree**, Head of Operations, ExchangeWire
  - ▶ **Tom Johnson**, Managing Director, Trajectory
  - ▶ **Sarah Golding and Adam Malone**, Designers in Virtual Reality and Theatre
  - ▶ **Sophie Barr**, Business Director, Starcom
  - ▶ **Jasdeep Mondae**, Director of Demand Generation, Performics @ Starcom
  - ▶ **Roxana Larizadeh**, Commerce Lead, Starcom

### Consumer Tensions:

At Starcom, our approach to studying the future is to look at culture through the lens of tensions. We are not just looking at what is going to be different, novel and exciting, but equally any new tensions set to arise from macro, societal changes.

Only by identifying new conflicting needs can we start to anticipate new behaviours and define new solutions. Where do people simultaneously want oppositional things? We may want indulgence but also frugality. We may value our independence but we need company. How can brands and media then resolve these conflicting needs?

Our bespoke research in 2017 found a disconnect between executive and consumer expectations. So our aim is to identify the tensions in what people want, then uncover the marketing dilemmas advertisers are faced with. This will help us find the most innovative, relevant and meaningful solutions.



**Business Transformation Predictor, Publicis Media, 2017**  
**Executive Question:** To what extent do you feel that your business is currently meeting your customer's expectations? % Agree  
**Consumer Question:** To what extent do you feel that companies and brands are innovative to meet customer expectations? % Agree



# What is the Metaverse?

## » THE ORIGIN AND EXPERT POINT OF VIEW

### Q: Where does the term 'Metaverse' come from?

A: The 'metaverse' was coined by Neal Stephenson in his 1992 novel 'Snow Crash'. The sci-fi thriller reveals a world that is layered and enriched by digital information. Bots acts as our assistants tapping into the digital space to help, support and guide individuals. The metaverse was also an alternative space that would fully immerse people. It was an inherently dystopian world, a parody on cyberpunk.

However, it seems the author, in recent years at least, doesn't see the technology itself as dystopian. Neal Stephenson, claimed in an interview in 2014, that it was "gratifying" that the metaverse was an idea that could "stand up on its own three feet and lumber about, at least in the setting of tech blogs." He was also an admirer of Michael Abrash, Chief Scientist at Oculus, who referenced the metaverse when he joined the company. Stephenson said, "I can't think of anyone better qualified to be the chief scientist on a project like this."

### Q: What does the word 'metaverse' mean?

The metaverse is a portmanteau of "meta" meaning 'beyond' or 'about' and "universe" meaning 'a particular sphere of activity or experience'. Often, 'meta' is used to describe something self-referencing itself (e.g. metadata is data about data), to transcend the physical into the conceptual (e.g. Metaphysics). The Metaverse's meaning leans more on the idea of

'beyond' – being both an alternative 'other' virtual space as well as a layer over the real world through augmented technology – that can elevate or tell us more about the world around us.

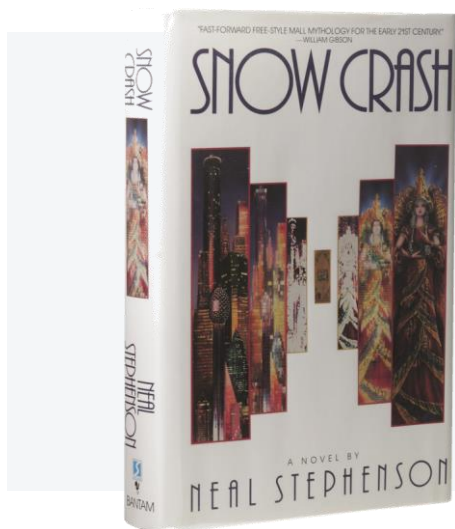
### Q: How are those building metaverse spaces defining it?

**META:** "The metaverse is the next evolution of social connection. It's a collective project that will be created by people all over the world, and open to everyone. You'll be able to socialise, learn, collaborate and play in ways that go beyond what's possible today." *Mark Zuckerberg, CEO, Meta*

**MICROSOFT:** "Moving between different metaverses would be like switching between websites on today's internet. Though unlike in today's world, users will want to take a persistent digital identity, and other digital possessions, with them as they move around." *Alex Kipman, Technical Fellow, Microsoft*

"A new layer of the infrastructure stack... [where] the digital and physical worlds converge." *Satya Nadella, the CEO of Microsoft*

**EPIC GAMES:** "An evolution of how users interact with brands, intellectual properties and each other on the internet. It would be a kind of online playground where users could join friends to play a multiplayer game like Epic's "Fortnite" one moment, watch a movie via Netflix the next, and then bring their friends to test drive a new car that's crafted exactly the same in the real world as it would be in this virtual one." *Epic Games CEO Tim Sweeney*



“ Besides, interesting things happen along borders – transitions - not in the middle where everything is the same. ”

**Neal Stephenson,  
Snow Crash, 1992**



Why are we talking about it now:

# » 1. THE 'METAVERSE' MARKS TRANSITIONAL BEHAVIOUR SPARKED BY THE PANDEMIC

A UNIQUE CULTURAL, GLOBAL MOMENT IN HUMAN HISTORY

INVESTMENT FROM TECHNOLOGY COMPANIES

AN INDUSTRY FUTURE-FACING BUZZWORD

## 1. A unique moment in human history:

Pandemics throughout human history have adjusted our behaviour. In ancient times, pandemics nurtured myths and suspicions, influenced spiritual traditions as a result.

In more modern eras, aided by our understanding of how germs and viruses spread, pandemics have also modified people's social behaviour. They can speed up existing trends and nurture new behaviours. In the case of Covid-19, social isolation due to lockdown restrictions has supercharged the take-up of technology.

Usually cohorts bring a slow(ish) evolution of digital behaviours. But prolonged lockdowns encouraged all demographic groups to adopt digital-first habits across all aspects of our lives, from working and shopping to socialising, seeking information and entertainment. Trajectory data from Feb 2021 found that 69% of the UK had taken part in a leisure activity online, whether it was a Zoom quiz, internet gaming with friends, watching sport or a film with others, attending a virtual event or joining an exercise class from home.\*

The global scale of the pandemic and the duration of enforced isolation period have therefore seen the adoption and sophistication of new habits to an extent we have probably never witnessed before. And it is worth considering that many countries around the world are still far from putting the health phrase of the pandemic behind them, and even countries like the UK still cannot say for sure another lockdown is impossible. With this mindset, we shouldn't expect people to feel they are able to fully return to all pre-pandemic behaviours but to continue at the very least to embrace some of their new online behaviours.

96% UK online penetration

Office of National Statistics, 2021

90% of Americans say the internet has been important to them personally during the pandemic, 58% believed it essential (up from 53% in 2020)

Pew Research Center, 2021

'Unthinkable scale'  
'Massive disruption'  
'Inflection point'  
'Exponential process'  
'Punctuated equilibrium'

Statements from experts in tech, comms and social change. Pew Research 2020





Why are we talking about it now:

## » 2. THE METAVERSE IDEA HAS INVESTMENT



### 2. Investment from technology companies

Over the past 15 years or so, technology companies have dictated many of the trends that influence the media and advertising industry. When companies such as Microsoft, Meta and Twitter invest in new visions, they therefore have an important impact on the way we do business too.

During the pandemic, companies who have profited and excelled could all be defined as ‘platform brands’ – brands whose product or service stems from an online offering. The seven most valuable U.S technology companies – Apple, Microsoft, Amazon, Alphabet, Meta, Tesla and Nvidia – picked up a combined \$3.4 trillion in market cap during 2020, due to both the pandemic and resulting economic crisis. While lockdowns have led to an increase in value of the big digital platforms, metaverse development is where they are investing a significant proportion of those profits. According to Bloomberg Intelligence, the market size for Metaverse is expected to be \$800 billion by 2024.

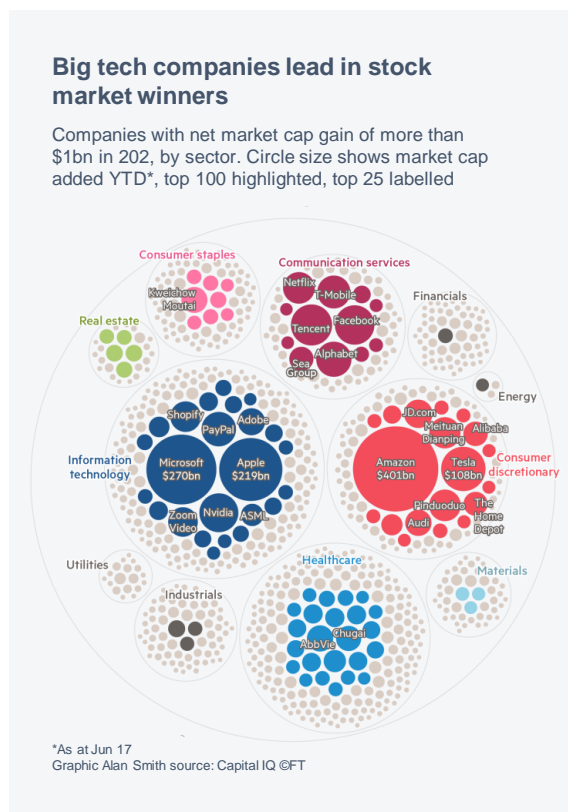
#### Industry investment into the Metaverse

**META:** \$10 billion investment in global research and programme partners

**MICROSOFT:** Announced Mesh technology in early 2021 which will allow users of Teams (250 million people around the world) to appear as avatars in video meetings and visit virtual work spaces in the second half of 2022.

Microsoft also won a \$22 billion deal to supply the US army with HoloLens technology earlier this year.

**EPIC GAMES:** A funding round of \$1 billion in April 2021 to help accelerate its long-term vision for the Metaverse.





Why are we talking about it now:

# » 3. THE WORD 'METAVERSE' ALLOWS US TO TALK MEANINGFULLY ABOUT THE FUTURE

A UNIQUE CULTURAL, GLOBAL MOMENT IN HUMAN HISTORY

INVESTMENT FROM TECHNOLOGY COMPANIES

AN INDUSTRY FUTURE-FACING BUZZWORD

## 3. A new word for a new world

The advertising industry is a future-facing one. It tracks the zeitgeist and aims to be one step ahead when it comes to culture. As such we often need inspiring new language to wrap around these new ideas and behaviours. But many of the words we have around the internet (think e-anything, digital, online) are now so humdrum that they reflect our current behaviours rather than illuminating new ones.

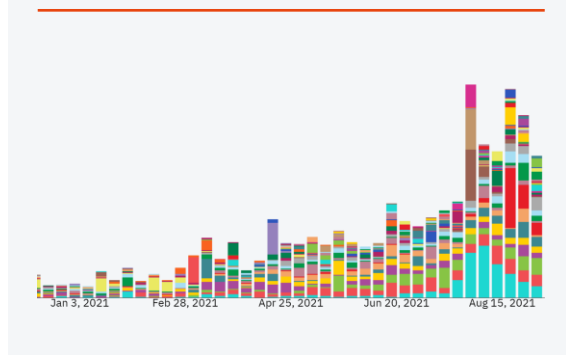
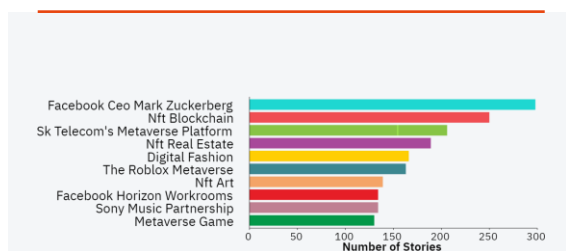
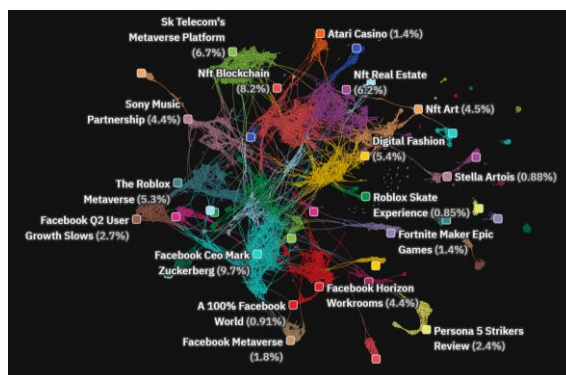
An additional reason why there is so much trade buzz around the term metaverse – even more than say ‘the internet of things’, the hot new thing a few years ago – is that there isn’t a definitive definition yet. The/a metaverse remains a fuzzy word that means different things to different people, and therefore has caused much technical and visionary debate. Will there be a single metaverse or millions of metaverses? Are we already living in metaverse spaces that are yet to go mainstream, is it something that will be here in five or 25 years’ time – or will it forever be impossible? Is it a utopian or dystopian vision of the online experience?

And of course different companies all have their own visions of what their ‘metaverse’ world offers people. Mark Zuckerberg’s vision is consumer centric; people connected online able to do lots of cool stuff, primarily because it’s cool. Microsoft’s vision on the other hand is firmly rooted in an ‘enterprise’ vision, offering technology that will enable us to adapt to a world of remote working.

Like it or not, the metaverse is key to how the biggest consumer and enterprise internet businesses are planning for their future.

## Online Content Mentioning ‘Metaverse’.

Key topics include Facebook’s rebrand to ‘Meta’, blockchain, NFTs and gaming platforms such as Roblox.



Source: Quid, News article timeline with 3065 stories. Coloured by topic clusters.





# Why should we care?

## » WHAT THE METAVERSE PROMISE MEANS FOR ADVERTISERS?

### Unravelling the meaning of the metaverse...

The term 'metaverse' represents a vision of the next stage of the internet, where people can meet, work, be entertained and find information either in an alternative virtual space, or via a digital layer over the physical world.

The metaverse is also everywhere; it seems to have many definitions and points of focus that are both inspiring and overwhelming at once. The reason the term 'metaverse' is still vague is simply because we are so early in our discussions and visions of what it could be. We are still defining it.

A decade ago, advertisers had to prepare for a mobile-first world. Many can recall the confusion and scepticism surrounding the mobile internet. Today, the call is to prepare for the metaverse world(s). The speed of change is staggering, not only in tech investment and innovation, but also in consumer behaviour. The pandemic's forced lockdown periods have supercharged the adoption and sophistication of digital alternatives to real world experiences in all aspects of our lives – from dining, working, shopping and socialising. No advertiser will have an audience that won't be affected by these metaverse ambitions in some way. Venture capitalist Matthew Ball elaborated in a 2020 [Metaverse blog post](#):

*“Even if the Metaverse falls short of the fantastical visions captured by science fiction authors, it is likely to produce trillions in value as a new computing platform or content medium. But in its full vision, the Metaverse becomes the gateway to most digital experiences, a key component of all physical ones, and the next great labour platform.”*

### Lean in and learn more

It is easy to be sceptical at this early stage. How different will the next few years be? The metaverse could simply be yet another tech fad.

Yet the metaverse offers a similar proposition to that of mobile-first internet 10 years ago. It was ludicrous to imagine buying anything of value on a mobile phone – a sofa, a puppy, a house! And yet now mobile devices are our primary gateways to our relationships with others, commerce and information.

It would therefore be wise to be open-minded about the visions being projected for a future metaverse world.

- What articulation and vision excites you or scares you the most? What elements are you most sceptical of and most inspired by?
- What virtual experiences, digital layers, and alternative realities could be relevant for your brand and category now?
- Where could you experiment in metaverse spaces now to build your understanding of how to be relevant? Consider both products and services as well as advertising.

## » TENSIONS IN THE METAVERSE

Our research has pointed to four important tensions in how metaverse virtual realities could change the human experience:

### **SOCIAL vs. SOLO** Interactions (research)

The metaverse smashes 1<sup>st</sup> and 3<sup>rd</sup> spaces together  
“I feel I’m with everyone, but it’s just the screen and me”

---

### **TRUTH vs. DESIGN** Information (product experience)

The metaverse can tell you anything you want to hear  
“I trust what I see, even if I know it is fake”

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### **ACCESS vs. OWNERSHIP** Value (Commerce)

In metaverse spaces, actions as well as objects can be owned  
“I want access everything, but I want to own what is mine”

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### **PROTECTION vs. FREEDOM** Ethics (brand relationships)

The metaverse is organic... but needs regulation.  
“I want data protection, but I need to trust the guardians”

Research

## Interactions » SOCIAL vs. SOLO «

As the Metaverse smashes 1<sup>st</sup> and 3<sup>rd</sup> spaces together, it will allow us to be close to the many, not just the few.

“

I find it easier online as I'm quite shy. I can express myself and be more confident when talking to people online, which has helped me when meeting in real life.

Starcom's The Street

”





# » Tensions in the Metaverse: Interactions

## » 'I FEEL I'M WITH EVERYONE, BUT IT'S JUST THE SCREEN AND ME'

### Introduction

Life without the internet in lockdown would have been very different – perhaps even impossible. Lockdown forced people to isolate at home, defined as the 'first space' by community building practices, and prevented us from travelling to our social hubs of work (aka 'second spaces') and public spaces (the 'third space'). But the internet ensured we were able to turn to digital alternatives of real-world experiences through apps, videos, forums and other online communities. We could chat to colleagues via Teams, shop via Amazon, study online via YouTube, have drinks with friends over Zoom and work out with various fitness apps.

These emerging online mainstream spaces have been defined by researchers as the 'fourth space'. They have allowed us to fulfil essential needs such as belonging and connection, and nurture interactions and relationships over years. During lockdown, there was no other way to fulfil these fundamental human needs.

Tom Johnson at the research agency Trajectory has noted that the 'fourth place' is *"a digital space that recreates real world leisure and, in doing so, changes it. A drink online with friends isn't the same as a drink in the pub; not in terms of what we drink, how we talk or whether the night will be predictable or spontaneous. Joining an exercise class from home is not the same as going in person; this is reflected in cost, experience and even some of the social norms that go with it. These are such distinct activities they should be thought of differently. These are new types of leisure, not recreations of old ones."*

### First vs. Third spaces

Online messaging boards have been around since the late 20<sup>th</sup> century, allowing us to get closer to people around the world. These social sites have evolved to encourage different ways of building relationships. Some, like Friends Reunited, encouraged people to meet in the real world and behaved almost like a phonebook. Others, such as MySpace, focused on curating one's own space on the platform as a way for likeminded people to connect via shared interests and personalities. Facebook introduced feeds to keep people updated on what friends were up to without leaving your own profile page, and the ability to quickly interact with each other via Like buttons.

People in their own spaces were able to connect via a site and feel that they were amongst company, even whilst sitting alone. Terms such as 'Friends', 'Likes' and 'Influence' have all taken on new meanings on these platforms. These social platforms all blurred the lines between building a little corner of the web to belong to, vs. interacting, talking and listening to others in online space.

Virtual reality and social gaming, which many now define as 'metaverse spaces', allow people to feel truly transported to a new space. They combine the qualities of first spaces – the intimacy of home – with public spaces and mainstream activities with others that take place there. Rather than viewing fourth spaces as a replacement for first, second and third spaces, they are places in their own right. In these spaces, unhindered by our visual appearance, accent or background, people often feel able to explore different aspects of their personality – and even feel emboldened to take on new characteristics. They allow us to build different relationships and interact in different ways layered or fully immersive.

### The death of proximity

The University College London's 2021 report 'The Global Smartphone' explores what they have called 'the death of proximity'. They argue that the phones of today, with their many apps and tracking abilities, are our true homes – our safe spaces that we can escape and retreat to (first space) no matter where we are. The increasingly atomised culture that many of us live in means that for some, it is only in digital spaces that they can feel truly at ease and comfortable in their own skin. Jay Owens, researcher and writer in design and tech notes:

*"It is now thought hypocritical to be different to people online vs. offline. Yet that had been thought to be one of the great virtues of being online. Particularly for marginalised communities or people who felt that they didn't fit into other worlds. The alarmist talk around social media is often that we are getting away from 'the real world'. But it assumes that the real world is a good space for people. It assumes that people have safe homes, that they have solid communities and connections, which many people don't. So, I remain optimistic to what the online world can offer when the real world doesn't deliver."*



## The mob at home

Concern is raised when – to use the language of spaces again – our behaviour adheres to the ‘first space’ rules of the home, but the actual impact of our actions are felt in public spaces – albeit online. When sitting with our phone or our screen, we can forget how public online spaces can be.

Comments can quickly be taken out of context or be misconstrued as others read these public spaces via the lens of their own ‘home’ devices.

Dotty Charles, author of “Outraged: why everyone is shouting and no one is talking”, suggests that in the flat, vast land of outrage online, we can easily lose the ability to focus our anger on the things that really matter. The ebb and flow of mob rage online means that individuals, companies, and institutions may well feel the discomforts of cancel culture for a while but can easily evade real punishment. She argues that we need more deeply textured and in-depth conversations, rather than quick pithy comments.

Alex Le, EVP of Strategy and Special Projects at Reddit, describes our current social challenges:

*“The pathway between your brain and your fingers is a little bit shorter than the pathway between the brain and your mouth. You’ll type things you won’t say out loud. We have to learn new ways of engaging with these with each other and having empathy virtually, as our virtual tools come out of a very primitive state here on the Internet when it was all text. I’m very excited for the metaverse and how it offers us greater and richer ways of communicating. I think it’ll make the internet actually a gentler place.”*

## Content management

Content management is key to maintaining positive relationships online. Within forums with text-based conversations, this is already difficult. According to the Anti-Defamation League in 2020, 22% of people have quit online games because of harassment.

One example of a suggested content management approach using AI technology is Intel’s Bleep programme. It offers users a sliding scale from none/some/all against all categories of hate speech including racism, misogyny, and xenophobia. This crude approach may offer a solution to help those ignore the hate around them, but it hardly tackles the root cause.

But content management isn’t just about erasing and excluding bad behaviour. It must also be

about encouraging the good. This can be done in the early iteration of online spaces by simply encouraging the right influencers and audience groups to join online spaces early – thus setting the tone and codes of behaviour in the same way a pub, restaurant or café may do in the physical world. The idea of brand architecture then takes on a whole new meaning when considered in this way. What rewards, codes and nudges can brands build in metaverse fourth spaces to encourage positive social norms?

Games can encourage kindness in different ways. There’s explicit kindness, such as Kind Words where people can anonymously write short letters to share their struggles and for others to respond with supportive words. Or Rocket League which encourages online teams to meet up in the real world. Kindness, connection and support can be fuelled in different ways, and according to an Xbox survey in May 2021, 76% of UK adults think online gaming is a good way to bond and make connections with people.

## Space to play and fail

Whilst virtual spaces need to become more engaging and social, they are also powerful ways for people to explore alternative sides to themselves. In the iconic 1993 PlayStation advert “Double Life”, gamers reveal that, *“In the day, I do my job – I ride the bus, roll up my sleeves with the hoi-polloi. But at night, I lead a life of exhilaration... I have commanded armies and conquered worlds.”*

Virtual reality has to date excelled in the fields of education and simulation practices. Whether it to practise public speaking, learn to fly a plane, overcome phobias such as heights or spiders, or challenge your most innate and sensitive biases, virtual spaces will allow us to explore all parts of our individual identities – the good, the bad and the ugly.

## Conclusion

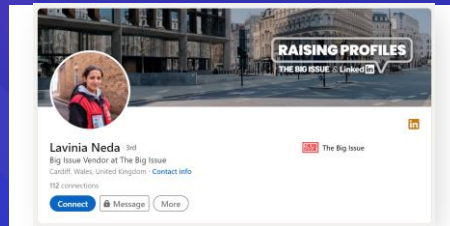
For brands though, the metaverse ‘fourth space’ completely reframes how we approach and engage with people on their devices and in their communities. Brands cannot turn up unannounced. We should not follow or trawl potential customers but rather ensure we are invited in (and we often are!), as well as contribute to those communities. Advertising must aim to be relevant and meaningful to the spaces they communicate in – just as in the real world.

## Interactions » RESOLVING THE TENSION

Brands must seek an invite and offer relevancy to users' metaverse spaces as they make connections in the early stages of research and consideration.

### EMPATHY

Match rational journeys with emotional stories



LinkedIn and The Big Issue partnered to elevate the profiles of magazine sellers during lockdown. The human story remains one of the most effective ways to deepen curiosity and make a commitment of purchase.

### SUPPORT

Offer one-to-one attention to focus on individual needs



To overcome inertia due to feeling overwhelmed by information online, Curry's developed a support network for browsers. Its success meant Curry's was one of the rare retailers to grow during 2020.

### CONNECT

Provide assets that groups can share to help connect them



To launch the Chelsea football kit, Three, in partnership with EE, teamed up with Nike to create an AR shirt launch. And rather than asking the players to launch the kit, it was launched and shared by fans via WhatsApp.



Product Experience

Information

# » TRUTH vs. DESIGN «

What happens to the truth if the metaverse can be anything you want it to be?

“

**Do not try and bend the spoon, that's impossible. Instead, only try to realise the truth .... There is no spoon. Then you'll see that it is not the spoon that bends, it is only yourself.**

**The Matrix, 1999**

”



# Tensions in the Metaverse: Information

## » 'I TRUST WHAT I SEE, EVEN IF I KNOW IT IS FAKE'

### Introduction

As tech design becomes ever more sophisticated, many metaverse investors, from Mark Zuckerberg to the Fabricant, have suggested that the metaverse is limited only by our imaginations. We will be able to create new worlds to have new experiences and tell new stories. But beyond these visionary promises, the global lockdowns around the world enforced by the pandemic continue to prompt many of us to turn to the internet first for information. It's where we hear first about the news and how we make sense of the world. The places where we get our information are of course varied and hierarchical. But as the sources of our information become more varied and from deeply designed and curated spaces, will the lines between what is real and what is designed start to blur the edges around how we see truth? How will we know what is actually real or true? And importantly, how will we care about the truth when it is at its most uncomfortable?

Should we panic? For some, pushing the boundaries of fact and truth is the metaverse's greatest strength. Derek Conrad Murray, Theorist on the History of Culture at the University of California has said, "*We need to detach this 'aesthetics of authenticity' from a desire to actually be authentic, or truthful ... the fakery is all part of the fun*".

Perhaps... But for businesses focused on user engagement, when we base so many of our decisions and our expectations on the world we are participate in, a world of fun fakery can be problematic.

### Context and provenance

Over the past decade, there has been a shift in how people receive their information. Where once we sought out traditional media sources who publish their points of view on the world (newspapers, radio shows, TV broadcasts) as well as local community spaces (pubs with friends, offices with colleagues, home with family members), today our online platforms deliver information via feeds and messages. In many cases, these are tailored and filtered to the understood interests of the reader.

In the wake of Brexit and Donald Trump's election, the term 'filter bubble' came to prominence as losing parties blamed algorithms (albeit crudely!)

for promoting and reinforcing misinformation. Of course, filter bubbles are firstly not intrinsically bad, and secondly, have always existed in some shape or form. Alex Le, EVP of Special Projects at Reddit, suggests the problem is when people are in 'invisible filter bubbles', where the original provenance and the source of the information is hidden under a platform umbrella. The message may resonate with us, but when the source or messenger of the information is hidden, people are unable to use their instinctive and highly attuned ability to work out whether it is information they can trust. Le notes: "*From a very early age, even as children, we are able to know who the good teachers are, the sources of information that we can trust.*" From the over-enthusiastic colleague at work, grumpy doomsayer uncles, or humorous cartoons in the tabloid, we are highly adept at assessing how much faith to place in a message due to the messenger and the context in which we find information discussed.

If the metaverse offers us opportunities for closer small group conversations akin to WhatsApp or Teams rather than big public discussions, there may be more opportunities for people to be lulled into invisible filter bubbles.

However, the metaverse also promises that we will get more information from virtually rich spaces, not just flat text on a screen. It should therefore transform pages and forums into richer dialogue and environments, allowing people to utilise their truth-sensing skills to question suspicious material and conversations. And as the digital world is layered over the real world, it should also offer people greater access to the context, origin and provenance of information.

### Risk and friction

People puzzle over how easily we can trust online strangers and platforms. Consumer rights group Which? found that during the pandemic, online fraud rose by a third in 2020, with £2.3bn lost by consumers in cases reported to the police. We are reachable in our familiar settings of home or work, on our familiar devices (which as already discussed, are increasingly our familiar 'safe' places in a volatile world). Simple design formats make it incredibly easy to respond or engage with a tap or a swipe. We appear to be less risk averse and more likely to take information at face value – even willing to disclose bank details to those who ask in a friendly way, taking what they say for granted.



Platforms where many of these interactions take place need to build in friction to allow people time to consciously make decisions. For many years, tech platforms have been focused on building frictionless experiences that remove the hassle around interactions. But friction, like context, gives people time to think through decisions more carefully. As more of us engage and transact with other strangers via online platforms – renting out beloved pets on Borrow my Doggie, allowing strangers to stay in our homes on Airbnb and starting up businesses on Etsy – helping people authenticate and validate transactions and checking what information we freely share with others become ever more important.

As new areas of commerce emerge, it is usually the most underserved communities that engage in them, who are most open to risk and therefore who should be given more support and protection. A recent Financial Conduct Authority-commissioned report on the cryptocurrency market found that women, the under-40s, and people from a black, Asian and minority ethnic background – all of whom are groups most typically underserved by financial institutions – are more likely to be investing in high-risk products such as cryptocurrencies.

## Messengers vs. Facts

In the novel *Snow Crash*, bots and the figure of ‘the Librarian’ resemble virtual assistants that help their humans find relevant information and fact check.

Algorithms sometimes get bad press, but they are the hard-working bots that should help consumers check, validate and sense check information, including brand and product information. Alison Goldsworthy CEO of The Depolarisation Project notes:

*“We live in a world of more information and to deal with that your brain automatically starts to categorise stuff, to adopt identities and project identities on other people – just to make sense of the world around you. And when that happens you start to activate groupish instincts and quite quickly you start to use those people as reference points rather than the facts. You use messengers and who is in a group to help process things. And that means all of us become more likely to fall for misinformation and be more vulnerable to bad actors.”*

Brands have versions of these sophisticated assistants in the form of programmes such as social listening or data monitoring, all aiding the company to see the bigger picture beyond their own niche lens. Bots should be able to break through the niche communities of like-minded

friends to help consumers fact check assumptions.

Today consumers can already tap into the wisdom of the crowds on topics of any kind and are eager for more. According to Foresight Factory’s recent data in 2021, 60% of Brits are interested in a service that allowed them to check how ethical a product or service is before buying it. Automated bots, from trackers to filters to source checkers, will empower consumers further to help them make brand and product choices.

## Growth and change

Alison Goldsworthy is also co-host of the podcast ‘Change My Mind’ and she noted how difficult it is, in any circumstance, for people to change their minds.

*“People find it tremendously hard to talk about changing their mind. Physiologically it triggers the pain points in your head when you try and say you have changed your mind or something. You need incredibly strong norms to create an environment where it’s OK for someone to say not even that they got things wrong, but that they now think something they didn’t think previously. It will be something that the metaverse will really struggle to grapple with; many of these online products are designed make it even harder for you to do so and help people to bridge divides.”*

In many ways, online spaces have made it more difficult for people to admit they were wrong, that they fell for misinformation or now think differently. Claims in text can either be stood by or deleted. However, in saying this, the opportunities offered by the metaverse may go some way to reversing this trend. Its power to immerse people into new contexts, as well as challenge held biases and points of view, can be emotive ways of normalising and making it OK to let go of old ideas and accept new truths.

Brands can use their branded arenas in virtual spaces to help overcome misperceptions and encourage non-users for trial and uptake.

## Conclusion

Many of the virtues of the virtual world are in its creative and imaginative storytelling. But people believe what they see and what they hear, and so it will also be a place where viewpoints can be challenged, maintained, and solidified. It is crucial therefore that metaverse spaces are unpinned by solid principles that hold truth, facts and trust in high esteem. Trust is incredibly difficult to regain once lost. But metaverse spaces that promote scrutiny and offer transparency should allow customers much greater access to the truth.



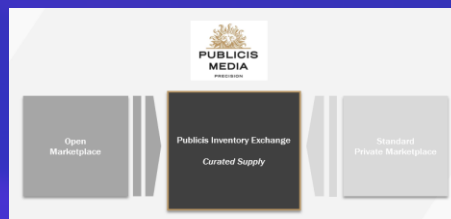
# Information

## » RESOLVING THE TENSION

The collective truth matters. Brands must build consensus through fact checking and contextual references to support their product and brand truths.

### CHAMPION TRUTH TELLERS

Support quality content and rigorous data analysis



Advertisers are best placed to champion truth tellers. Publicis PIE allows advertisers to support quality platforms and place themselves in contexts known for high levels of trust and truth.

### CREATE SPACES TO CHANGE OUR MINDS

Arguments rarely work. Reframing the context can get people on your side



The award-winning VR documentary *Traveling while Black* asks viewers to see the world from the view of a community discriminated against. It demands self-reflection and consideration.

### EMBODY A GREATER TRUTH

Creatively design a greater truth to show what is possible



EA Games brought Kiyon Prince, a teenager whose professional footballing career was cut short when he was murdered by racists, back to life. Their designed world speaks to a greater truth of solidarity against hate crimes.

Commerce

Value

## »ACCESS vs. OWNERSHIP«

If everything in the metaverse can be marked and therefore owned, what happens to the value of our possessions?

“

**It took a few clever marketing executives to make us think that ownership is a really important way to feel status. Why can't it be the same thing for virtual products? That actually a digital pair of trainers has the same, if not more value than a physical pair of trainers?**

”

**Lindsay Rowntree, Head of Operations, ExchangeWire**



## Tensions in the Metaverse: Value

# » “I WANT TO ACCESS EVERYTHING, BUT I WANT TO OWN WHAT IS MINE”

### Introduction

The more we invest our time in virtual experiences, it naturally follows that we are also prepared to invest our money on these experiences. People are prepared to pay money – sometimes very large sums of money! – for things that are essentially a line of code. These purchases don't exist physically in the real world.

The purchasing and ownership of things that exist virtually have been made possible by NFTs, (Non-Fungible Tokens) which are like certificates to say you own something digitally. “A fungible token would be like a dollar coin”, explains Roxanna Larizadeh, Commerce Lead at Starcom. “If I lent you a dollar, it doesn't matter to me which dollar I get back, the value is still the same. Any dollar would do. Whereas a non-fungible token would be something like an original Monet. Even though a replica may look identical, the original has more value. Non-Fungible tokens allow us to do this in the digital world”.

When Jack Dorsey sold his first-ever tweet in March 2021 for \$2.9 million through an NFT, it made headlines. It signalled that a virtual item like a tweet – that in theory anyone could access and read for free on the internet – still had, in the right context, enough perceived value to be sold for such a high sum.

Virtual possessions have value to people. They could be skins and accessories for avatars in gaming communities, content such as music, art or literature, or even messages that we want to keep as mementos. But these virtual things are increasingly important to us as our relationships, creativity and ideas become ever more established in digital spaces.

### A single digital identity

Blockchain's ability to differentiate between two seemingly identical objects in the digital world has huge value – not just for customers, but for their creators. Until now, digital creators have struggled to mark their ownership of the items and claim the rights. People could copy, paste and share photos, music tracks and the like, pretty much unhindered. But with NFTs, a creator can 'own' their original work. And in some cases profit tangible from the creative in the same way arts in the physical world do.

Zoë Roth, famous as 'Disaster Girl' recently sold the original digital image of her four-year-old face by a burning building, looking mischievously at the camera which has been a popular meme since 2008.

Similarly Jeff McCurry, whose photo of the gorilla, Harambe, which has also been shared more than five billion times online has been able to cash in on his famous image. Until now, these photographs could be used and shared without any nod to the originator. Both Roth and McCurry have noted that the NFTs give them value in two ways. First the obvious financial benefits that come from selling their images, but more importantly, the sense of getting back some control over a situation that they have felt powerless about until now.

Whilst the high prices of these 'original' digital pieces of content is almost certainly in a hype bubble, NFTs tap into our fundamental needs of ownership, status, and control over our work. In theory any content could be tokenised, but as NFTs become normalised we should see them as a means to protect the things that have emotional value to us. They also could form a practical purpose; from a customer's point of view, NFTs could also act as receipts for not just virtual but also physical items declaring ownership.

### A sustainable alternative

There is also an important potential sustainability story within virtual ownership. Whilst at the moment, virtual items that are powered by blockchain are carbon intensive, this could and should change. Indeed, Elon Musk plummeted the value of the cryptocurrency Bitcoin by more than 30% in May 2021 with one tweet, as he told his followers Tesla would suspend accepting the currency as payment for its vehicles due to their use of fossil fuels in bitcoin mining.

Whilst many acknowledge that we need to lower and reduce our consumption, people will always crave ownership of things, and there can be huge satisfaction in a good splurging session! We all have the desire to buy things, that rationally we would admit we don't really need.

As the world's population grows, alongside increasing supply chain issues and international trade agreements, resource depletion and overcrowded venues, will virtual experiences and possessions provide a solution for people to consume guilt-free before committing to physical purchase? If both brands and customers continue to demand better sustainability practices from blockchain services, virtual possessions could offer people the means to indulge in a world of abundance without the carbon footprint.





## Introduction and trial

Unlike physical third spaces, the digital realm is not limited by space or time. Online shopping has allowed businesses to access customers that they could never have connected with on a traditional high street. Many brands are finding that this is also true in virtual worlds – particularly in gaming communities. For brands keen to access innovative, young audiences, virtual possessions act as an important introductory step. Lindsay Rowntree, Head of Operations at ExchangeWire, notes;

*“Many luxury brands are using virtual possession to connect with audiences in gaming communities, to start to build a desire and interest that they hope will evolve and grow as these audiences become more affluent.”*

## The quantified self

In virtual spaces, actions can be ‘owned’ in ways that are impossible in the real world. We’ve been moving in this direction for some time. The ‘Quantified Self’ was coined in 2007 by Wired magazine editors Gary Wolf and Kevin Kelly to articulate the cultural phenomenon of self-tracking with technology. The steps walked, the minutes slept, fertility cycles, connections made, moods and emotions registered, minutes spent doing an activity, and so on. This data taps into a narcissistic desire to know ourselves better, and in some cases, to adapt and improve ourselves to hit certain goals. It allows us to measure and compare ourselves against others, but also our own benchmarks – our former and idealised future selves. As the authors of the University College London study ‘The Global Smartphone’ explain, adapting our devices to our own cultural and individual preferences is how we’ve made these virtual spaces our home, through a process of personalisation which they call ‘crafting’. They note:

*“The smartphone is unprecedented in its malleability and intimacy. It can be moulded into a close correspondence with the character or interests of its user. The algorithms and artificial intelligence (AI) developed for this purpose remain less important than the ability of the individual to select apps, change settings and create or curate content. The individual’s creation of their smartphone can be considered as an artisanal craft”.*

These actions can be worn with pride and are increasingly the markers of status. It isn’t the design of shoes that you wear that marks out your status, but the miles you’ve run in them. This also acts as a way for people to assert their sense of control over the world. The authors of the smartphone study particularly noted that people resist AI and automated suggestions, whether it is Netflix overtly

recommending shows we might like or health brands providing recommendations for physical health. Rather than providing further instruction, brands should simply recognise our desire to watch ourselves, and provide better, more accurate tools for analysis and interaction in order to connect with customers.

## Platforms vs. possessions

Today we live in a platform world. The success of corporate platforms in the digital space can be explained in part by the term ‘network effect’. As more people participate on a platform, the value or utility of the platform increases for all users. From a business point of view, sharing products amongst a bigger and bigger audience lowers costs. For consumers, it means that platform brands provide access to huge categories of products for a fee equivalent to the purchase of one or two of those products outside of the platform. We can search for something specific of course, but the platform’s real value comes from accessing the collective.

Whether it’s a rental scheme that provides people access to a wide range of goods (e.g. children’s toys, baby clothes or tool libraries), or purely digital services accessing content (music, talks, articles etc.), access to the platform becomes the consumer’s priority. It’s the gateway to a wide range of content. We recognise the power these platforms have in our lives in the fact they quickly move from being just a destination to a verb. Just as Googling was absorbed into our lexicon years ago, today we Spotify, we Instagram and we TikTok.

However, as platforms themselves become more valuable, individual items on offer can become commoditised and therefore have less value. Filter services such as ‘Bad Film Index’ from Swedish streaming service Draken Film are helping consumers find their way through catalogues of content. Tailoring preferences on online platforms, along with credentials such as Non-Fungible Tokens should help to raise the profile of individual items as well as continue to elevate our reliance on platforms as a service gateway into the world of commerce.

## Conclusion

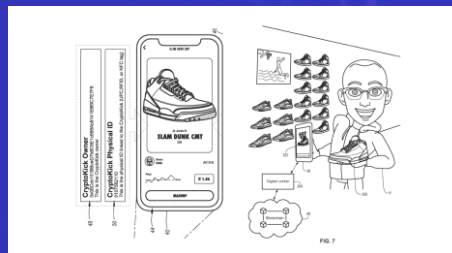
Virtual possessions offer perhaps one of the most exciting areas of the metaverse for brands. Navigating these new codes of behaviour and need states as our priorities shift and what we value becomes more contextual and nuanced will be essential for brands. The challenge will be to adapt from their purely physical presence to one of hybrid or even purely virtual existence.

# Value » RESOLVING THE TENSION

Translate ownership into investment

## CREATE SCARCITY AND HYPE WITH NFTs

Play with scarcity and hype and status through selling NFTs.



Nike has filed seven trademark applications including their swoosh tick as they prepare to sell virtual sneakers alongside their physical fashion items.

## CONSUMER CREATIVITY

Creativity is a driving force for consumer engagement. Allow consumers to design items that can then be shared or even purchased offline.



To promote the launch of its Autumn 2020 "Kangol feat. Mabel" collection, H&M introduced six new AR filters on Instagram, allowing users to create their own shareable music videos featuring streetwear from the new range.

## TURN ACTIONS INTO ASSETS

How can virtual or physical actions unlock commerce in the alternative space?



Visitors to Chipotle virtual restaurant received coupons for a free burrito from a real-world Chipotle restaurant.



Brand Relationships

Ethics

## » PROTECTION vs. FREEDOM «

Metaverse spaces built organically by tech companies and tech enthusiasts are valued for the many freedoms they offer people. Yet how can we ensure these spaces are safe, ethical and built for us all, not just benefit a few?

“ Governments derive their just powers from the consent of the governed. You have neither solicited nor received ours. We did not invite you. You do not know us, nor do you know our world. Ours is an act of nature and it grows itself through our collective actions ”

John Perry Barlow

Declaration of the Cyberspace Independence





## Tensions in the Metaverse: Ethics

# » 'I WANT DATA PROTECTION, BUT I NEED TO TRUST THE GUARDIANS'

### Introduction

The platform of the metaverse will be fundamentally different to the media 'platforms' of today, promising a seamless connection of decentralised virtual and physical spaces to create a more natural and fluid means of online and offline interactions.

Meta (formerly known as Facebook) certainly believes that building this will be technically possible. But perhaps one of the biggest challenges that will face the development of "one metaverse" will be the different, potentially conflicting sets of rules and expectations that users (and brands) will need to follow. The tensions between these conflicting rules and laws are already being played out between national policymakers and global platforms today.

Provided that there is a functioning economy, there needs to be safe and secure ways to make payments; presumably with ways to support rights enforcement – whether digital rights management to enforce copyright, or identity protection to prevent identity (or avatar) theft.

When users' activity falls between what is permissible by the laws and platform rules on one hand but unacceptable within the values of particular cultures or communities, it's either up to the platforms to self-regulate, governments to legislate, or users and communities to take matters into their own hands.

### Governments vs. Platforms

We have seen tensions play out between global platforms and national governments; many online platforms have either withdrawn from China or run their operations differently in the region. GDPR in Europe has led to some US-based websites simply blocking overseas visitors rather than dealing with the technicalities of the new data protection regulations. Last year, Australia's government imposed a mandatory code of conduct between media outlets and digital platforms after talks on content payment rules stalled. And although TikTok escaped Donald Trump's threat to ban it in the US unless it sold its US operations to a US company (fearing security implications of the Chinese parent company's legal inability to refuse to share data with the

Chinese government), the underlying concern remains. Meanwhile, the version available in mainland China ("Douyin") and the rest of the world ("TikTok") have no access to each others' content, while the app has been permanently banned in India.

So while in theory there is "one internet", thanks to these tensions between nations and platforms, the reality is somewhat more nuanced.

Similarly, the concept of "the metaverse" (rather than the plural "metaverses") is the vision; whether its development will play out that way is still unclear. What will happen when people who are physically in different regions are 'present' in the same online space? Or when a user in an augmented reality environment is present (as a hologram) in the physical world in a different legal jurisdiction?

### Platform wars

Google's development of the Android mobile platform and the Chrome browser made sure that their online business wouldn't be threatened by another hardware platform in the way they were on desktop (where Windows had a monopoly, and the Internet Explorer browser was the preinstalled default, with Microsoft websites as the default home page).

Epic Games built their own online platform that allows Fortnite players across consoles, computers and mobile devices to play in the same universe – until ongoing conflicts over payment mechanisms with Apple and Google led to Epic pulling the game from their app stores. (At time of writing, legal challenges are still ongoing.)

Although the metaverse concept is a decentralised platform (similar to the World Wide Web), these tensions and conflicts between platforms won't go away any time soon. Microsoft and Meta both seem to share the 'one metaverse' vision (with Teams at the heart of Microsoft's existing implementation and Horizon Workrooms its Oculus-based equivalent), but as yet there is no sign of a way to join a Teams meeting from Horizons Workrooms or vice versa, or using an Oculus headset to connect to a Teams avatar. It's clearly still early days, but this seems to be the space to watch to see if the development of the tech giants will align with their interoperability principles.



## Community-generated guidelines

While conflicting national laws and platform rules seem to suggest that “one metaverse” is an unrealistic prospect, perhaps the “bottom-up” view of what is right and wrong being determined by cultural and community rules. If the metaverse promises to be a different kind of platform – decentralised, with no single ‘owner’ able to impose the rules – then perhaps it makes more sense to expect its ‘rules’ to arise from consensus among its communities of users than from its architects?

This was the prevailing wisdom of the early days of the internet. From John Perry Barlow’s A Declaration of the Independence of Cyberspace in 1996:

*“Governments derive their just powers from the consent of the governed. You have neither solicited nor received ours. We did not invite you. You do not know us, nor do you know our world. Cyberspace does not lie within your borders.”*

Similarly, The Cluetrain Manifesto in 1999 echoed the sentiment towards businesses and marketers: *“You’re invited, but it’s our world.”*

But community rules often stem from deeply rooted cultural practices. This is most often seen in the differences between individualistic and collective societies when it comes to the ethics and morals around privacy. For global metaverse spaces, these moral codes of what is and isn’t acceptable could prove problematic.

Still, James Chandler, Chief Marketing Officer at the IAB remains optimistic,

*“We’ve had to learn a lot about etiquette with the internet. Etiquette will be very different when you go into a Reddit thread as it will be on a message board. And we’ve learned how to do a Zoom and Teams and everything else. So, I’m glass half full on how it pans out because I think as human beings, we gravitate towards people who look and sound like us.*

*Even if it is this big global thing we will still gravitate towards people that have shared interests or things in common. Those things might not be language, they might not be culture, they might be a love of something or an experience. What brings us together is more important rather*

*than perhaps what’s different about us.”*

## Targeting guidelines

Jasdeep Mondae, Director of Demand Generation, Performics @ Starcom, outlines some of the challenges our industry will face – particularly when it comes to setting the rules and parameters around the new ways we collect data and subsequently target potential audiences:

*“Obviously, the data collected in the metaverse will change the way we target people. Currently our targeting in digital is based on proactively people providing their data. We understand intent based on things like what someone is searching for or what they said they are interested in on social platforms. But potentially targeting in the metaverse will be based from gathering background data, even biometrics. Where intent could be defined by looking at something in the metaverse and that’s really valuable for brands.*

*There will be legal questions around that – who governs the real estate in metaverse spaces? Who determines what advertising frequency standards are too high? We are still quite a long way from understanding what that could look like”.*

These are big questions that make it essential for platforms to monitor and understand how data can be collected, as well as ensure that the communities know the value exchange in sharing their data for better products and services.

## Conclusion

There are technical challenges in the way before many of these ethical issues become the responsibility of the platforms. Although “internet events” with thousands of people are commonplace, the world record for the number of people in the same virtual reality event is currently only 2,340 participants in 2018 (to raise awareness of schizophrenia). It’s why Fortnite is not yet ‘a metaverse’. Fortnite events may have involved over 15 million players, but they are actually taking place in thousands of copies of the same world, each with its own much smaller group of players.

While this makes for a massive cultural event, it also makes it relatively easy to avoid the issues of challenging interactions between strangers from different legal jurisdictions. For a while... at least.

# Ethics » RESOLVING THE TENSION

## OFFER SOLARPUNK SOLUTIONS

Solarpunk is a genre of science fiction where technology enables humanity to sustainable co-exist within nature. It endorses cleanliness, abundance and equality.



In 2017, the Minecraft community saved the Białowieża Forest in Poland through a game where a perfect Minecraft replica of the forest was destroyed. The outrage provoked by the game stopped the logging and the environment minister was fired.

## BRAND VALUES

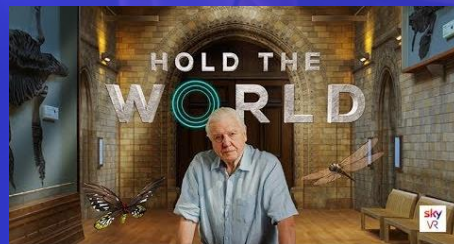
Decisions are easy to make when you have clear values.



Tesla noted in 2021 they were no longer accepting the BitCoin currency as payment for its vehicles due to their use of fossil fuels in bitcoin mining.

## ACCESS TO EDUCATION

Use virtual and augmented spaces to provide better access to resources that will help people learn and be inspired.



'Hold the World', created by Sky and Factory 42, transported viewers via VR to the Natural History Museum in London, where they could hold and examine artefacts in detail.



## In Conclusion » PLAN TO WIN IN THE METAVERSE

### INTERACTIONS (research)

Earn permission to be in consumers' spaces through a seamless strategy across micro and macro media.

**EARN PERMISSION TO BE IN THEIR SPACES**

**C L O S E R**

### INFORMATION (product experience)

Return to your core purpose, the human need you solve that you can revisit and return to in any space.

**VALIDATE AND MEASURE EVERYTHING**

**F A S T E R**

### VALUE (commerce)

Offer investment into your brand beyond ownership by building harmony between online and offline experiences

**OFFER INVESTMENT OVER OWNERSHIP**

**S M A R T E R**

### ETHICS (brand relationship)

Build for the future. Where is your sector heading and what new consumer motivations will you need to engage in?

**PUT USERS BEFORE PLATFORM**

**B R A V E R**



# FUTURE» TENSIONS

»» **IN THE METAVERSE**

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