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CS-24-018  
April 2024

## From hype to disillusionment: Metaverse's rise, apparent fall and green shoots

As 2024 started, with corporates focused frantically on building their GenAI strategy, the excitement with the metaverse seemed a thing of the past. Yet only a few months ago the metaverse was the talk of town, with expectations that it would create billions in revenue and transform everything from shopping to social media and gaming; let alone productivity, work collaboration, design and training. At the same time, firms such as Apple had just brought to the market new AR/VR products, suggesting that, rather than being dead, the metaverse excitement was either ahead of its time or it was poorly structured, with ecosystems that failed to deliver on their promise. Which one was it? What should executives and customers expect from the metaverse, and what could we learn from this cycle of overly optimistic early excitement – and, perhaps, oversold disillusionment?

### What *is* the metaverse?

A metaverse is defined as “a virtual-reality space in which users can interact with a computer-generated environment and other users”.<sup>1</sup> Metaverses can involve VR (virtual reality; an immersive, fully digital space), AR (augmented reality; digital elements superimposed on a user's view of the world) and MR (mixed reality; digital and physical elements combined). Some metaverse offerings are intended to enhance, complement or imitate existing physical experiences such as shopping or socialising, or the design of products and workspaces in the enterprise realm. Others conjure entirely new and self-contained digital realms that have no counterpart in the real world, putting them closer to the experiences already enjoyed by gamers.

More recently, “the metaverse” has been used to describe an evolution of the internet in which online life comes to resemble the physical world more closely: users are represented by digital avatars, cyberspace becomes a virtual 3D realm that users can inhabit and explore, websites become virtual buildings or locations, and apps become virtual activities.

However, although we speak of “the” metaverse, it remains more of an umbrella concept than an objective reality. While some industry players believe that the metaverse will ultimately become a single, all-encompassing platform that unifies all our digital experiences, this vision lies firmly in the future. For the time being at least, the metaverse remains closer to the current reality of the internet, where different experiences (social media, shopping, entertainment) are accessible via shared platforms (mobile, PCs, smart TVs), yet remain separate in themselves.

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