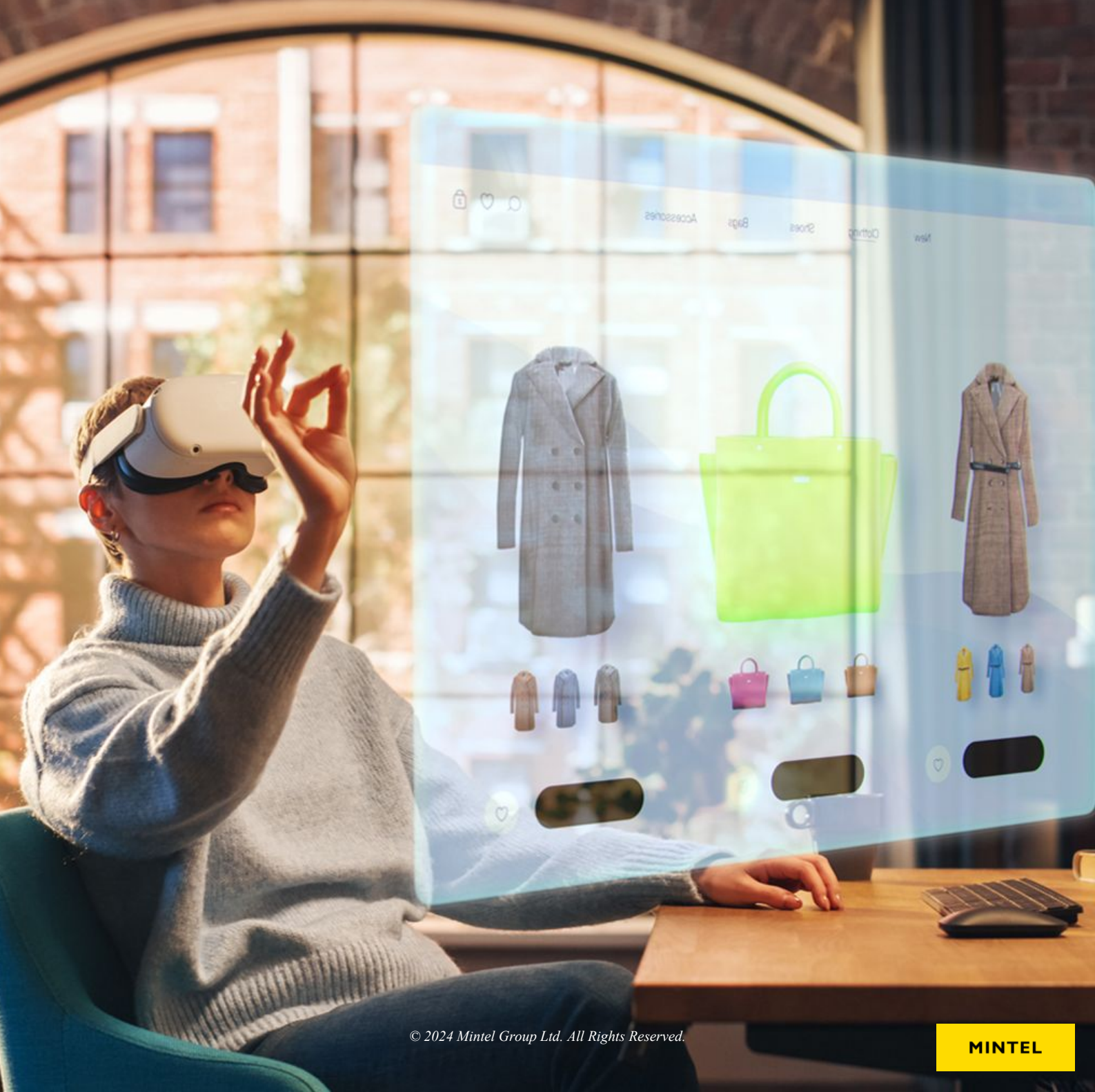# RETAILING IN THE METAVERSE – US – 2023

The future of the metaverse remains unclear, but consumers can see the potential to evolve the ecommerce experience, giving retailers and brands room to experiment.

Brittany Steiger, Principal Analyst – Retail & eCommerce

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Retailing In The Metaverse – US – 2023

This report looks at the following areas:

- Consumers' knowledge of and experience with the metaverse
- Motivations to access and/or interact with brands and retailers in the metaverse
- Categories of interest for metaverse experiences
- Barriers toward accessing the metaverse
- Attitudes toward shopping in the metaverse
- Future potential for the metaverse

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The future of the metaverse remains unclear, but consumers can see the potential to evolve the ecommerce experience, giving retailers and brands room to experiment.

Overview

By now most consumers have heard of the metaverse, but usage remains low and interest has undoubtedly waned. Still, the potential for ecommerce is palpable.

While consumers are more skeptical than they are excited, 62% agree that the metaverse has the potential to improve the ecommerce experience. That said, few have actually made a purchase in the metaverse and the barriers remain steep amid privacy concerns, distrust in cryptocurrency and a lack of clarity on both the benefits and the technology.

Still, there is an emergent use-case for brands. Estimates for its long-term value are widely varied, but some outlets report the metaverse could be worth $1-5 trillion by 2030. In the short-term, the ability to monetize early metaverse experiences may be limited, but that hasn't stopped brands and retailers, as many have churned out gamified content on popular platforms such as Roblox to meet consumers in new formats.

Although a realized metaverse may be years away and remains difficult to predict, brands can use this time to experiment and test new ways of connecting with consumers. Whether or not the metaverse ever reaches the mainstream, it's certain that technology will continue to evolve and early adopters stand to benefit from carving out strategies now.

Report Content

EXECUTIVE SUMMARY

- What you need to know
- Consumer trends: key takeaways
- Market predictions
- Opportunities

CONSUMER INSIGHTS

Consumer fast facts

Understanding the metaverse

- What is the metaverse?
- Key elements of the metaverse
- Interoperability
- Persistency
- Immersivity
- Decentralization
- Does the metaverse already exist?
- AI will play a role in the metaverse

Metaverse awareness and interest

- At this stage, the metaverse is more an idea than a reality
  - Graph 1: metaverse knowledge and awareness, 2023
- Awareness is building across generational groups
  - Graph 2: awareness and knowledge of the metaverse, by generation, 2023
- Young males feel more knowledgable about the metaverse
  - Graph 3: metaverse knowledge and awareness, by gender and age, 2023
- Metaverse hype is waning
  - Graph 4: Google search trends for the term "metaverse," 2021-23
- Blended events will give consumers flexibility in how they engage
- Leverage this time of exploration to test and learn

Accessing the metaverse

- Access to the metaverse is still limited
- Lean on early adopters to test and explore
  - Graph 5: access of the metaverse, by gender and age, 2023

- Gaming, socializing and exploration are driving metaverse usage
  - Graph 6: reasons for having accessed the metaverse, 2023
- Look to in-game content to reach early adopters
- Appeal to consumers' curiosity and desire for engagement
  - Graph 7: reasons for accessing the metaverse, by gender and age, 2023
- Consumers don't need to wait for VR headsets to begin exploring the metaverse
  - Graph 8: devices currently used to access the metaverse, current metaverse users by generation, 2023
- Brands can facilitate learning and enjoyment
  - Graph 9: reasons consumers would consider accessing the metaverse, 2023
- P&G's "BeautySphere" educated consumers on sustainability
- Consumers are eager to build active social lives and virtual identities
- Avatars will play a role in expressing virtual identities
  - Graph 10: reasons consumers would consider accessing the metaverse, by generation, 2023

Interacting with brands in the metaverse

- Consumers are eager to shop and discover brands in the metaverse
  - Graph 11: motivations to engage with brand and retailers in the metaverse, 2023
- Metaverse engagement evolves beyond the transactional
- Tap the metaverse to forge deeper relationships with consumers
  - Graph 12: motivations to engage with brands and retailers in the metaverse, by generation, 2023
- Meeting the virtual consumer where they are
- Promo activations will unlock value in the metaverse
- Restaurants and grocers help consumers score deals and rewards for completing games and activities
- Brands leverage virtual experiences to deepen loyalty
- The metaverse draws a diverse audience
  - Graph 13: motivations to engage with brands/retailers in the metaverse, by race or Hispanic origin and sexual identity, 2023
- Brands can help create a more inclusive metaverse
- People of Crypto partners with brands to build inclusive experiences
- Degree champions accessibility with "Metathon"

Categories of interest

- Interest in metaverse experiences are varied
  - Graph 14: categories of interest for metaverse experiences, 2023
- Partnerships in gaming, entertainment and tech will capture male interest
  - Graph 15: interest in metaverse experiences across select categories, by gender, 2023
- Fashion, beauty, health and wellbeing will inspire females to explore
  - Graph 16: interest in metaverse experiences across select categories, by gender, 2023
- DressX spurs innovation with digital fashion

- Lifelike avatars can help solve the challenge of fit
- Focus on wellbeing will drive engagement with health and fitness brands
- Interest in travel experiences spans generations
  - Graph 17: interest in travel-related metaverse experiences, by generation, 2023

Shopping in the metaverse

- The metaverse has the potential to evolve the online shopping experience
- Consumers are open to shopping in the metaverse
- Flexible spaces will continue to gain appeal with young consumers
  - Graph 18: attitudes toward shopping in virtual worlds/reality, by generation, 2023
- Current users are already making purchases in the metaverse
  - Graph 19: purchase history of metaverse users, 2023
- In-game purchases lead for current users
  - Graph 20: metaverse purchases in the past 12 months by current users, 2023
- Physical items hold more promise as interest in virtual assets wanes
  - Graph 21: motivations and attitudes toward shopping in the metaverse, by generation, 2023
- Pair virtual assets with physical items to offer new customized experiences
- Digital twins can enable innovation in the future
- AI will innovate the shopping experience
- Tread carefully with AI customer service
- Get clear on the benefits to drive adoption of shopping technology
  - Graph 22: technologies used for online shopping, 2023

Barriers toward the metaverse

- Retailers and brands will need to overcome barriers toward the metaverse
  - Graph 23: barriers to accessing the metaverse, 2023
- Brands must build trust and transparency
  - Graph 24: barriers to accessing the metaverse – privacy/security, by generation, 2023
- Payment methods will need to evolve
- Education will be needed as uncertainty abounds
- Environmental impact is a real concern

Attitudes toward the metaverse

- Consumers are both optimistic and skeptical about the metaverse
  - Graph 25: attitudes toward the future of the metaverse, 2023
- Potential to revolutionize ecommerce
  - Graph 26: attitudes toward the future of ecommerce in the metaverse, 2023
- Concerns and uncertainty fuel metaverse skepticism
- Humans versus technology

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- Brands and retailers must be clear on the "why" behind their metaverse moves

  – Graph 27: concerns about the metaverse, by generation, 2023

- Build purpose and vision into metaverse strategy
- Parents are more optimistic about the future of the metaverse

  – Graph 28: attitudes toward the future of the metaverse, by parental status, 2023

  – Graph 29: select attitudes toward the metaverse, by parental status, 2023

- Guardrails will be necessary as families explore the metaverse
- Brands explore formats to ensure kids' safety in the metaverse
- There's still a long way to go before consumers are invested, but brands can start strategizing now

COMPETITIVE STRATEGIES

Metaverse activations

- Metaverse Fashion Week brings brands and creators together
- Clinique supports learning, accessibility and inclusion through virtual innovation
- Clinique partners with Journee to launch Clinique Lab
- Walmart continues to experiment in the metaverse
- Walmart introduces "Walmart Discovered" experience

Opportunities

- How brands can maximize the metaverse

THE MARKET

Market context

- US economic indicators continue to trend positive even as costs remain high

Market drivers

- Economic uncertainty stifled innovation
- The economic picture continues to improve

  – Graph 30: GDP change from previous period, Q1 2007–Q2 2023

  – Graph 31: Consumer Price Index change from previous period, 2007–23

- The technology to support the metaverse is still being developed
- Recent innovations shift the narrative of VR
- Need for regulation and more data security
- Demand for IRL experiences stalls consumer interest in the metaverse

APPENDIX – THE MARKET

- Market definition

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- Consumer research methodology
- Generations
- Abbreviations and terms

APPENDIX – THE CONSUMER

- Consumers retain heavy online shopping habits
  - Graph 32: online shopping frequency, by generation, 2023
- Consumers continue to embrace new technology
  - Graph 33: technology experience and interest, 2023
- Experience is highest among the familiar
  - Graph 34: any experience and interest with technology (net), 2023

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