

Marketer Perceptions about the Metaverse

Survey Research Results



US Aggregate Marketer Results

September 2022

Key Findings

The Metaverse is perceived to help with brand building (awareness, reputation, customer experience). Half see sales and revenue potential, and 1 in 3 say that the Metaverse will support hiring and recruitment. Millennials and Gen Z are the primary targets of planned Metaverse engagement.

1 in 3 marketers that we spoke to are currently engaging, while another 55% are planning to in the future.

Planned Spend

Two thirds of those who are currently or planning to invest in the Metaverse think that they will be building in 2023, with a potential investment that exceeds 10% of their marketing budget. The majority of investment will be early stage – creating a strategy or designing experiences, as well as in advertising.

Influencers

71% say that they will use influencers within the Metaverse, but 42% would prefer to work with human influencers. 1 in 3 say that they won't disclose the use of avatars as influencers.

Concerns

Brands have a high level of concern about the potential negative consequences to the brand. The highest concerns (age related safety and malicious actors compromising user safety) are also top concerns of consumers

Regulations

Most marketer agree that there should be regulations but think that self-regulation by companies is the most beneficial to development of the ecosystem.

Data privacy and security regulations are planned by nearly $\frac{3}{4}$ of organizations, followed by 'rules of engagement' and payment processing guidelines.

DEI and accessibility are lower in priority, with only 4 in 10 organizations including it in their Metaverse guidelines.

50%

of US marketers have seen
at least one compelling
Metaverse use case





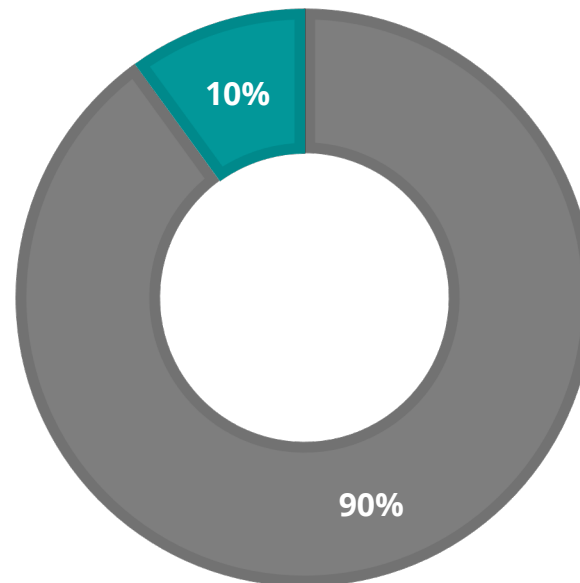
Overall Perceptions

Hope that Metaverse can solve business challenges

Most marketers agree that the Metaverse - if built correctly - can help solve unique business challenges.

q1 - Do you believe Metaverse experiences - if built correctly - could help solve unique business challenges?

■ Yes ■ No



Challenges Metaverse can help solve

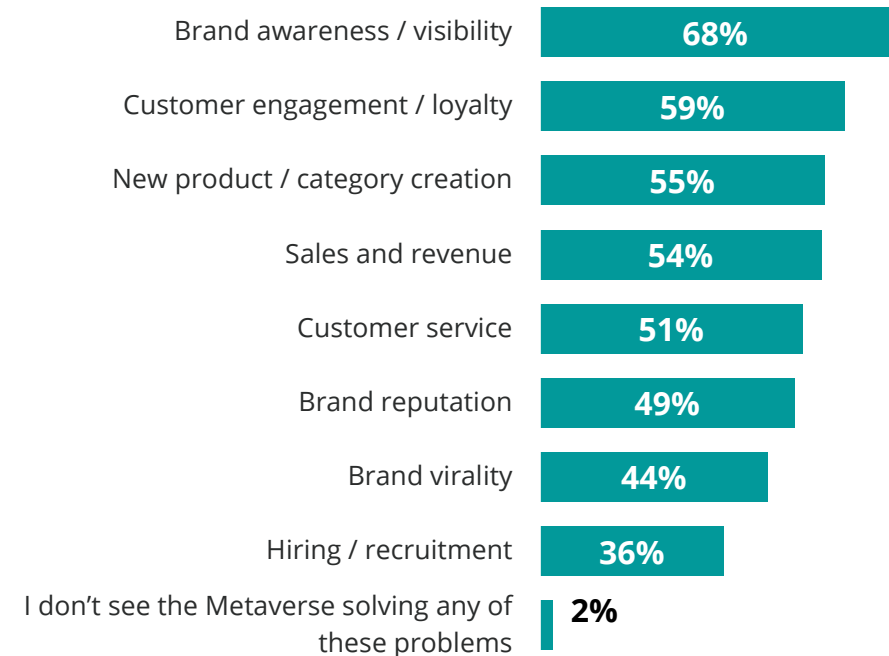


The Metaverse is perceived to help with brand building (awareness, reputation, customer experience). Half see sales and revenue potential, and 3 in 10 say that the Metaverse will support hiring and recruitment.

Examples of ways that US marketers envision the Metaverse supporting their business include:

- Collaboration for dispersed workforces, improved customer engagement
- Getting in front of the individuals we are targeted to while trying out some of our marketing ideas
- To actually experience the product—in our case Historical memorabilia. The Metaverse could allow potential buyers to see the items in 3-D and examine them.
- You can create in an environment and test your ideas in a controlled space. You can save money being able to change and adapt on the fly without spending supply or labor.
- The ability to get your products in front of the world and have customers from all over the world.
- The Metaverse could potentially help marketers connect to consumers of all demographics and locations.
- I think it could give people real practical experience and practice without having to impact the real market or people. This could come in the form of training.

q3 - Do you believe Metaverse experiences can help marketers better address any of the following challenges?





Current Engagement

Current engagement

Currently, 1 in 3 organizations say that they are engaging with the Metaverse as part of their current marketing program. A high proportion say that their organization is planning to engage with the Metaverse in the future.

More than half are also investing or planning to invest in other mixed reality investments.

q4 - Are you using the Metaverse as part of your current marketing program?



■ Yes ■ No, but I have plans to ■ No, and I do not have plans to

Companies with larger annual revenues are more likely to have the Metaverse as part of their current marketing program.

56%

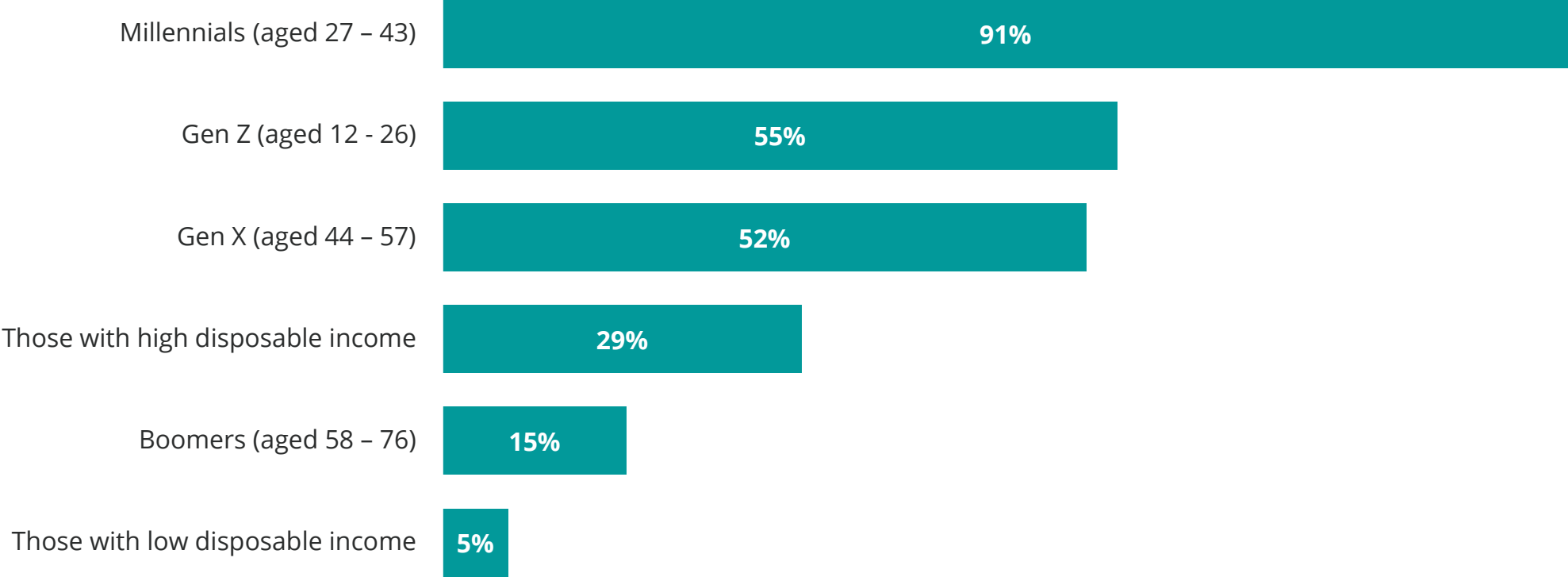
of current marketing programs include other mixed reality investments, such as augmented reality or virtual reality

Millennials and Gen Z) are Metaverse strategic targets



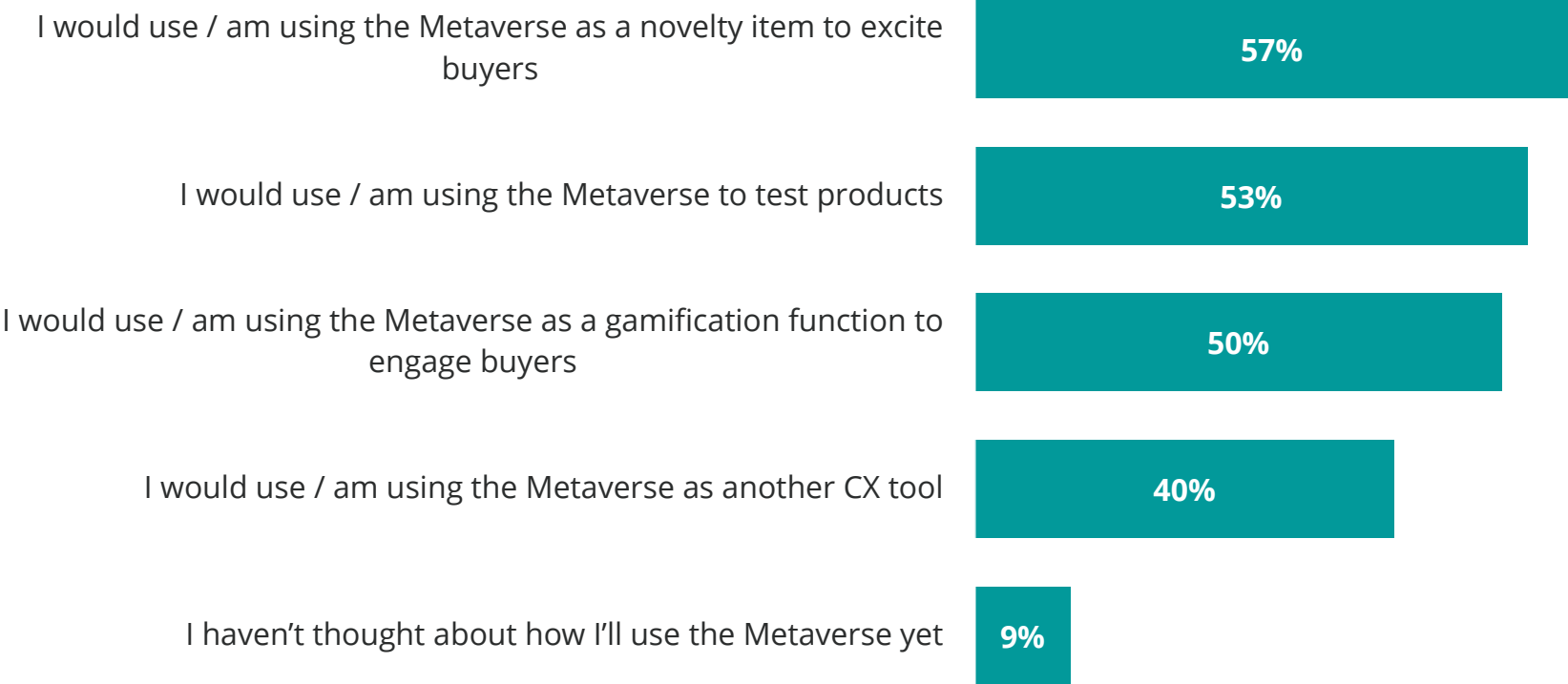
Most organizations are targeting Millennials and Gen X with their Metaverse strategy. This is consistent with consumer interest in the Metaverse, which is highest among Millennials. Millennials are the primary target of marketers in all industries that were surveyed.

q41 - Who will you be targeting your Metaverse strategy at?



Currently, most marketers view the Metaverse as a novelty - but many plan to use it as part of their innovation strategies and as gamification tool to engage potential buyers.

q6 - Do any of the following describe how you are thinking about using or already using the Metaverse?





Metaverse Experiences Offered

Metaverse experiences offered

Most marketers who are not currently on the Metaverse have considered the kinds of experiences that they would create on the Metaverse.

The most popular are experiences that connect people to brand reps, building a community experience, and offering elements of gamification. Others say that they want to closely replicate live, in-store experiences. Smaller (<500 ee) businesses are least likely to have considered the kinds of Metaverse experiences that they will offer.

q8 - Which of the following experiences are you most likely to create for your buyers?

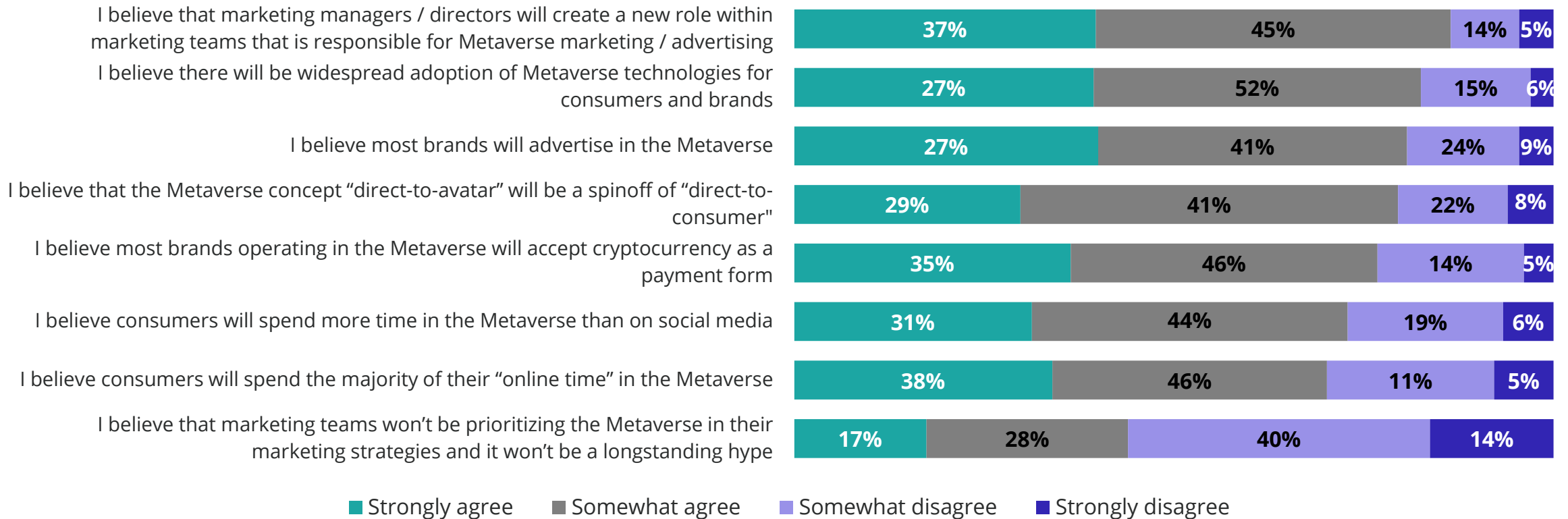


73%
have thought about
the type of Metaverse
experiences they might
create

Predictions about the Metaverse

Like consumers, marketers think that most brands will be advertising on the Metaverse in the next few years, and that consumers will replace social media with the Metaverse. They also think that cryptocurrencies will play a significant role in payments for items in the Metaverse.

q9 - In the next five years...





Influencers

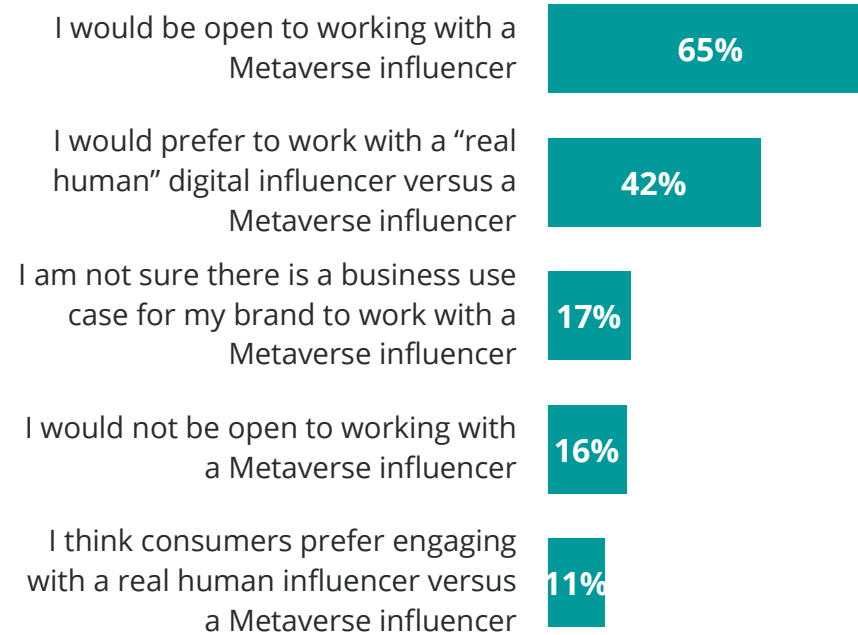
Most marketers will consider using influencers within the Metaverse - though many prefer to work with real humans vs. Metaverse influencers.

Consumers seem more willing than marketers - 8 in 10 consumers are comfortable interacting with a Metaverse influencer.

q11 - Which of the following describe your preferences in working with a Metaverse influencer to promote your brand?

71%

of businesses would consider using influencers when operating in the Metaverse

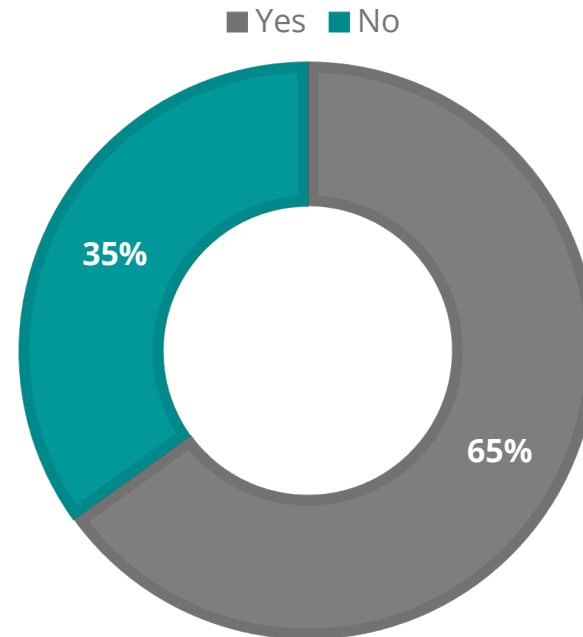


Influencer deception?

1 in 3 marketers say that they may not disclose that Metaverse influencers are not real people.

1 in 4 consumers say they wouldn't feel comfortable giving a fake human their personal information, and say they'd feel silly interacting with a fake human.

q12 - If you worked with a Metaverse influencer, would you disclose to users that the influencer was not a real person?

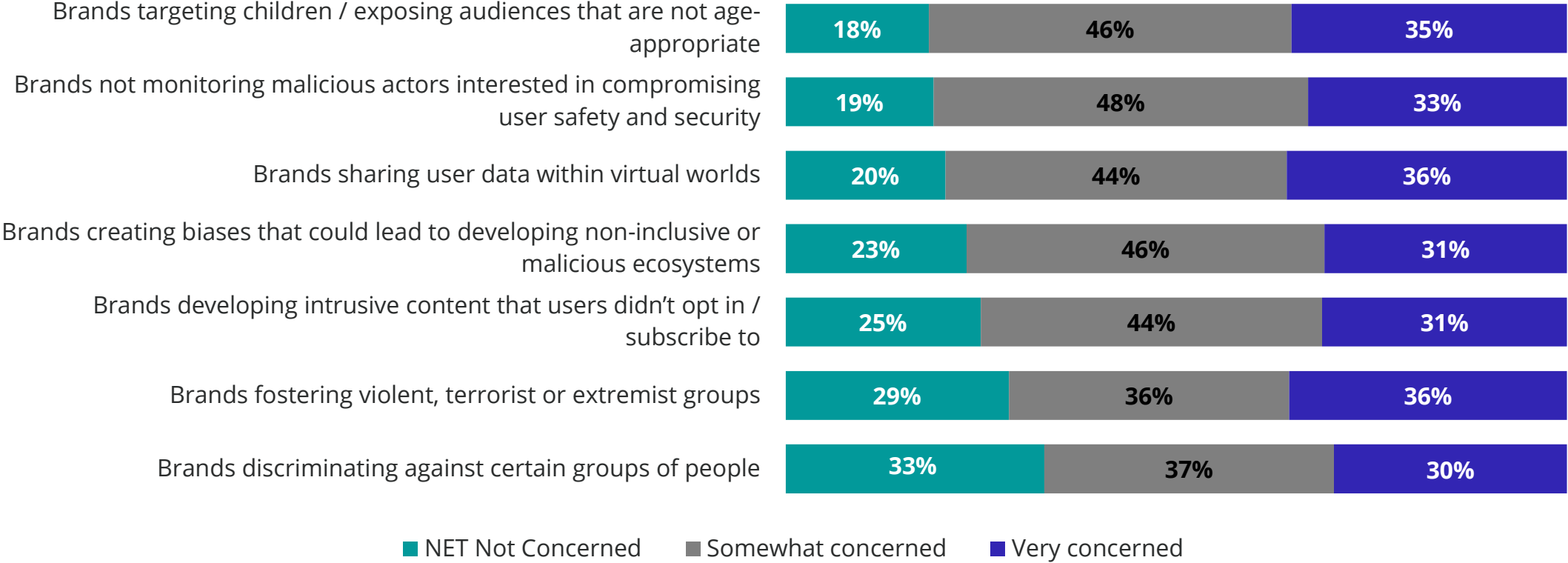




Concerns

Brands do have a high level of concern about the potential negative consequences to the brand.
The highest concerns (age related safety and malicious actors compromising user safety) are also top concerns of consumers.

q15 - How concerned are you about the potential for the following activities to happen in the Metaverse?

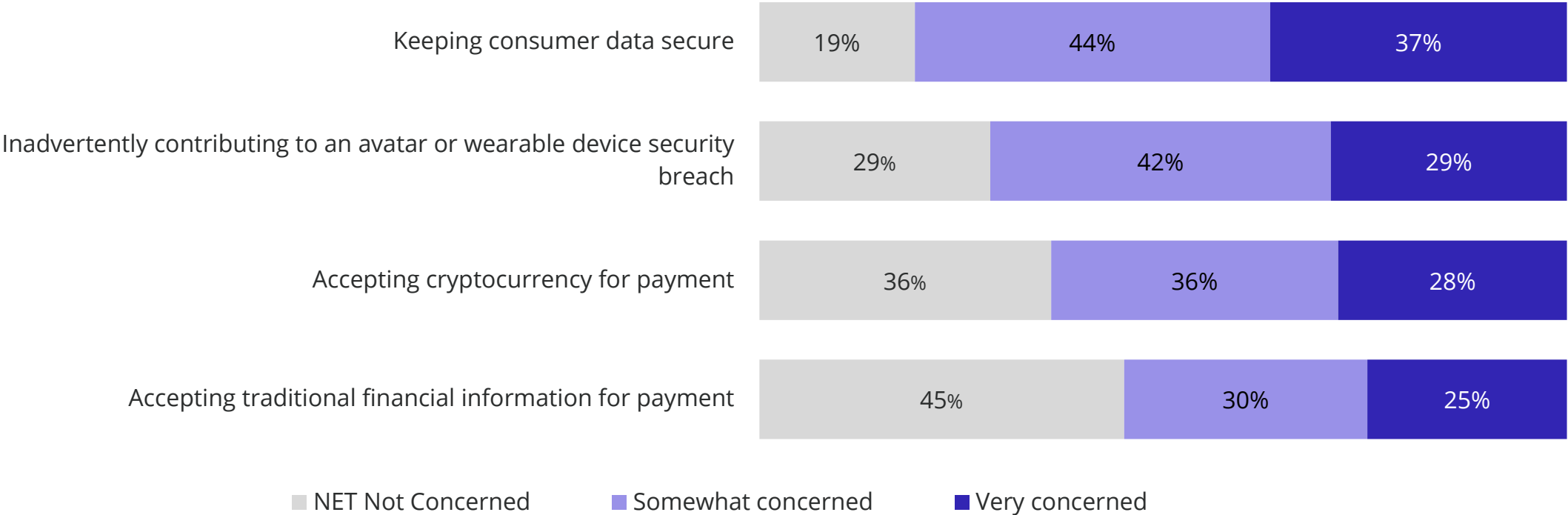


Concerns about security



Top of mind is concern about keeping consumer data secure, including inadvertent security breaches. Payments are a moderate concern. 7 in 10 consumers are concerned about privacy and security on the Metaverse.

q22 - When it comes to maintaining consumer security and doing business in the Metaverse, rank how concerned you are about the following?



Resource concerns are top of mind among Metaverse-aware marketers - both human resources and the volume of content needed for a meaningful, scalable experience. In fact, 7 in 10 expect that they will have to hire in order to meet Metaverse content and security requirements.

70%

of businesses need to hire or expand the team to monitor / ensure that you're following security and compliance protocols in the Metaverse

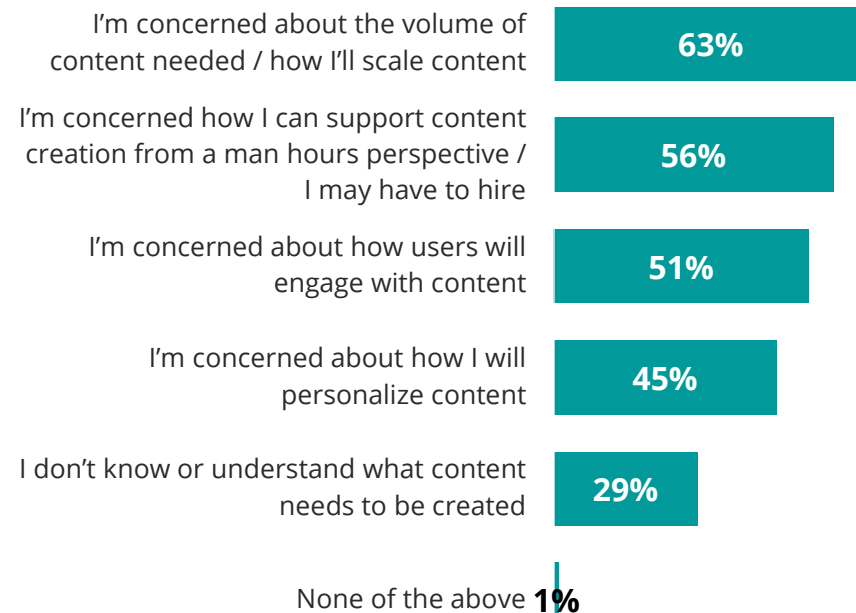
61%

of businesses are concerned about the content requirements for supporting the Metaverse

Other concerns include:

- The unknown of it all. What will make a difference, how do you continually stand out?
- Keeping customer information safe and maintaining our customer base without other company 'poaching'.
- 3rd parties pirating IP. It can already be a problem. What laws will be in place in the Metaverse? Will current IP laws hold up? Current IP laws do little in countries with vast piracy like China or Russia, it might be even worse in a Metaverse setting.
- Access inequality is the biggest concern for me.
- The biggest concern we are handling is on the abusive behavior.

q21 - When you think about developing content to support the Metaverse, what concerns do you have?





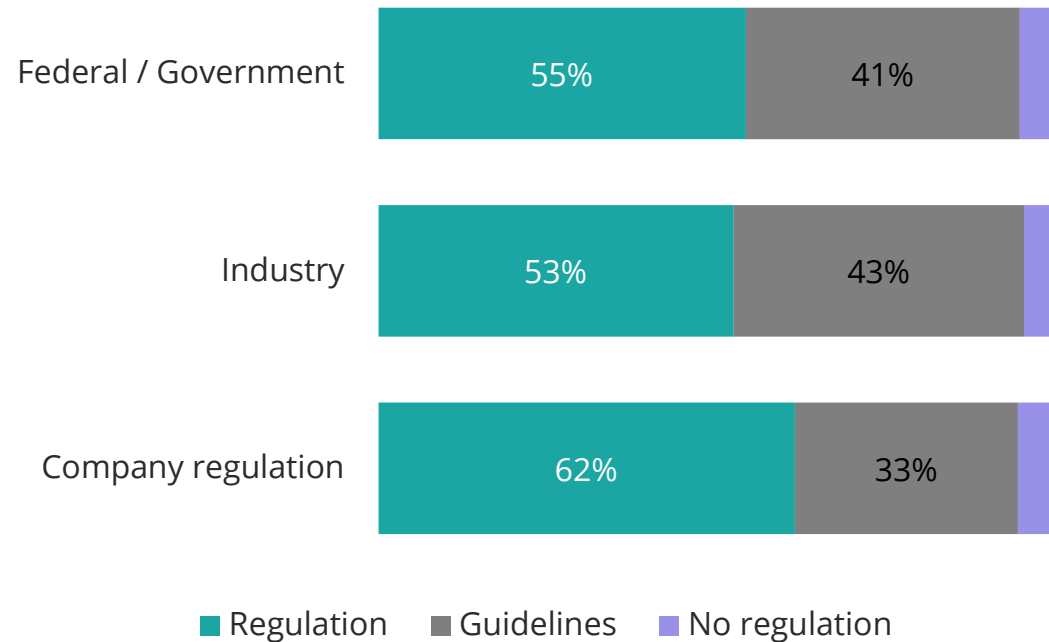
Regulations

Most marketers agree that there should be regulations around brands operating in the Metaverse with a preference for self-regulation by companies over industry or government standards.

q17 - Which of the following forms of regulation would be most beneficial to developing Metaverse ecosystems?

81%

of businesses believe that there should be regulation or legal standards that brands should follow when operating in the Metaverse



Most marketers plan to create standards for their organization's operations in the Metaverse, with data privacy and security most prevalent, followed by 'rules of engagement' and payment processing guidelines.

DEI and accessibility are lower in priority, with only 4 in 10 organizations including it in their Metaverse guidelines.

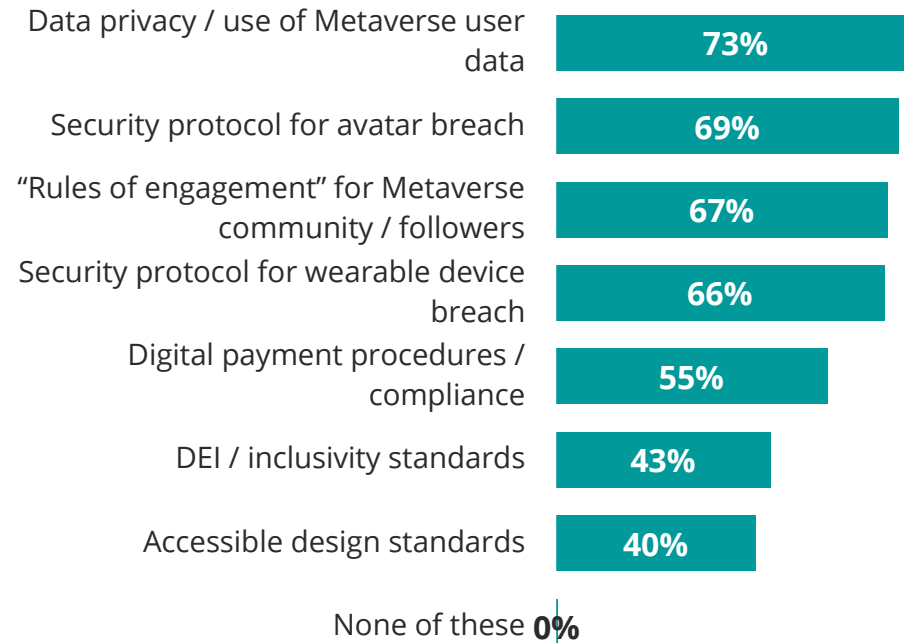
81%

of businesses will develop guidelines / standards / policies for their brand to follow when operating in the Metaverse

77%

believe that brands in your industry will leverage Metaverse technologies in a responsible way

q19 - Will you include any of the following guidelines / standards / policies on how your brand should operate in the Metaverse?





Future Use Cases

Half of marketer's plan to personalize experiences for avatars, which is in line with the expectations of consumers, particularly younger consumers. Half of marketers think that additional consumer data will be needed for effective personalization.

Consumer Spotlight: Half of Metaverse enthusiasts want a personalized experience - Gen Z and Millennials in particular want brands to create a personalized experience for their Metaverse avatar.

q26 - Will you personalize a customer's Metaverse experience based on their digital avatar or their existing customer profile?



- Yes, we'll create personalized experiences for avatars
- No, we'll create experiences based on their existing customer profiles
- I haven't thought about how we'll differentiate avatars from existing customers

52%

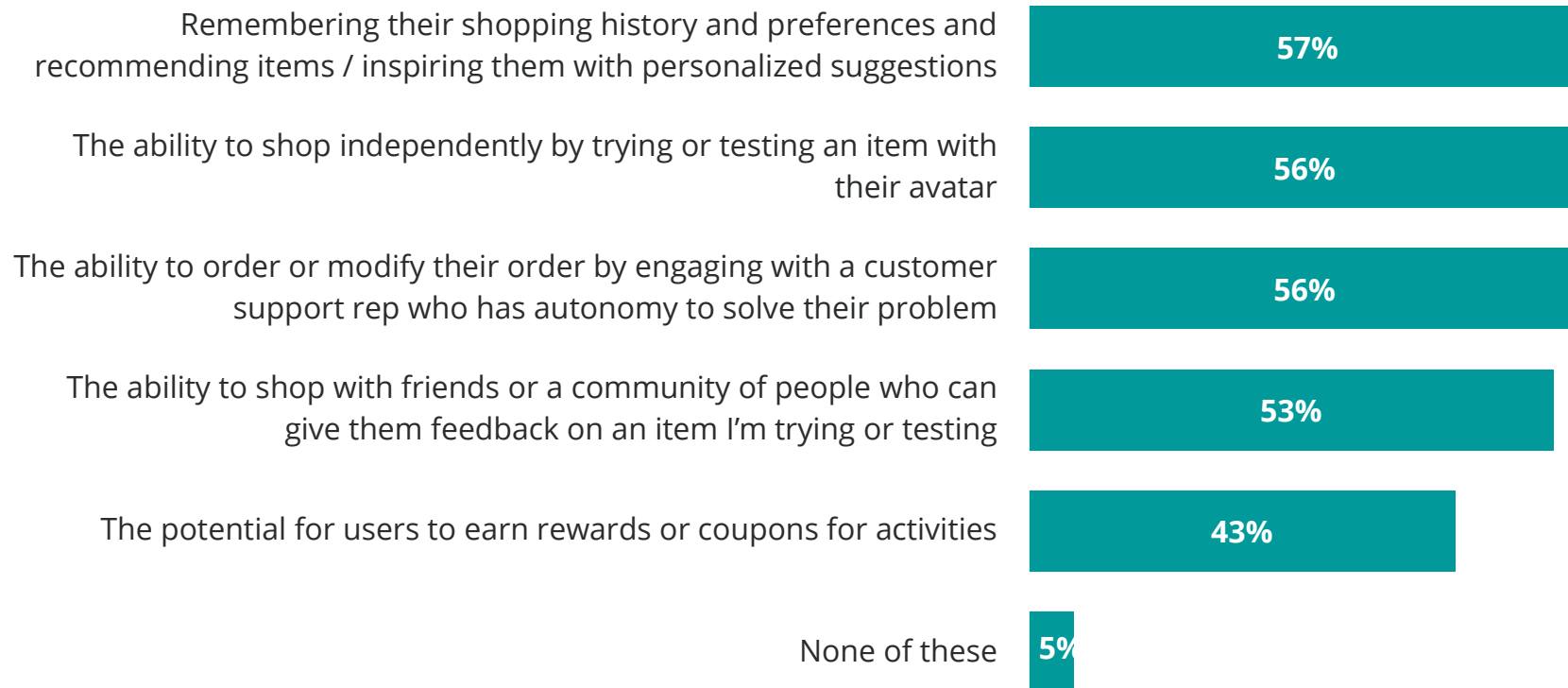
of marketers need to ask for more consumer data than they do now to customize and personalize each Metaverse users' experience

Examples of the data needed include preferences (colors, shopping, music), interests, real time feedback, past retail events.

Planned features

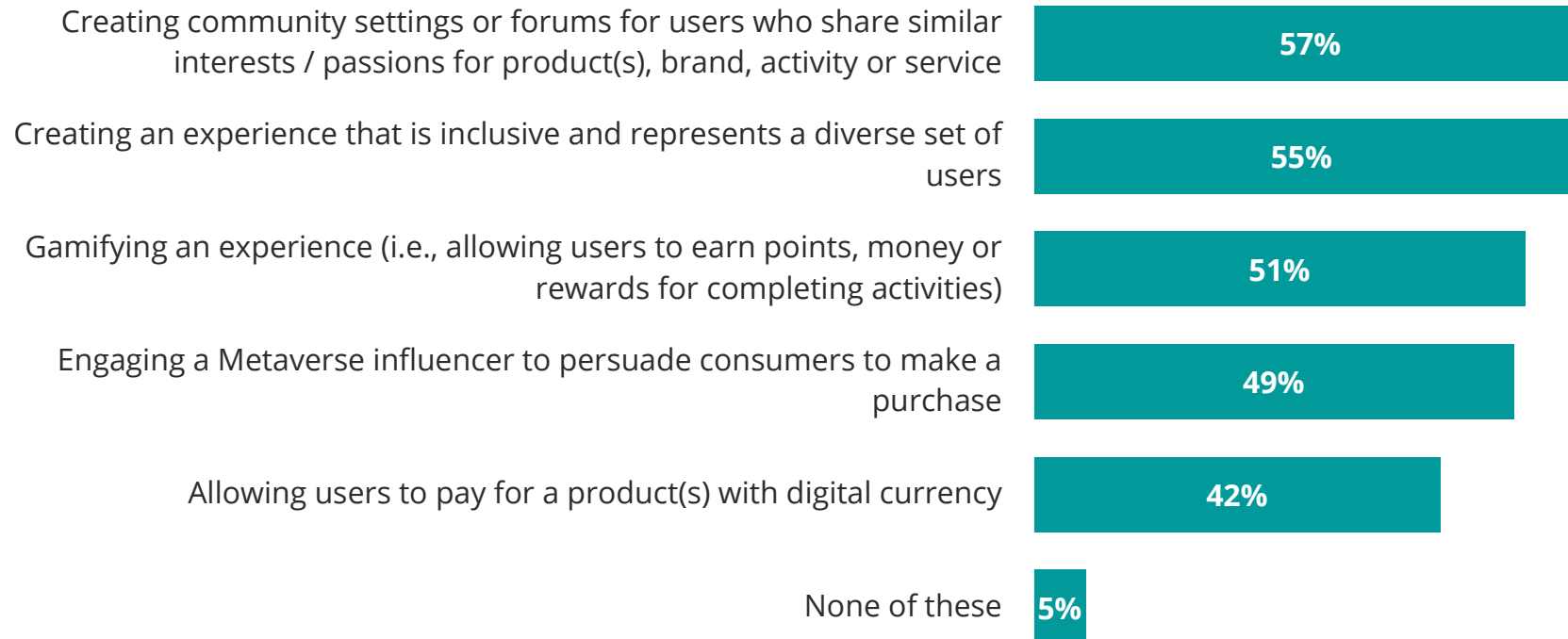
The most commonly planned features on the Metaverse focus on a personalized and interactive shopping experience – remembering preferences, inspiring suggestions, testing products and modifying orders via a shopping app avatar.

q31 - What kind of features will you build / have you built into your Metaverse experiences?



Building communities and a diverse and inclusive set of experiences are the top engagement tactics that marketers have planned for their future Metaverse experiences.

q32 - What kind of engagement tactics will you include / have you included in your Metaverse experiences?



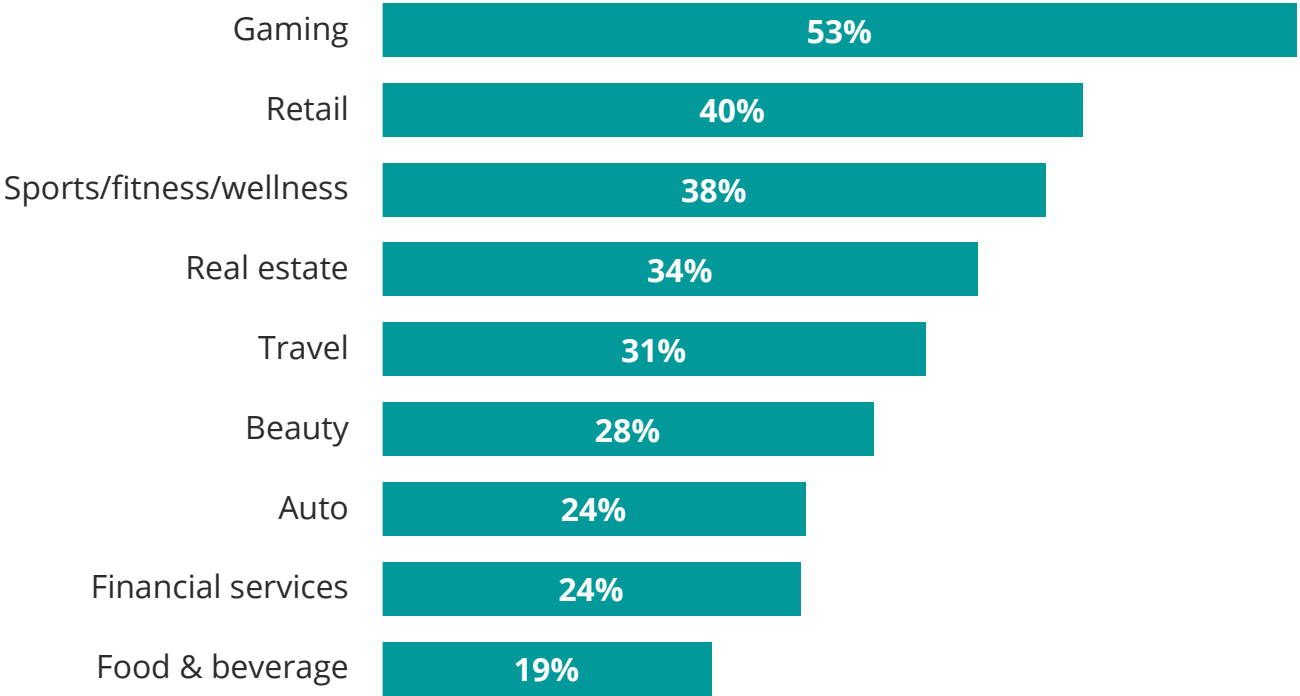
Industry success predictions



Marketers assume that consumers will have the most engagement with Gaming, Retail, and Sports/Wellness content most often, with a significant Real Estate and Travel preference as well.

Consumers expect to engage with the Retail, Travel, and Food & Beverage industries most often.

q29_top3 - Which industries do you think consumers will have the most interest in engaging in the Metaverse? [Top 3]

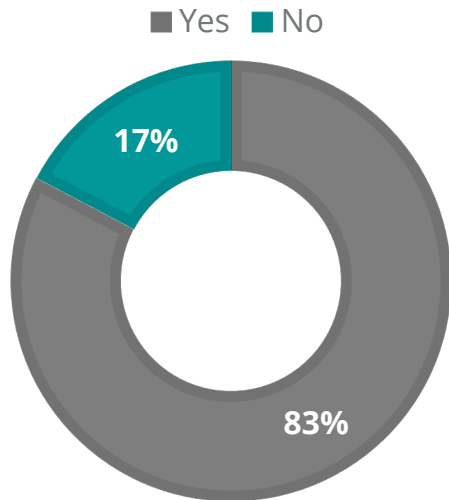


Predictions about the future

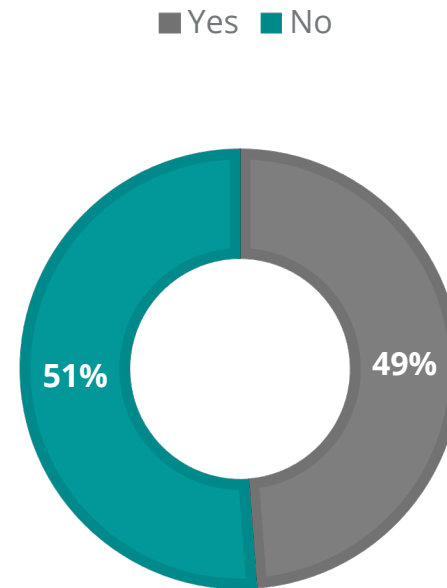
Marketers are confident that testing their product in the metaverse will lead to more purchases. 79% of consumers would test an item with their avatar.

Despite skepticism that consumers fully understand the Metaverse, marketers believe that it will become a dominant platform for consumer interactions. 79% of consumers think that in the future they will spend more time on the Metaverse, compared to social media.

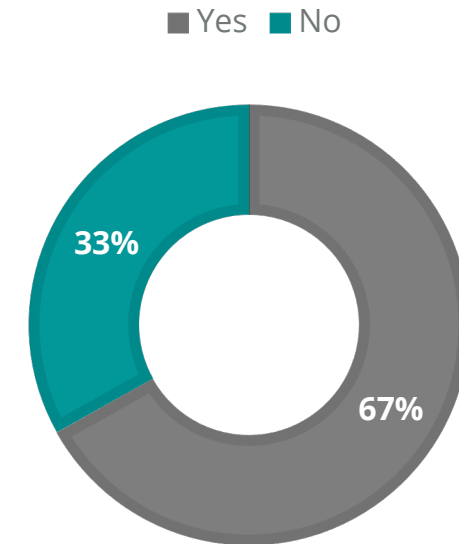
q28 - if consumers could test or experience your product / service in the metaverse, do you think they'd be more likely to purchase it?



q42 -Do you think consumers fully understand the concept of the Metaverse?



q33 -Do you believe the Metaverse will become a dominant platform for you to interact with customers?





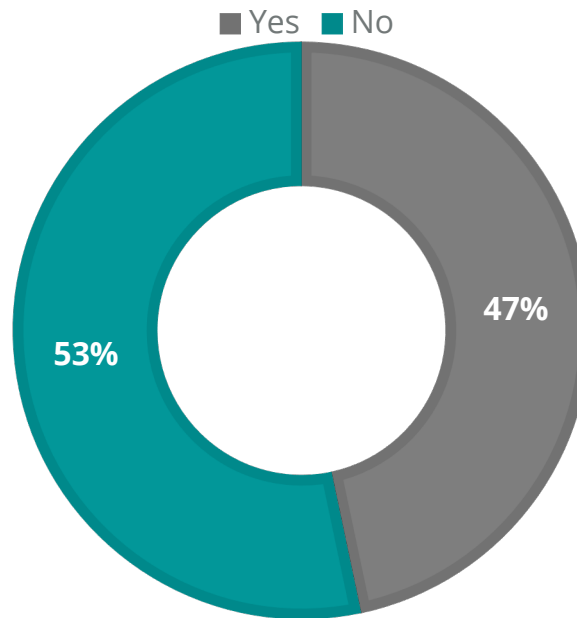
Marketing Spend

Metaverse use cases

Half of marketers have seen at least one compelling Metaverse use case. This is strongest (69%) among those already using the Metaverse as part of their marketing program.

Surprisingly, the majority (57%) of those that plan to use the Metaverse (but don't current use it) have not seen or experienced a compelling Metaverse use to help drive ROI for their business.

q34 - Have you seen or experienced compelling Metaverse use cases that you think would help drive ROI for your business?

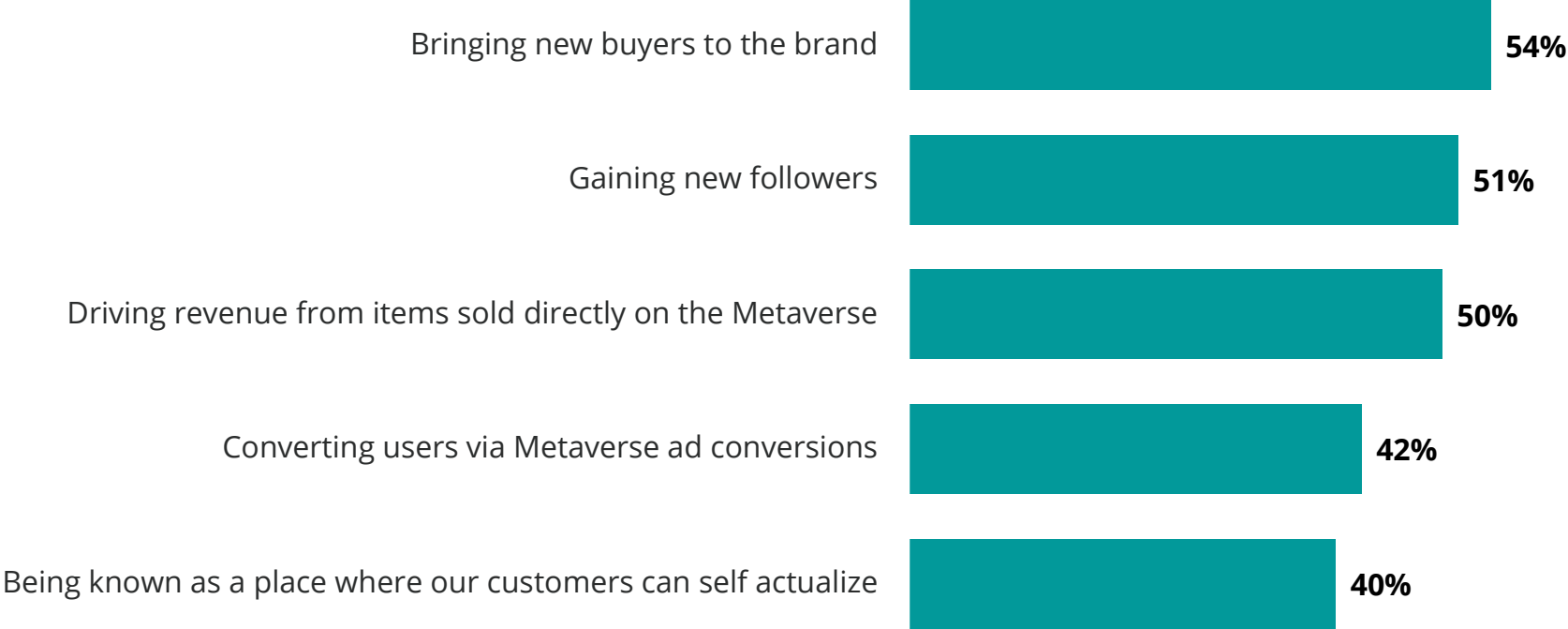


ROI of Metaverse investment



When considering how to measure the ROI of future Metaverse investments, marketers site customer or follower acquisition as most important, followed by direct sales revenue.

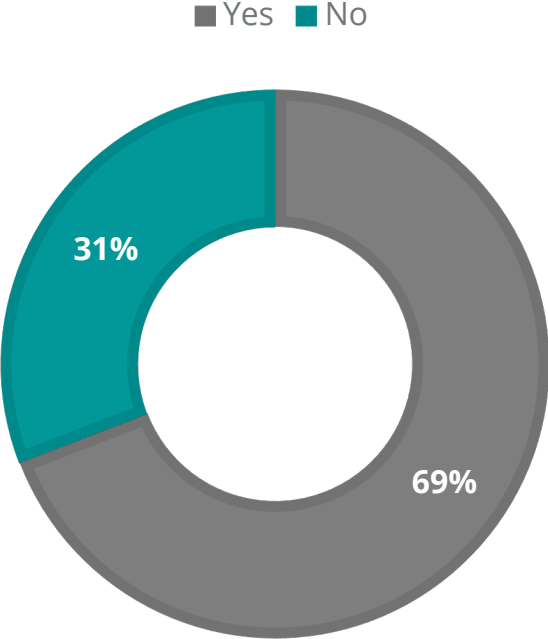
q39 - When it comes to measuring the ROI of your Metaverse investment, rate the importance of the following metrics



Marketing spend in 2023

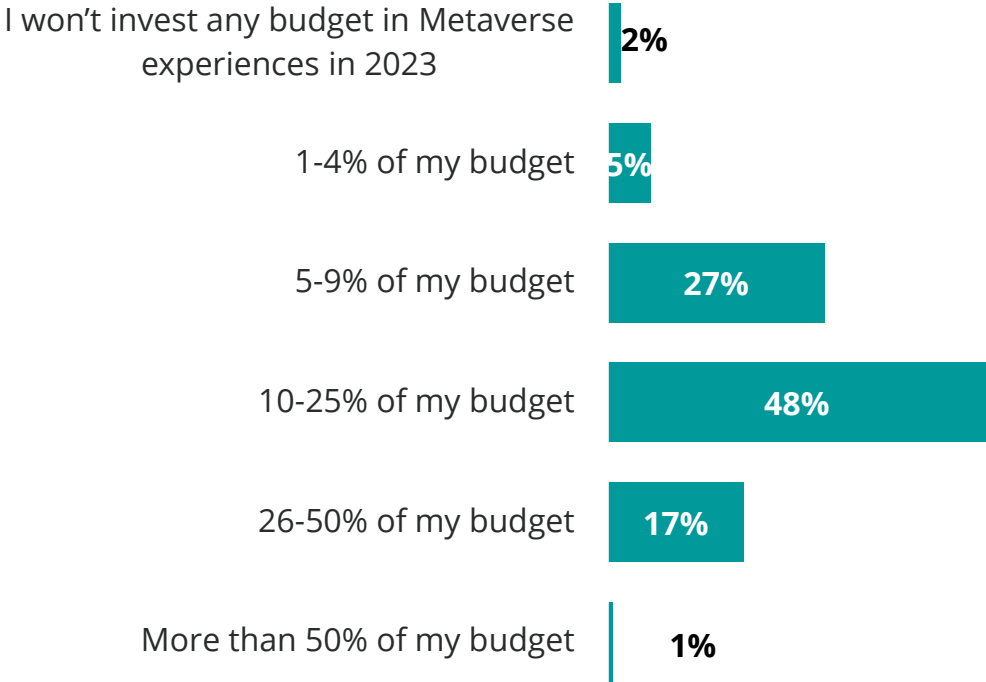
Two thirds of those who are currently or planning to invest in the Metaverse think that they will be building in 2023, with a potential investment that exceeds 10% of their marketing budget.

q35 - Do you plan to build Metaverse experiences in 2023? (current or future plans)



Weight: Unweighted Filters: In what country do you work?: United States Base Size: 272 © 2022 Sitecore Corporation A/S.

q36 - How much of your marketing budget do you plan to invest in Metaverse experiences in 2023? (Those planning 2023 investments)

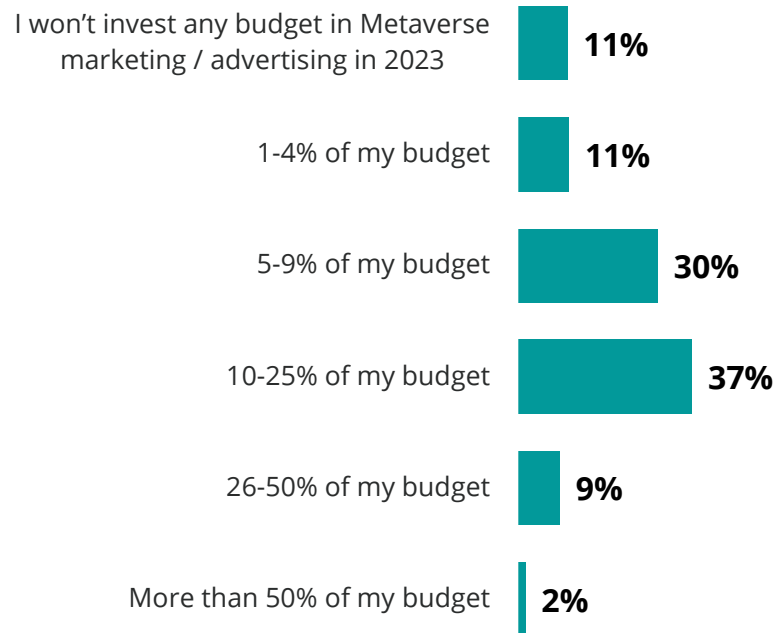


Weight: Unweighted Filters: In what country do you work?: United States Base Size: 186

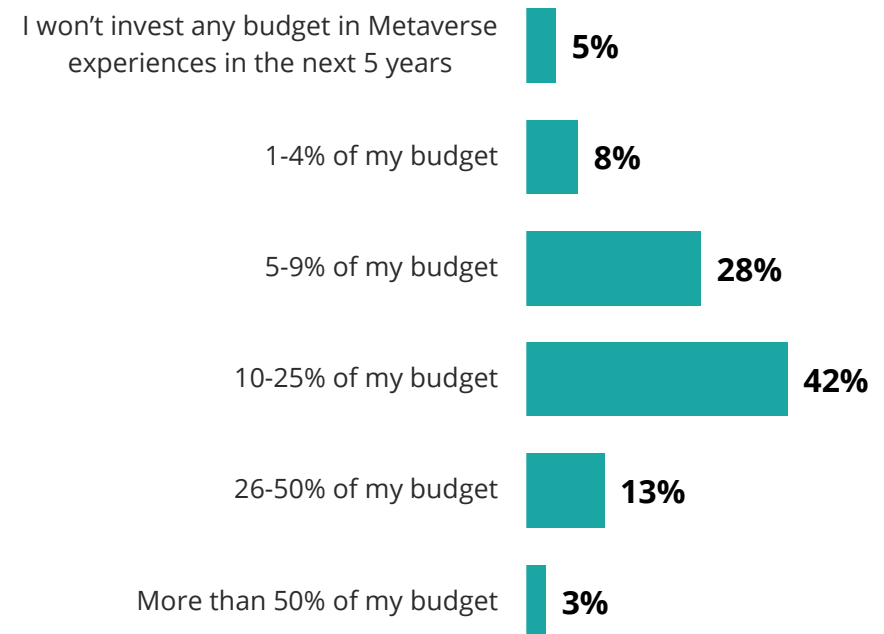
Marketing spend in next five years

Even if not building an experience, it is expected that some of their advertising budgets will be spent on marketing and advertising within the Metaverse. In the next five years, total investment may be 10-25% of budget.

q44 - How much of your marketing budget will be spent on marketing / advertising in the Metaverse in 2023?

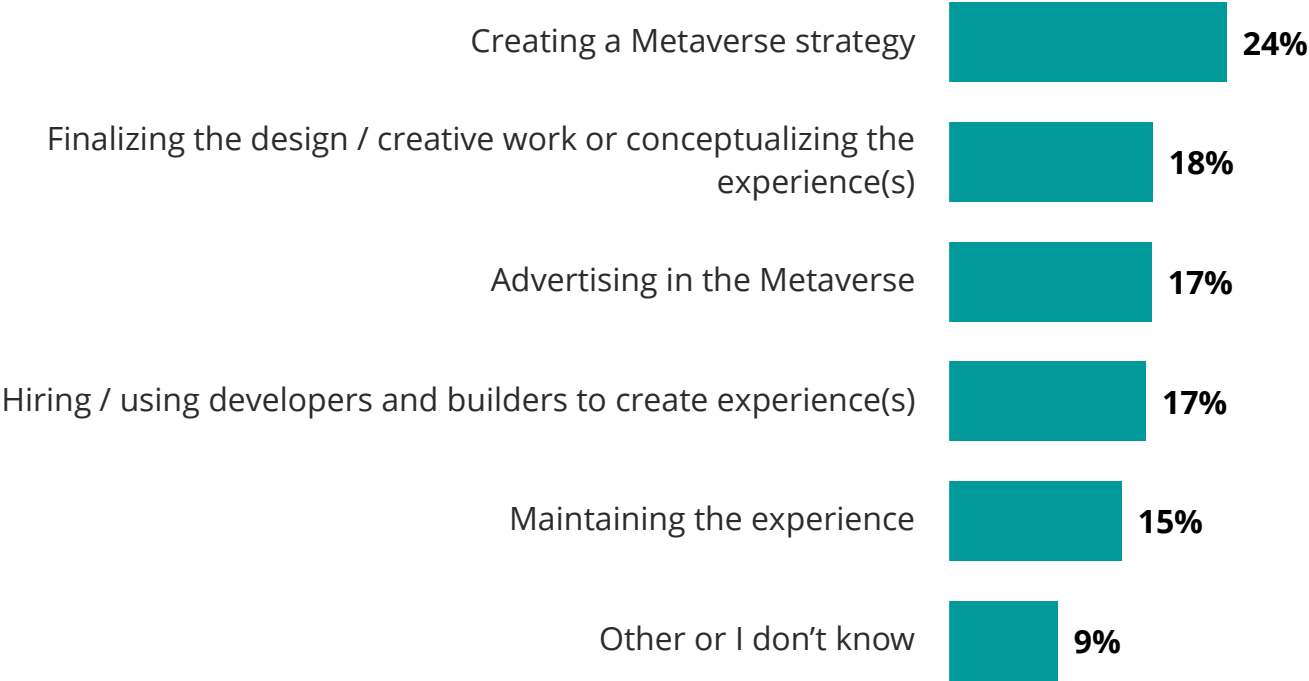


q38 - If you had to estimate, how much do you think you will invest in Metaverse experiences over the next five years?



The majority of investment will be early stage – creating a strategy or designing experiences, as well as in advertising.

q37 - What proportion do you expect to invest / spend in each of these areas to create or maintain Metaverse experiences?

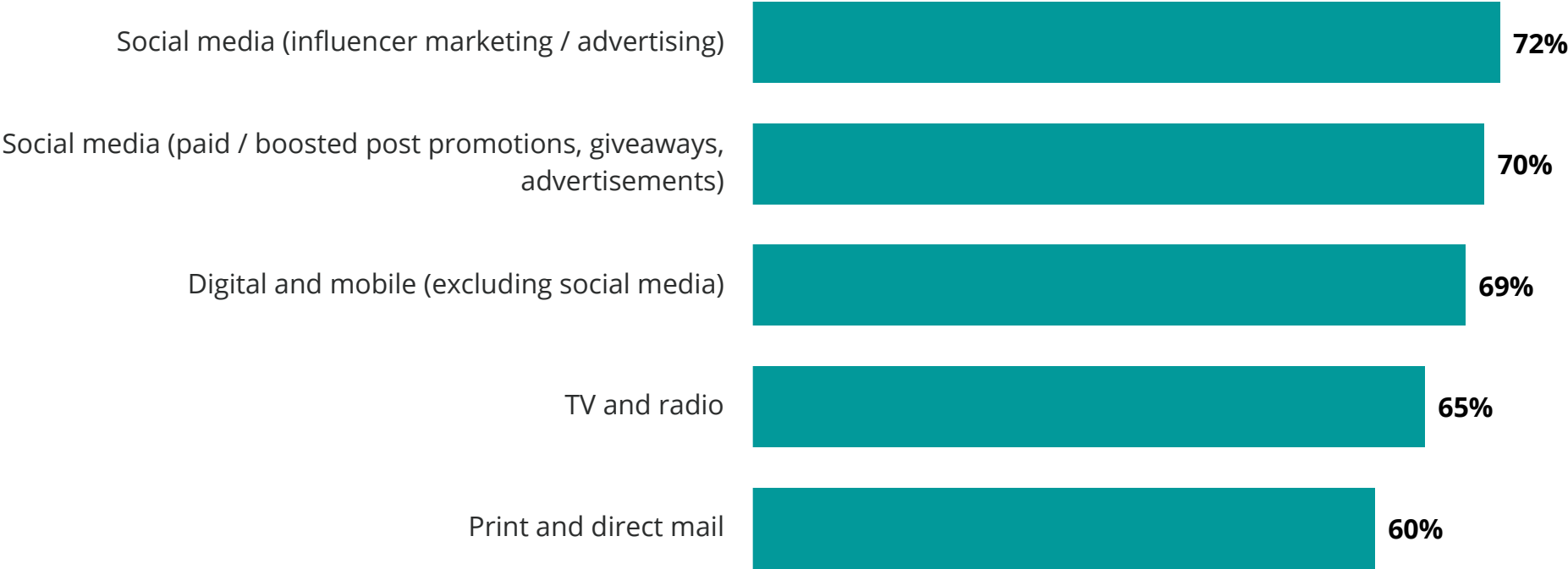


Marketing spend relative to other mediums



Marketers expect that in the future, the Metaverse will exceed spending in many other advertising medium.

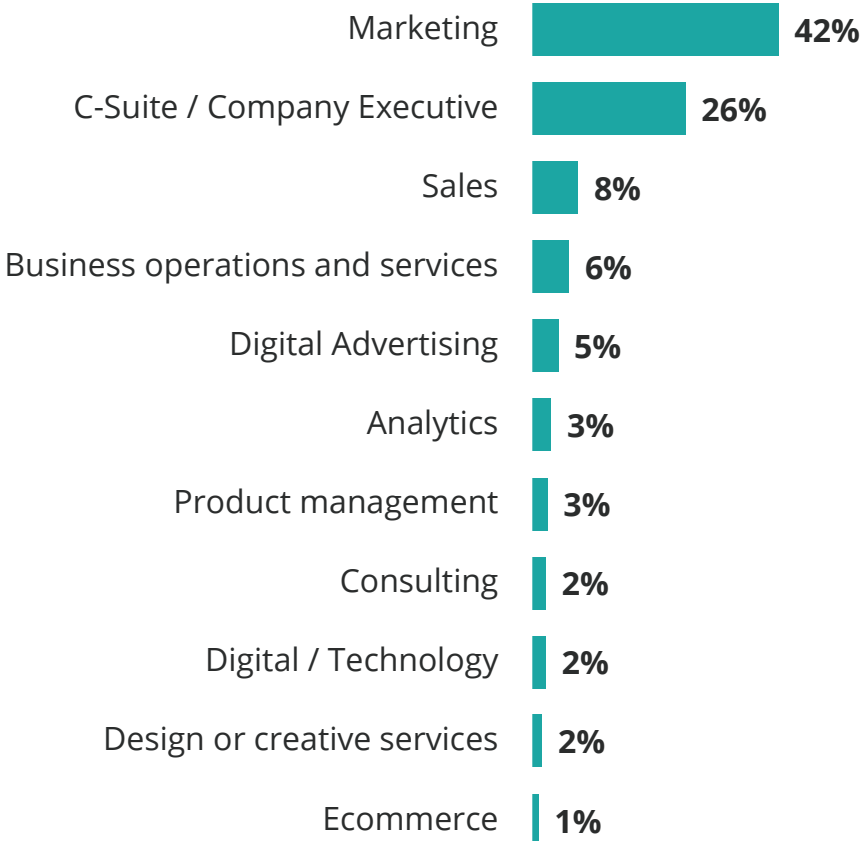
q40 - In the future do you expect your Metaverse marketing and advertising budget to be greater than marketing / advertising for any of the following mediums?



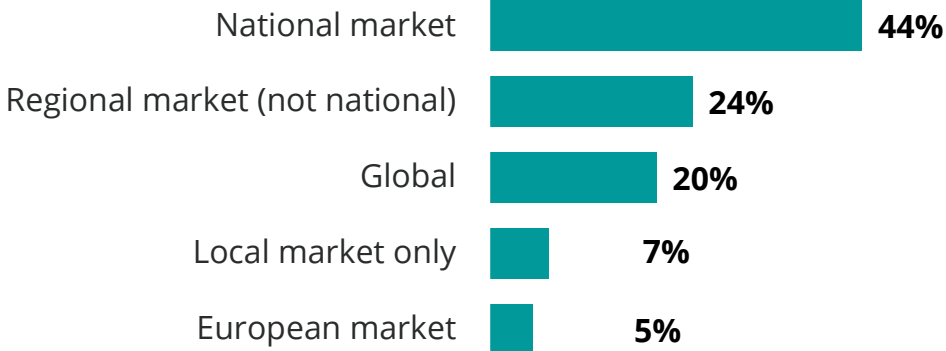


Firmographics

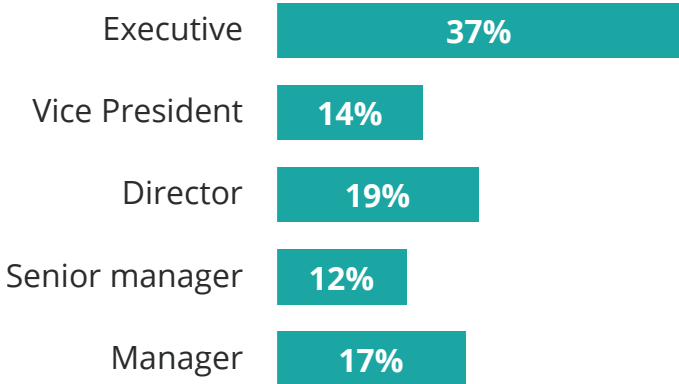
s2 - Which of the following best describes the functional area that you work in?



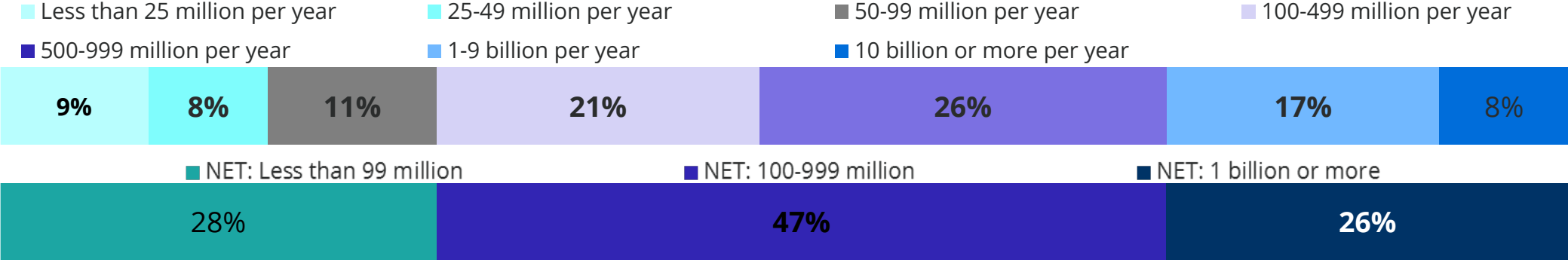
d4 - What is your organization's reach, in terms of customers served?



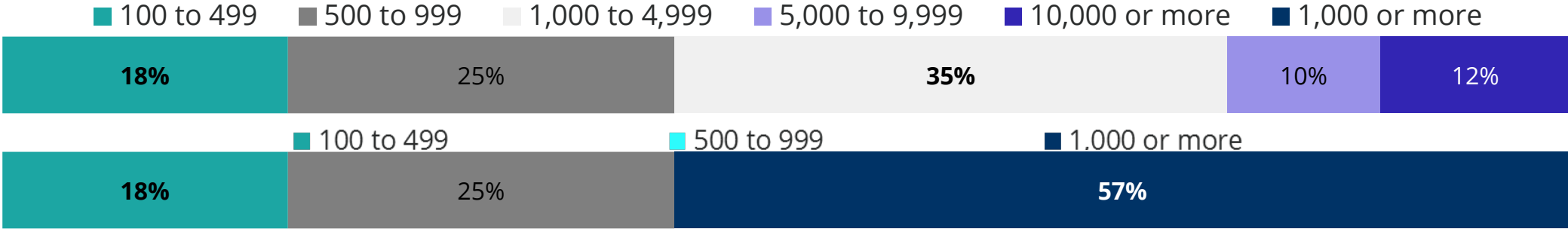
s6 - Which of the following best describes your job level?



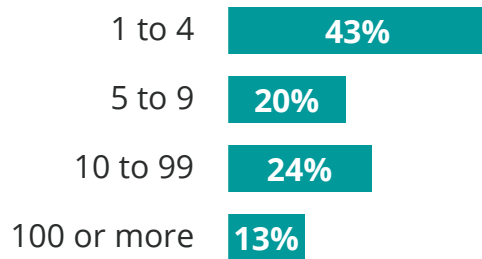
d7 - What is the annual revenue of your company, including all divisions and subsidiaries?



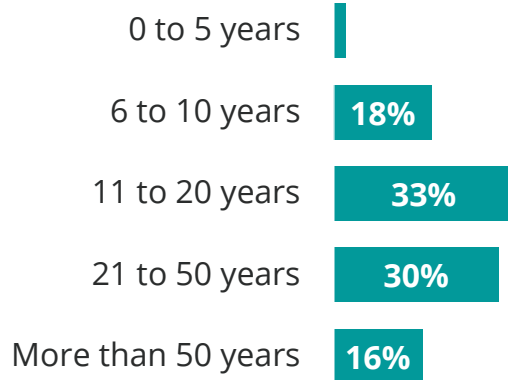
s5 - How many people are in the organization that you work for?



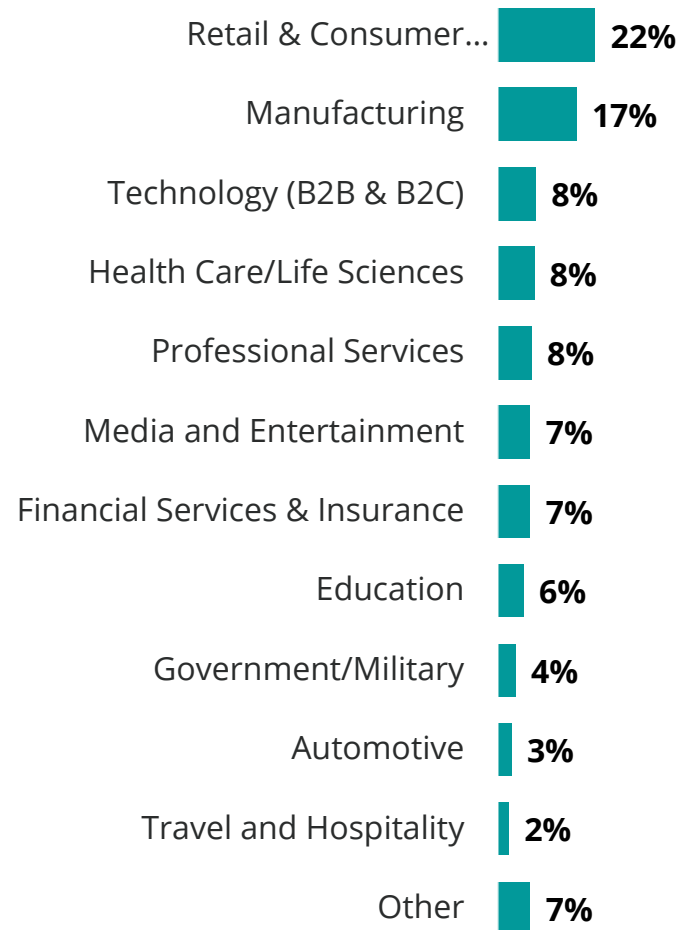
d6_r - How many physical corporate locations does your organization currently have? [Recoded]



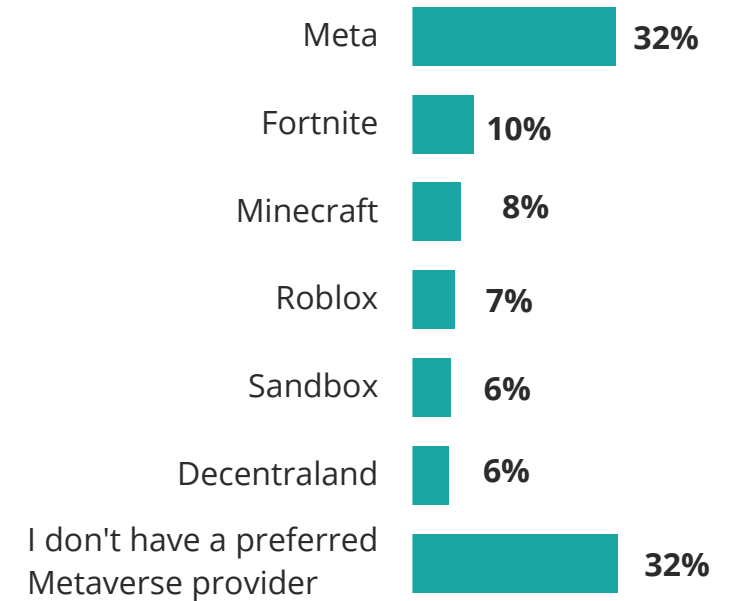
d5 - How many years has your organization been in existence?



d3 - Which of these best describes your organization's primary industry?

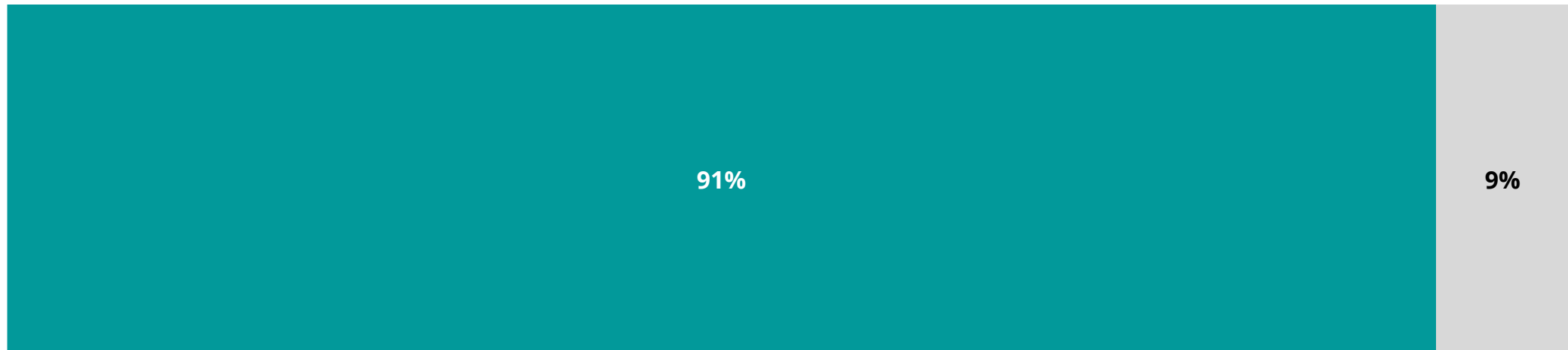


q45 - Do you have a preferred Metaverse provider?



Appendix

screen2 - If you had to explain what the Metaverse is to a colleague, could you?



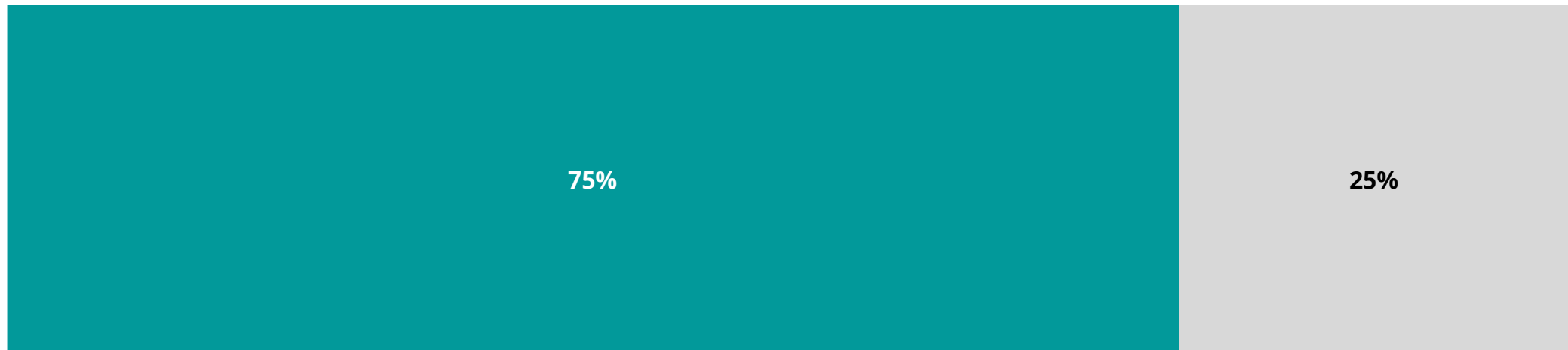
■ Yes ■ No

q30 - Will you design / have you designed different Metaverse experiences to meet consumers where they are in terms of their familiarity with the Metaverse?



■ Yes ■ No

q43 - Do brands have to work harder to educate consumers on the benefits of the Metaverse?



■ Yes ■ No

Sitecore conducted survey research among marketers about the Metaverse

About the survey

- 310 US respondents, all brand marketers for consumer brands, who indicated that they are professionally aware of the Metaverse, participated in this research.
- Survey was conducted Aug 15th to September 21st, 2022
- To qualify, they had to agree with this statement: *I can answer survey questions about my organization's digital marketing, digital advertising, analytics, website, e-commerce, customer experience, or customer data.*
- Participants were recruited from an actively managed online panel (non-probability)
- Participants were incented using rewards points offered by their online panel

- Additional results can be found at <https://portal.Advanis.net/sc>
- This survey was also conducted in the UK. A consumer survey was also conducted.



Thank you

FOR DISCUSSION PURPOSES ONLY.

© 2022 Sitecore Corporation A/S. All Rights Reserved. Sitecore, the Sitecore logo and Own The Experience are trademarks of Sitecore Corporation A/S and its affiliates. Other names and brands may be claimed as the trademarks of others.



ADVANIS