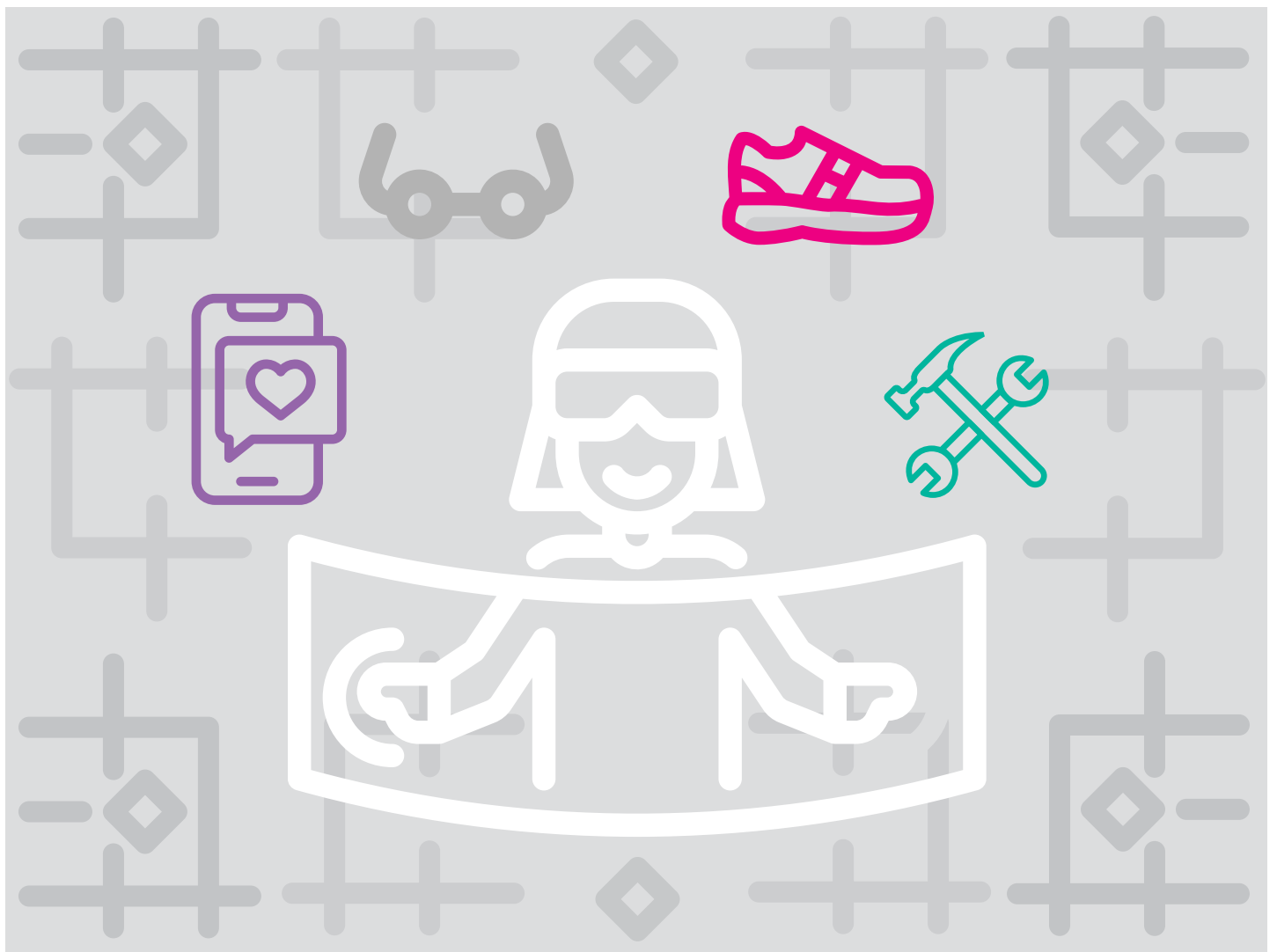


More than just meeting customers where they are, the metaverse offers opportunities to transform customer experience.

Embracing CX in the metaverse



Here's a thought experiment: It's just a few years from now, and you're shopping for new sneakers. You get a mobile notification from your favorite retailer – a pair you've been eyeing is on sale. You promptly grab your VR glasses and step into a digital representation of the store, where you design your fully personalized shoes, complete with custom colors. An AI avatar joins you for a jog around a virtual neighborhood that looks just like yours, answering questions along the way. You remove the glasses, consider the purchase, and ultimately hit “buy” several hours later while browsing on your desktop. When you pick up the order at the mall, they're a perfect fit. Better yet – your avatar is getting the exact same pair.

This scenario outlines a very near future omnichannel customer experience (CX), seamlessly integrating several different physical and digital retail modes. Today, customer interactions happen via mobile, desktop, email, artificially intelligent chatbots, social messaging and more, but in the metaverse, customer touchpoints will be even more immersive and connected.

“The metaverse is going to be available in a number of different ways – VR/AR glasses, smartphones, tablets and PCs, chat rooms with video, but also probably via



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Key takeaways

- 1 The metaverse promises brands new opportunities to expand their existing omnichannel customer experience (CX) via VR/AR, virtual worlds, holograms, digital assets and content, and more.
- 2 Customers appreciate a wide range of channels for interacting with brands, and they increasingly expect these to be personalized and immersive. Providing a robust omnichannel CX drives measurable business results.
- 3 Successful businesses overcome consumer concerns about safety and privacy and tackle security and identity management challenges head-on, building digital trust into their metaverse interactions.

up-and-coming things like holograms, digital signage, digital assets, and digital content,” says Ramon Llamas, research director for IDC’s augmented reality/virtual reality (AR/VR) team.

There’s been a lot of buzz lately about companies “migrating” to the metaverse, but this is a bit of a misnomer. Brands are not as much moving to the metaverse as they are expanding into it – connecting it with their traditional, two-dimensional channels. Still, the potential for the metaverse to reshape how customers and brands engage can’t be overstated. Over the next decade, the metaverse will transform CX in the same way e-commerce shook up retail in the 1990s and mobile reimagined social interactions in the early 2000s.

“The metaverse is a completely new virtual world – just like social media presented a new CX channel 15 years ago,” says Sidharth Mukherjee, chief digital officer at

Teleperformance, a global company that provides digitally integrated business services. “We’re starting to see metaverse adoption across industries like retail, consumer goods, and health care, in addition to social media, gaming, and the broader tech industry.”

The evolution of customer experience

Right now, omnichannel CX is more than a “nice to have” – it adds tangible value to businesses’ bottom lines. According to the “**2021 State of the Connected Consumer Report**” by Salesforce, 76% of customers want to use different channels to interact with brands based on the context of their needs or queries. The International Institute for Management Development reports that **retailers lose between 10% and 30% of sales** if they fail to offer a sufficiently robust omnichannel shopping experience.

Omnichannel is a growing trend in marketing, too – a discipline distinct from CX but with significant overlap. In an **analysis** of more than 135,000 campaigns, automation software company Omnisend found that companies employing three or more channels for marketing achieved a 494% higher order rate than those relying upon just one.

In addition to offering more ways to reach customers, there’s potential for the metaverse to address real operational pain points. “The world is a 3D place – or 4D if you include time. It’s not a 2D experience, and in fact, 2D experiences feel kind of artificial,” says David Truog, vice president and principal analyst at Forrester Research. “There are many experiences that benefit from three-dimensionality, from touching and manipulation, where the metaverse will be appropriate.”

Take employee recruiting and training. Remote work, a shift accelerated by the covid-19 pandemic, seems likely to stick around for the long term – according to a Gallup survey, nine out of 10 employees **want to keep working remotely** in some capacity post-pandemic. As traditional definitions of “the office” continue to evolve, the metaverse could provide an ideal venue for recruiting and training geographically dispersed employees, as well as hosting team-building activities and company-wide events.

There are equally intriguing use cases for the metaverse in the context of CX. A travel agency could showcase destinations via 3D “vacation previews” that provide enticing teasers of exotic locations. Customers looking

Consumers want to interact with brands in the metaverse

Consumers who say ...

...they’re excited to do everyday activities in the metaverse

59%

...they’re excited to shop in an immersive world

64%

...a brand’s digital presence is as important as its physical presence

81%

...the future of shopping is hybrid

83%



to buy a new car could “build” the vehicle of their dreams and take it for a spin on a virtual version of Route 66 or the Autobahn. Retailers could display a more extensive catalog of products than is feasible in the real world – an electronics store might be able to house 100 devices in a physical showroom, but a virtual one could contain hundreds of thousands.

There may also be opportunities to provide more effective customer support in the metaverse. “CX avatars could be on hand at the click of a ‘help’ button to find a product in a virtual mall, or to resolve questions of customers walking into a virtual bank – or a company could help a client troubleshoot issues with their dishwasher by pinpointing the problem using AR,” explains Mukherjee.

Customer experience in the metaverse now

It’s an old adage that companies must meet their customers where they are – and in the future, that may be at the mall, on mobile, in the metaverse, or, most likely, in all of those places. For enterprises seeking to stay competitive, now is the time to consider how the latest piece fits into an overarching CX strategy.

Forrester points out that **the most ambitious use cases of the metaverse aren’t realities just yet** – though its promise has already prompted a shift in business priorities and operations. So, when it comes to courting customers in the metaverse, organizations from legacy financial firms like Fidelity, to logistics and delivery companies like UPS are in the midst of building out immersive experiences. Teleperformance is currently offering 3D virtual tours of its global service-delivery hubs for clients. Fashion and cosmetics brand Givenchy Parfums recently collaborated with Nintendo to let players customize avatars with virtual makeup in *Animal Crossing: New Horizons*. (The brand later announced a more elaborate integration with Roblox, where it will launch its own virtual “universe.”)

Of course, there’s still infrastructural work that needs to happen before CX in the metaverse becomes seamless and less siloed. One of the most ambitious endeavors currently underway is establishing the metaverse’s promised interoperability – the critical “connective tissue” that will allow users to assume the same avatar, wear the same virtual lipstick, and occupy the same digital property in multiple brands’ proprietary platforms.



Interaction mechanics in the metaverse

Today, most people are accustomed to interacting with their devices via swipes, clicks, and “tap to drag” or “pinch to zoom” gestures. These actions have become intuitive. But the metaverse will bring an entirely new suite of interaction mechanics that customers must acclimate to – and user experience (UX) designers must anticipate.

“One of the key things we need to plan for is the actual interaction,” says David Truog, vice president and principal analyst at Forrester Research. “Seventy percent of what humans take in is visual, sure, but it’s not just a passive experience of consumption.”

For instance, to access a menu in a company’s VR metaverse environment, a user may point, flick their wrist, nod their head, or direct their gaze a certain way. They may use voice commands as they do with voice-activated speakers today – and advancements in AI and natural language processing (NLP) are likely to make avatar interactions more natural and conversational, at least eventually.


For the architects designing such features, it will be vital to avoid a “paradox of choice” dilemma, notes Ramon Llamas, research director for IDC’s augmented reality/virtual (AR/VR) team – allowing an overwhelming number of options to confuse or deter users. Maintaining a human-centric focus will also be critical. “The end goal of the metaverse is taking an online experience and putting somebody into it. We need to figure out how to make that less techy and more human,” says Llamas.

Lenovo is one of the companies constructing such layers. “While ‘metaverse’ might be a new buzzword, some of us have been working on this infrastructure and actual products and solutions for many years now,” says Vishal Shah, general manager of commercial AR/VR and metaverse at Lenovo. He notes that the organization is developing a complete suite of XR solutions that include hardware (AR/VR devices), software, and services for businesses working in the metaverse.

Shah sees infrastructural progress as two-pronged – it will require advanced technologies for both 3D content creation and content delivery/consumption. “On the creation layer, digital twins, 3D gaming, and immersive collaboration will require an incredible amount of compute power,” he says. “When it comes to delivery and consumption of these applications, the UI/UX and device considerations for 3D visualization will be very different from and more compelling than current 2D applications. This is where edge technologies and AI will also be extremely important to serve up the right contextual content in real time.”

Digital trust is critical

In the metaverse, challenges associated with establishing and maintaining digital trust are going to be even more multifaceted than they are today. Security and privacy must be priorities as companies begin to build out immersive CX activations. Organizations will also need to share their policies with customers in a transparent way. A **2021 report by eMarketer and Insider Intelligence** found that more than half (52%) of adult social media users consider a platform’s privacy and data policies an “extremely impactful” part of the decision to interact with ads or sponsored content.



\$200-300 billion
economic value of the metaverse in 2022

\$4-5 trillion
potential economic value of the metaverse in 2030

Source: McKinsey forecast, Value Creation in the Metaverse

“It’s important to both do the thing and signal it to your end users in order to build that trust,” says Truog. “In other words, implement good encryption and identity management and access management policies, but at the same time, communicate them to users.”

IDC’s Ramon Llamas emphasizes that the immersive nature of the metaverse means it has a unique set of trust and safety concerns. Hacks, theft, or harassment in VR, for example, may feel more violating than in 2D environments. (**Early anecdotal evidence** suggests this is true.) Companies need to take considerable steps to prevent incidents in their respective metaverse experiences. And although wide-scale security protocols and standards will hopefully be available in the future, this is still a work in progress – so seeking early and frequent input from an internal chief information security officer (CISO) or other cybersecurity professional is prudent.

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Brands will also need to ensure the tactics they employ to get to know their customers don't feel invasive. "With the inward-facing cameras built into a VR headset, you can get a sense of people's reactions: Are they wide-eyed and surprised? Do they have a furrowed brow and look doubtful?" says Llamas. This is valuable information for brands seeking to improve audience response to their products or services. "The caveat is that as a consumer, I might find it intrusive."

To mitigate such reactions, Llamas suggests companies offer customers "a seat at the table" when it comes to preference-setting. "They should be allowed to say, 'These are the experiences that I'm going to opt into.' Or conversely, 'At this point I want to opt out.'" Language and pathways to access these settings should be clear.

Finally, the metaverse will present unique hurdles for identity management – that is, verifying that both customers' and brand representatives' digital iterations match their actual identities. Companies building out metaverse experiences must embed safeguards to protect their users, their employees, their data and intellectual property, and their brand reputation.

Some enterprises, such as Teleperformance, are putting such considerations front and center. "We're working with our partners in the Web 3.0 ecosystem to offer blockchain-enabled identity verification, know your

customer/anti-money laundering-compliant transaction processing, AI-powered data labeling, egregious-content management, and policy adherence in social VR platforms," says Mukherjee.

Entering the metaverse

With metaverse spending projected to total in the trillions by 2030, it's no wonder so many companies are eager to get in on the ground floor. Llamas offers some nuggets of advice for those in the exploratory phase of metaverse CX – the first being to have patience. "This is going to take time," he says. "The metaverse is not coming at you next month."

His second pointer, however, is that it's not too early to start investing time, money, and talent into the look, feel, and security of your metaverse experiences. Will your virtual space be an extension of your website or something totally different? Will avatars in your metaverse retail space wear the same uniforms as real-world employees? What digital goods do you want to offer – and who is likely to be interested in them?

To figure out those answers, Llamas' final piece of advice is to start experimenting. "Go ahead and see what works best for you," he says. The beauty of the metaverse is that it will be flexible. "Things can change, they can be modified, they can be customized. What you want now may not be what you want in 2032."

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How will spending and ownership evolve in the metaverse?

Experts are already making predictions about what money will look like in the metaverse and, as the [New Yorker](#) bluntly puts it, “finance could get weird.”

Crypto is likely to play a role in the metaverse in some capacity. While the metaverse and Web 3.0 often come up in the same conversation, these terms are not synonymous – they occupy two distinct circles, albeit with a growing overlap.

Here’s a quick look at how Web 3.0 concepts may manifest in the metaverse:

Blockchain

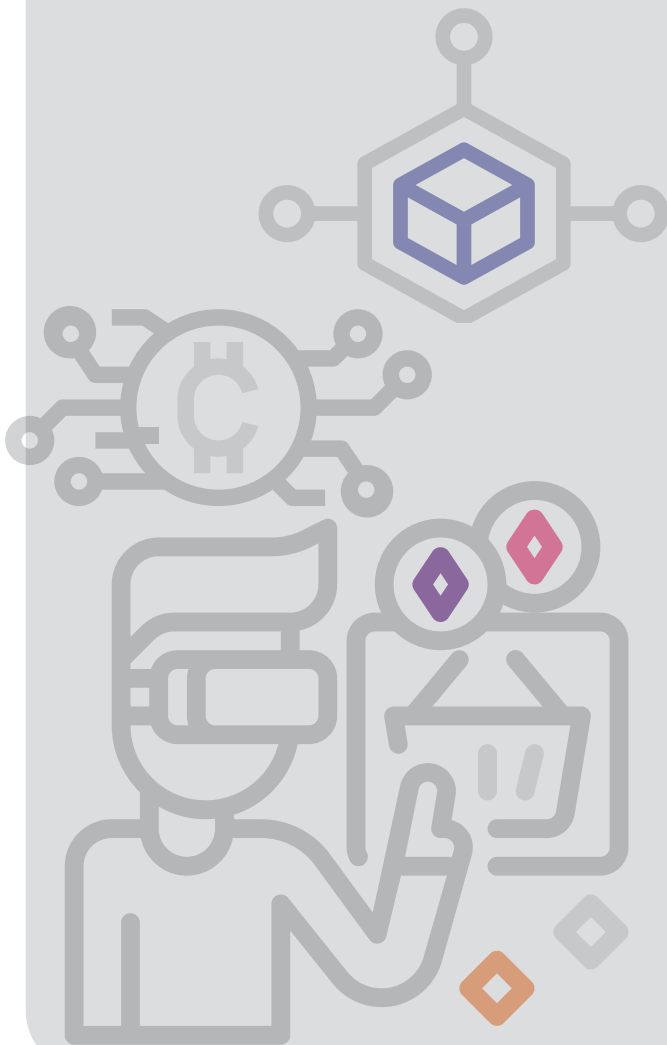
The grand, decentralized vision behind Web 3.0 is largely rooted in blockchain, otherwise known as distributed ledger technology. In the metaverse, blockchain use cases could extend to digital products – like clothing for an avatar – which could be created and traded as non-fungible tokens (NFTs) that denote and track ownership.

Cryptocurrencies

Most commerce on the internet still occurs in traditional fiat currency, and to date, crypto has largely been a speculative investment rather than a practical medium of exchange for goods or services. In a fully virtual world, however, crypto could become the backbone for e-commerce and peer-to-peer transactions.

Decentralized autonomous organizations (DAOs)

These collectively managed organizations give every member equal decision-making power toward a common goal or venture. In the context of the metaverse, DAOs could provide an avenue for public ownership of digital goods, spaces, or services.



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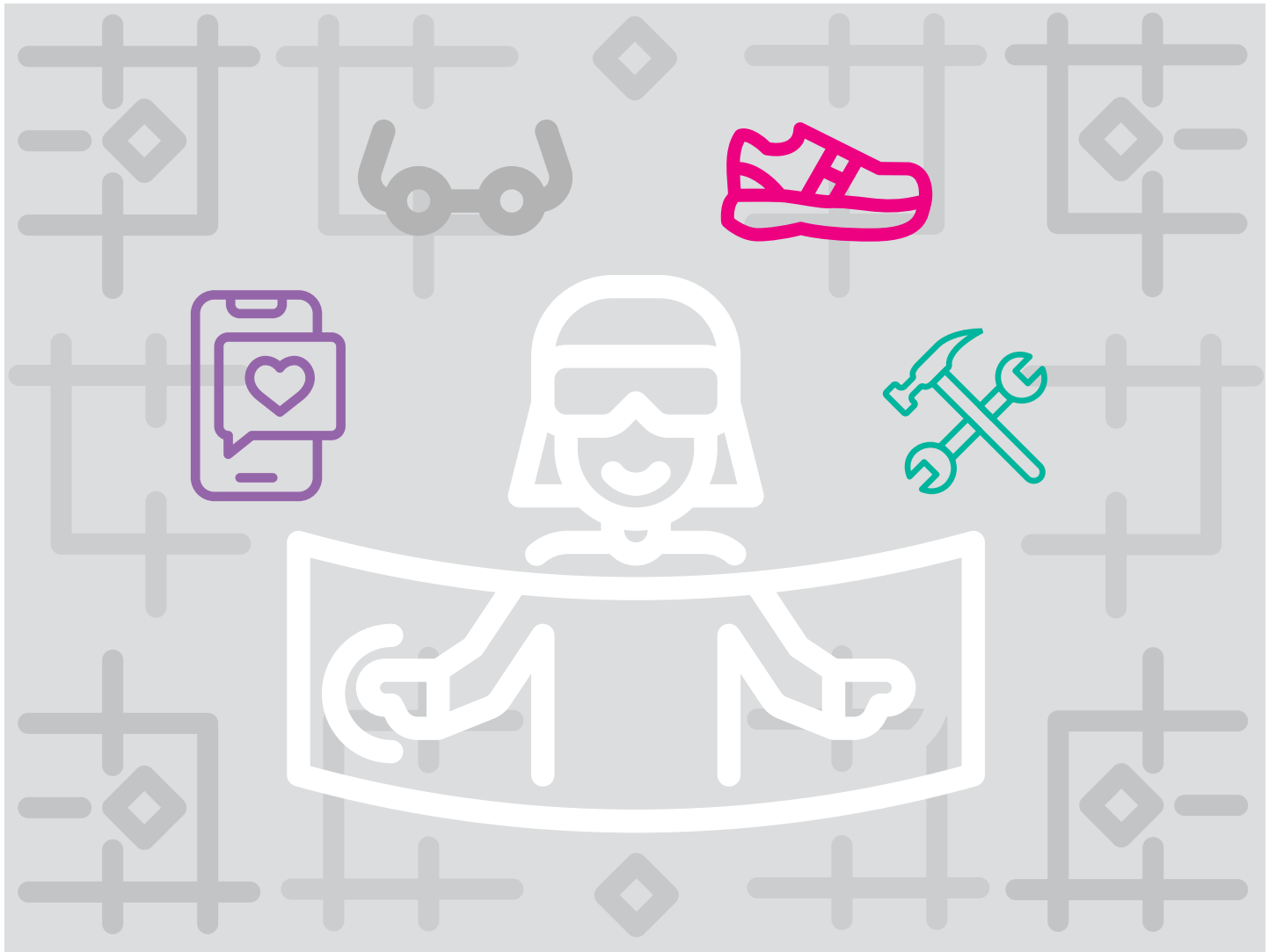


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