

REIMAGINING CX FOR THE METAVERSE ECONOMY

How the Metaverse Is Unlocking
Immersive Experiences, New Revenue
Streams, and New Loyalty Drivers



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INTRODUCTION

In the complex, high-value world of real estate transactions, knowledge is power. A growing number of corporations have begun to employ digital twins on their property stakes, and on a larger scale, the city of Orlando is even developing an interactive, 3D model of the entire region to help it create a tech hub. With a real-world holographic display that mirrors the terrain, mobility infrastructure, and buildings in a virtual copy of the city, digital twins not only have the potential to “wow” the user but also allow developers to explore the area without having to travel to Orlando and spend time driving across the expansive region.¹ As digital twins spread, they are offering an entry point to what remains an amorphous, futuristic-sounding concept for many people—the metaverse.

Whether in real estate or gaming, retail, or banking, the metaverse is coming. If you don’t believe that, talk to an 8-year-old. Or a preteen, or a teenager. As they trade pets and upgrade their houses in Adopt Me or buy a new avatar skin or even a new world in Minecraft, they’re already using a digital equivalent of the real world. The experience is a natural one; it’s simply how they interact and socialize with their friends. Across industries, the metaverse is poised to create tremendous opportunities for brands to engage with their customers—and create new types of experiences and revenue streams along the way. With its emphasis on virtual worlds, virtual economies, and Web3, the next iteration of the internet is decentralized, driven by crypto and non-fungible token (NFT) technology, and poised to reinvent CX as we know it. As one-to-one personalization moves toward one-to-many hyper-personalization across different virtual worlds, brands will increasingly turn to metaverse technologies and tools like augmented reality (AR), virtual reality (VR), extended reality (XR), mixed reality (MR), decentralized apps (dApps), NFTs, blockchains, and digital avatars to deliver reimagined customer experiences.

POTENTIAL MARKET OPPORTUNITY OF THE METAVERSE

Projections for the size of the metaverse are significant; Citi predicts that the metaverse could be a \$13 trillion opportunity with five billion users over the same time frame² and Goldman Sachs sees the metaverse as an \$8 trillion market.³ In addition, increased adoption of metaverse technologies like NFTs, crypto, and blockchain will create new economies of their own.

¹ “Orlando Emphasizes ‘Wow Factor’ in Digital Twin Project,” Plautz, Jason, *Smart Cities Dive*, Feb. 22, 2022.

² “Citi Predicts Metaverse Could Be \$13 Trillion Opportunity With 5 Billion Users,” Kevin Helms, *Bitcoin.com*, Mar. 31, 2022.

³ “Goldman Sachs Sees the Metaverse as \$8 Trillion Opportunity,” Kevin Helms, *Bitcoin.com*, Jan. 24, 2022.

But it's not just about the technology. While a lot of the attention paid to the metaverse to date has been on the technologies themselves, we think that's the wrong way of going about it. At Concentrix, we believe that the key to unlocking the potential of these technologies lies in understanding how they will impact *people*. We're not talking about the tech enthusiast who puts on his VR glasses first thing each morning (if such a person truly exists); rather, we are driven to help brands offer the average person something useful, something entertaining, something fun. The technologies are exciting, yes, but primarily because of their ability to unlock new experiences we're just now imagining.

And those experiences, in turn, will enable the emergence of a new, disruptive economy—one with completely new revenue streams for brands and individuals alike and a potential market opportunity ranging from \$5 to \$13 trillion.

The metaverse is set to transform customer experiences beyond recognition. Companies looking to differentiate themselves from competitors are monitoring this fast-evolving landscape to find virtual offerings that most closely align with their brand, both now and in the future.

In this perspective, we'll detail what you need to know about the metaverse and outline our unique approach to helping companies navigate, identify, and custom-design personalized, immersive, and frictionless experiences, new revenue streams, and new loyalty drivers in the metaverse.

THE EVOLVING NATURE OF THE METAVERSE

The metaverse is the next evolution of the internet: in essence, the internet in real-time 3D, where you can interact, do business, and socialize via an avatar. While it's still a nascent concept in many respects, the metaverse has been envisioned as an independent virtual economy enabled by digital currencies and NFTs. It consists of different virtual worlds that are networked together, and it allows for immersive experiences and open exchange of value that is trustless and permissionless.

Trustless is a good thing; it means there is no single intermediary, and trust is distributed and verified on the blockchain. Permissionless means that people don't have to be credentialed to access the metaverse. This will enable commerce and exchange of digital as well as real goods—for example, a retailer that displays digital goods that look just like they do in the physical world and allows avatars to try on and buy them.

THE FUTURE OF CAR OWNERSHIP



Just as ride-hailing apps upended transportation, creating a shift away from car ownership to ridership and fleetship, so too will the metaverse transform the industry.

Digital twin technology, for example, can alter the car-buying process as well as the ownership experience, as blockchain technology enables service records and a history of customization to transfer along with the car to a new owner. Technology will enable use cases that have previously been ignored or seemed too complicated to bring to life.

HOW THE METAVERSE GOT STARTED

The term metaverse was coined by Neal Stephenson in the 1992 science fiction novel “Snow Crash.” While metaverse technologies date back to the 1950s, when Morton Heilig created the first VR machine, the Sensorama Machine,⁴ the pandemic has served as a forcing function for a recent surge in adoption. The lack of social interaction during lockdowns fueled the need for a different way to collaborate and socialize in an immersive world, rather than in video conference calls. This opened up a lot of business use cases, from virtual offices and events to simulations and training across the enterprise, but applications extend far beyond business to also include virtual economies, gaming, immersive first-person experiences, and more.

⁴ “A Short History Of The Metaverse,” Marr, Bernard, Forbes, Mar. 21, 2022.

HOW BRANDS ARE ENTERING THE METAVERSE

Many companies have started dipping their toes in the metaverse by creating communities or plugging into existing ones, for example NBA: Top Shot, which created a new kind of community space to allow fans to buy, trade, and sell official digital collectible NFTs of the NBA and WNBA's greatest plays and players.⁵

The metaverse not only has the power to redefine how people work, play, socialize, and shop, but also how companies deliver personalized, frictionless experiences.⁶ Gartner© predicts that 30% of companies worldwide will have metaverse-ready products and services, and 25% of people will spend at least an hour every day in the metaverse by 2026.⁷

But the metaverse is still a confusing concept for customers and brands alike; none of the online worlds and games in existence today even come close to the vision for the future of the metaverse, which is still very much being defined. In fact, a recent report from Klaviyo suggests that roughly half (49%) of consumers across age groups “have no idea” what the metaverse is.⁸ What’s more, 17% of those who are at least vaguely familiar with the metaverse mistakenly believe that it’s owned exclusively by Meta (previously Facebook).

“Like any fast-growing, emerging technology, the parameters for its operation have yet to be fully established,” Yasar said. “Those who hope to glean financial returns from interacting with the metaverse do not know what investment looks like. Is it VR headsets, digital land, or a pair of Gucci sneakers wearable only with AR? Some might argue that the metaverse is a dystopian fantasy conjured up by gaming fanatics and tech titans.”⁷

“Much like the early days of social media, the metaverse’s impact is limited by its rate of progression. Soon, however, this progression will bring about a transformative era of industry, influenced by a variety of decentralized tools like [decentralized finance (DeFi)], cryptocurrencies, NFTs, and Web3. Once the power of these technologies is fully realized, life as we know it will have changed forever.”

—Brad Yasar, VentureBeat⁹

⁵ “What is Web3?” Thomas Stackpole, *Harvard Business Review*, May 10, 2022.

⁶ “Reimagining Customer Experience in the Metaverse.” Andy Macmillan, *Forbes*, Mar. 9, 2022.

⁷ Gartner Press Release, “Gartner Predicts 25% of People Will Spend At Least One Hour Per Day in the Metaverse by 2026,” February 7, 2022. <https://www.gartner.com/en/newsroom/press-releases/2022-02-07-gartner-predicts-25-percent-of-people-will-spend-at-least-one-hour-per-day-in-the-metaverse-by-2026>

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⁸ “4 Considerations for Brands Thinking About Entering the Metaverse,” Gemma Banks, *Klaviyo*, Jan. 26, 2022.

⁹ “How Emerging Tech Will Influence Freedom, Industry and Money in the Metaverse,” Brad Yasar, *VentureBeat*, Jan. 21, 2022.

WHY THE METAVERSE WILL CHANGE THE LANDSCAPE OF BUSINESS

Just as with earlier advancements throughout history, we can expect some legacy companies to recognize the potential of the metaverse to transform customer experience—and still others to say it's not their business. They might say they're not in the gaming business or aren't interested in digital twins. They'll delay until someone else comes in and does it, and then they'll probably be too late. A new generation of super companies and brands will act while it's still easy and relatively risk-free to explore these new options, then turn them into commercial success over the next two to four years.

VR headsets, for example, may have seen relatively slow adoption, but it's entirely plausible that they will become as indispensable as smartphones. In this future scenario where everyone owns a VR headset: What would that do for your organization? What would you need to do differently? How would you show up and stay relevant given this new customer behavior?

Inside the Metaverse Economy

CREATOR ECONOMIES
Multi-sided value creation platforms

INTERFACES
Brain-machine and human APIs

METAVERSE
Digital experiences and worlds

INTEROPERABILITY
Self-service and democratization

BLOCKCHAIN/CRYPTO
Trusted, private, and secure value exchange

WEB3
Decentralized access and self-sovereignty

DIGITAL NETWORKS
Multi-sided consumption networks

Metaverse technologies are enabling new use cases that were previously ignored or thought to be too complicated to bring to life. At the same time, they're fueling an increased emphasis on distributed ownership, decentralized ownership, and decentralized organizations. That's exciting—it means that there's a new wave of opportunity coming from brands that perhaps thought their place in their industry had already been decided. Amid a wave of hypergrowth, everything's on the table for an ambitious brand that wants to be among the next growth companies.

The metaverse economy will create new multi-sided value, one driven by an entire ecosystem. It's not unlike how we moved from the traditional yellow cab company to ride-hailing startups and now the whole rideshare/meal delivery experience. In much the same way, the metaverse will rely on an ecosystem of experiences.

Realizing this potential at scale, however, will require not only compelling reasons for users to spend time in the metaverse but also a way for brands to easily navigate and find entry points to the metaverse and Web3 capabilities.



THE FUTURE OF MEMBERSHIP

Consider, for a moment, the experience of a customer who has earned his way to Gold status membership in a clothing retailer's perks program. Today, the pinnacle of that membership experience probably looks a lot like early access to events or the ability to refer friends to the membership program.

When membership is reimaged with metaverse technologies, it opens up innumerable possibilities, from the ability of the customer to earn (and own) tokens that never expire and that can be transferred to other members. Those tokens, in turn, can unlock a metaverse experience that can earn even more tokens. The accessories on the customer's NFT avatar earn access to member events—for example, avatar headphones that unlock entry to the retailer's music festival.

HOW OUR APPROACH TO THE METAVERSE IS DIFFERENT

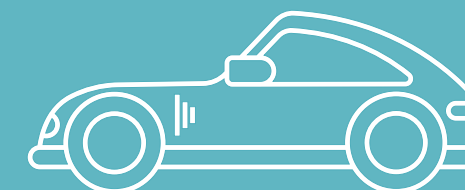
The metaverse is all about people. At Concentrix, we take a CX-first, human-centered approach, leveraging Web3 technologies like blockchain and NFTs to deepen the human experience. It's more of an evolution of immersive experience than an evolution of technology.

As we shift toward decentralized technology, there's an emerging focus on the empowered individual. A decade ago, individuals sought an experience. Data was accessible, but it wasn't always about them. Customers had to do the legwork and go directly to where brands were to get value, and experiences were limited to physical and flat digital storefronts.

Over the next decade, the individual will *be* the experience. Personal data will define the customer's experience, and the customer's passions and affinities will define their community, connections, and memberships. And, ultimately, their experiences will be orchestrated and delivered in the moment of value.

HOW WE HELP BRANDS NAVIGATE THE METAVERSE

Studio 1010 is our approach to defining, designing and delivering a metaverse solution. We've built a path to the metaverse to support people and customers in this new world. With intellectual property and accelerators that range from NFTs-as-a-service to identity and avatar management as well as wallet identity, we help brands create moments that matter at the speed of customer expectations, delivering outcomes and value in days or weeks not months.



THE METAVERSE EXPERIENCE: THE CAR FANATIC

Jake is a car guy. After buying the latest model from his favorite manufacturer, he's informed that he's eligible for a personalized NFT and an exact model, or digital twin, of his car. Jake can log into the car manufacturer's digital store with his NFT and unlock avatar NFTs of jackets, hats, and eyeglasses as well as share and trade them across multiple platforms. His NFT also unlocks VR and video game racing, so his daughter is able to drive his exact car in Roblox or simply ride along while he's driving. Jake also has a digital record of ownership and the car's service history, which means collectible authenticity now follows the car. In short, Jake has access to immersive experiences, enhanced interactivity, and exciting, curated discoveries around a product he loves.

Studio 1010 consists of 10 primary elements:

- **S1010 Lab:** A space where clients and partners can co-create and experiment with customer use cases and experience the metaverse in real time with the latest VR/AR equipment and the most up-to-date immersive technology, for a hyperreal teleportation experience.
- **Co-Creation and Solutions:** Workshops and sessions where we work closely with our clients and prospects to identify key business problems and use cases that would be ideated, designed, engineered, and deployed into the metaverse. Future frames and scenario planning help executives not only understand the implications of a metaverse solution but also enact a roadmap to realize its potential. Whether a one-day, a 10-day, or a 100-day co-creation workshop, brands can bite off just enough for a meaningful experiment.
- **Product Management:** The end-user metaverse experience, product evangelizing, and monetization piece of new initiatives. The metaverse is a form of nirvana for the right kind of product manager, because nothing's off the table. We help brands build deep viral and retention loops and iterate monetization.
- **Web3:** Centers of Excellence (COEs) that handle specific aspects of the Web3 technology landscape, including dApps, NFTs, VR/AR and XR, blockchains, and digital avatars. Powered by Web3 technology, experiences will increasingly be zero latency.
- **DesignVerse:** Designing new experiences that are immersive in the virtual world's context, exploring design ideas, thinking, and methodologies across VR, AR, and MR. It's not a question of whether a brand can do something, it's a question of how to make it a more human-centered experience.
- **Hardware and Devices:** To achieve a seamless virtual/augmented reality, a balance is struck between processing speed/power and biometric tracking.
- **Studio Intel:** The global metaverse revenue opportunity could approach \$800 billion in 2024, from about \$500 million in 2020, based on business intel analysis.
- **Metaverse Fabric:** Understanding the diverse set of virtual worlds, chains, protocols, and platforms to build necessary strategies to gain competitive edge in an interoperable metaverse. The Metaverse Fabric weaves together a diverse set of technologies to reduce the complexity of interoperability.
- **InsightVerse:** Companies looking to set themselves apart from the pack are monitoring the fast-evolving landscape of the metaverse and seeing what virtual offerings most closely align with their brand, both now and in the future.
- **Industries and Partnerships:** Exploring where we will see the initial push for metaverse experiences and potential use cases across industries.



THE METAVERSE EXPERIENCE:
THE CAMPER

Olivia is getting ready to go camping, and she turns to a digital camping buddy offered by her favorite outdoor retailer. Her camping buddy knows her—her preferences, motivations, and camping experience. It knows she rarely spends the time needed to pack correctly, so it's there with prompts and packing lists targeted to her destination—and the gadgets she relies on around the campfire. The buddy knows she doesn't often check the weather in advance, so it prompts her to pack something warm for the chilly nights and lets her know she can leave her rain gear at home. And it knows she doesn't often read instruction manuals, so it's at the ready to help talk her through the process of setting up a tent once she arrives at the campsite. In short, she has access to a metaverse experience that creates real value as part of an everyday experience.

Each of these elements, either on its own or crafted together, allow us to reimagine solutions that can share, create, or extend a new definition of value. By utilizing these elements, we can approach business challenges through a new lens, asking how we might:

- **Inspire that value of a product experience before the actual purchase.**
- **Instill confidence in a customer's choice during the decision process.**
- **Demonstrate a company or product's reputation.**
- **Spotlight the value of each individual's customer loyalty.**
- **Enable new purchase paths for goods and services.**

OUR INTELLECTUAL PROPERTY

Because we know that the future of work will be in the metaverse, not on a video call, we've also built Meta X, a digital headquarters focused on reimagining the future of work to fuel global, scalable, and sustainable innovation.

Everything is more complicated in the workforce today—there are more tools, more platforms, more processes, but they don't always translate into a better experience. We built Meta X to give teams an immersive experience, creating a true sense of community and improving performance and business outcomes. After all, happy people produce better results, which makes the team experience a critical driver in the future of CX.

Most organizations have two distinct operating models: one in which employees largely work from a centralized, brick-and-mortar location and one in which most people are working remotely.

By virtue of being in two different environments, the employee journey is disjointed and fractured. We envision Meta X as the happy medium that can bring these two worlds closer, enabling an elevated experience resulting in improved business outcomes.

Meta X empowers teams with the immersive tools needed to drive greater engagement, results, collaboration, and connection. This can be used to facilitate virtual onboarding, training, and ideation.

And, we're defining Meta X as we go, testing new capabilities as they are developed. Not all of the potential use cases will come to life today, but neither will we have to wait until the technology is fully evolved to start experiencing it. We're testing out:

- **Key business processes:** How do you reimagine them in a Meta X space? By doing something in the metaverse, are you able to drive better connections?
- **Reimagined staff onboarding:** Are you giving people a better experience—for example, by examining the employee journey to eliminate administrative work during the hiring process—or delivering more immersive learning and knowledge transfer? How are you facilitating fundamental processes, like staff wellness or coaching, that have become very difficult to do in the hybrid work environment?
- **Large-scale engagements:** How do you connect people in the metaverse, whether it be driving innovation or hosting social events, career fairs, or even client roundtables?

Each of these are use cases we can bring to life today via Meta X. Along the way, we are learning about scalability, technical challenges, and applications. Through it all, we remain focused on people and the problem we're trying to solve, not on the enabling technology.

LOOKING AHEAD TO THE NEXT SUPERCYCLE OF GROWTH

We believe there are supercycles of growth that happen as new offerings or new delivery mechanisms become quickly adopted or required, and the metaverse is poised to drive the next iteration. But the metaverse is not going to solve all of your customers' problems. The first step is to get real about the challenges of changing every aspect of how the customer expects to interact with a brand. It requires weaving together diverse technologies to reduce the interoperability needed by the underlying applications to enable the promise of a metaverse experience leveraging Web3 and other evolving technologies.

The future of CX belongs to brands willing to put people, not technology, at the center of it all. It's more than just a virtual world—it's the frontier of new virtual economies and identities, and Studio 1010 and Meta X will allow brands to stake a claim in this new territory. Together, we are unlocking the future of CX.

Concentrix Catalyst is the experience design and engineering team of Concentrix, a leading global solutions company that reimagines everything CX through strategy, talent, and technology. We combine human-centered design, powerful data, and strong tech to accelerate CX transformation at scale.

CONCENTRIX™ CATALYST