

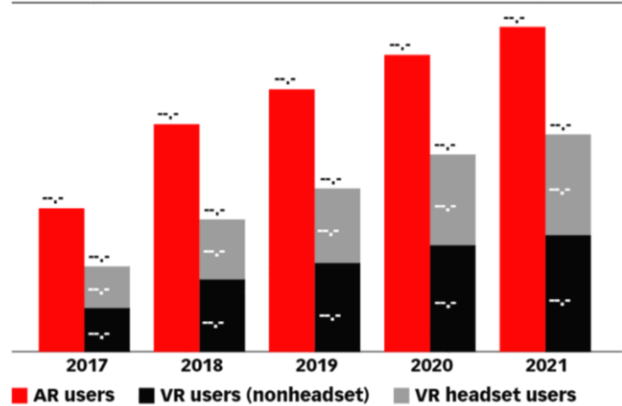


## AN EARLY PEEK OF ADVERTISING IN THE METAVERSE

It's currently projected that within the next decade the metaverse is expected to expand to around 1 billion new global users and generate over \$1 trillion in revenue. Broadly speaking, when tech companies refer to "the metaverse", it includes a combination of virtual reality (VR)—characterized by virtual 3D environments accessed with specialized goggles—as well as augmented reality (AR) that combines aspects of the digital and physical worlds (also accessed with specialized glasses or smartphone apps). It is estimated that approximately 85 million users will experience Augmented Reality or Virtual Reality at least one a month this year. This projection poses multiple opportunities for marketers and brands by enabling new revenue streams from advertising, digital events, e-commerce & bleeding edge hardware (such as goggles, glasses, and wearable devices).

Facebook parent company Meta has noted that the metaverse will incorporate Augmented/Virtual/Mixed reality, machine learning, AI and advancing wearable devices. Consumers seem to be catching on: keyword queries related to the "metaverse" currently yield almost 59M results on Google. The hashtag #metaverse has gained traction on Instagram, with over 60K posts on the platform and is tweeted more than 500 times per hour on Twitter.

**US Virtual Reality and Augmented Reality Users, 2017-2021**  
millions



Note: virtual reality (VR) users are individuals of any age who experience VR content at least once per month via any device; augmented reality (AR) users are individuals of any age who experience AR content at least once per month via any device  
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It's not a stretch to envision many of the current advertising tactics being applied in an AR/VR/MR world of the near future—such as showing high-engagement, interactive advertising in virtual events such as ballgames, concerts, or presentations. As it continues to evolve its platform, Meta has advised select advertisers such as MTV, Coke, American Apparel, Dell and Coldwell Banker to experiment with augmented reality ads, such as photo and video filters that overlay digital images onto the real world, similar to those featured in the movie, "Free Guy". Brands could also partner with content creators on AR ads or use the platform for virtual clothing try-ons.

A recent Meta roundtable with ad agencies lacked specifics on ad format consistency, or what policies would be in place to prevent brands from appearing next to inappropriate content—both issues highlight that there is still much work to be done to establish common ground standards for more widespread industry adoption.

Ultimately, metaverses being offered by Meta, Microsoft and others, assure plenty of room for innovation for marketers and brands alike. Despite the above-mentioned challenges, the promise of reaching consumers with immersive experiences leading to potential new sales channels will only accelerate industry standardization as the opportunity is too good to pass up for most advertisers—much like the early internet.