



Residential demand for the metaverse: consumer survey



Martin Scott

About this report

The concept of the metaverse is entering mainstream conversation. This survey report focuses on consumers' understanding of the metaverse. It explores the demographics of consumers that are interested in the metaverse, the level of understanding of these consumers and why they are valuable. It also considers what this might mean for telecoms operators.

The survey was conducted in association with Dynata between August and September 2022. The survey groups were chosen to be representative of the internet-using population in selected countries around the world. We set quotas on age, gender and geographical spread to that effect. There were at least 1000 respondents per country.

KEY QUESTIONS ANSWERED IN THIS REPORT

- Do consumers have a grasp of what the metaverse is yet?
- Which consumer demographic is the most interested and how interested are they?
- Why are consumers that are interested in the metaverse particularly valuable to telecoms operators?
- What is the relationship between gaming and the metaverse in the eyes of consumers?
- How might telecoms operators prioritise satisfying the needs of metaverse-interested consumers?



GEOGRAPHICAL COVERAGE

- **Western Europe (WE):** France, Germany, Ireland, Italy, Norway, Spain, Sweden and the UK
- **Central and Eastern Europe (CEE):** Poland and Turkey
- **North America (NA):** Canada and the USA
- **Developed Asia-Pacific (DVAP):** Australia and New Zealand
- **Emerging Asia-Pacific (EMAP):** Malaysia and the Philippines
- **Africa:** South Africa



WHO SHOULD READ THIS REPORT

- Telecoms operators that wish to understand consumer demand for the metaverse and metaverse-type applications.
- Equipment manufacturers and developers of Wi-Fi management software that wish to understand end-user demand for, and understanding of, QoS and QoE features.
- Stakeholders in the metaverse that wish to develop partnerships with telecoms operators and understand their wants and needs.

Executive summary

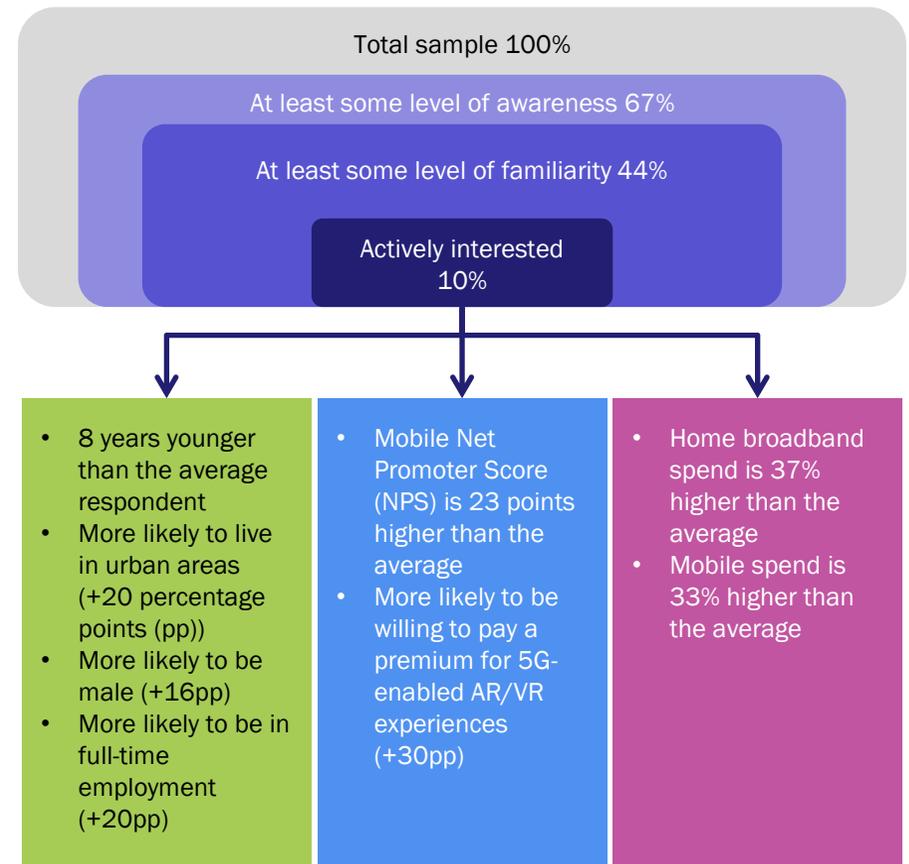
Many consumers are receptive to the idea of the metaverse and operators should prioritise ensuring that they are satisfied.

Our survey of 19 000 consumers from around the world shows that consumers' awareness of the metaverse is growing. Online adults that reported being actively interested in the metaverse in 2022 are already some of telecoms operators' highest-spending customers and are also their greatest consumer champions. As such, these are customers that telecoms operators wish to attract and retain in 2022 and 2023.

Our findings suggest that telecoms operators should begin to formulate their roadmaps for engaging with consumers regarding applications that fall into the wider category of 'metaverse-type applications', even if the vision of a fully interconnected, standards-based, persistent metaverse is still years from reality.¹

The results of our survey, conducted in 3Q 2022, allow us to understand not only how receptive different groups of consumers are to the idea of the metaverse, but also how sensitive they are to concepts that are relevant to metaverse use cases (such as aspects of quality of experience (QoE)/quality of service (QoS)). We can also analyse how their relationship with the metaverse relates to other measures that are important to telecoms operators such as spend and customer satisfaction.

Figure 1: Consumer awareness and interest in the metaverse and the notable differences between metaverse-interested consumers and the average consumer, worldwide, 3Q 2022



¹ See the next slide for our definition of the metaverse.

Defining the metaverse and metaverse-type applications

What is the metaverse?¹

The metaverse is the superset of existing and future virtual spaces that are either physically persistent and entirely virtual or that virtually enhance physical reality. The idea of a scalable, persistent, interconnected, interoperable superset of existing and future virtual worlds in which digital assets are portable is at the core of the metaverse vision. The metaverse will need to be based on open standards and APIs that facilitate this interoperability.

This definition will change as technology and business models evolve; various companies are interpreting the term differently to suit their objectives and established strengths. The metaverse depends on an ecosystem of interconnected platforms and therefore the metaverse itself has not yet emerged, even though many current platforms contain several metaverse-ready aspects.

The simplest definition is ‘a future version of the internet where users create and participate in a shared VR or AR environment that is highly immersive’. This will not solely be ‘in 3D’. The metaverse will also include existing ‘2D’ applications, AR and other ‘Internet of Senses’ technology such as haptics that will be used separately from spatial rendering. The term ‘internet’ is shorthand to describe the interconnected, protocol-based nature of the metaverse.

Making the metaverse a reality requires many dependencies to be met. Meta’s pivot to the metaverse in 2021 was the first of

several catalyst events needed to kick-start the convergence of disparate ‘monoverses’ (proprietary virtual spaces) into the metaverse, but the process will take many years.

The current collection of metaverse-type applications and monoverses can be grouped into three categories. **Consumer-centric** applications are primarily peer-to-peer in nature, such as those used for social, commerce, entertainment and gaming purposes. **Business-led** applications include those from ‘service’ industries, retail, education and health. These applications often rely on the same platforms, engines and connectivity as the consumer-facing metaverse. **Industrial metaverse** applications are closed virtual systems or digital twin solutions that often do not run on common platforms and are not interconnected. Here, AR/VR, sensors, AI and analytics are brought together to create a digital duplicate of industrial environments.

What are metaverse-type applications?

Out in ‘the wild’, the term metaverse is more-loosely applied to current-generation simulation technologies, from virtual environments used for gaming, entertainment and learning through to AI-based simulations and digital twin applications in industrial contexts. It is also being applied to all VR and AR applications. These applications will generally increase the demand for higher bandwidths, lower latencies and reduced jitter. We loosely categorise this group of applications into ‘metaverse-type applications’. These applications exist today, unlike the metaverse itself.

¹ For more information about our definition of the metaverse ecosystem, see Analysys Mason’s *Metaverse strategies: operators are well-placed to succeed in three specific areas*.



Contents



Executive summary

Analysis

Methodology and panel information

About the author and Analysys Mason

About the author



Martin Scott (Principal Analyst) heads Analysys Mason's research initiatives related to media and TV. He manages the *Video, Gaming and Entertainment* research programme. Martin has held numerous positions within Analysys Mason during the last 17 years, including heading the company's Consumer Services, Data and Regional Markets practices. He also launched Analysys Mason's *Connected Consumer Survey* series of research. His primary areas of specialisation include telecoms TV strategy, OTT video and media, consumer behaviour, customer satisfaction and consumer-facing marketing strategy. He also specialises in statistics, surveys and the analysis of primary research. Martin worked in the British civil service before joining Analysys Mason. He has a Master's degree in Mathematics from Oxford University.

Global leaders in TMT management consulting



analysismason.com/what-we-do

Analysys Mason is the world's leading management consultancy focused on TMT, a critical enabler of economic, environmental and social transformation.

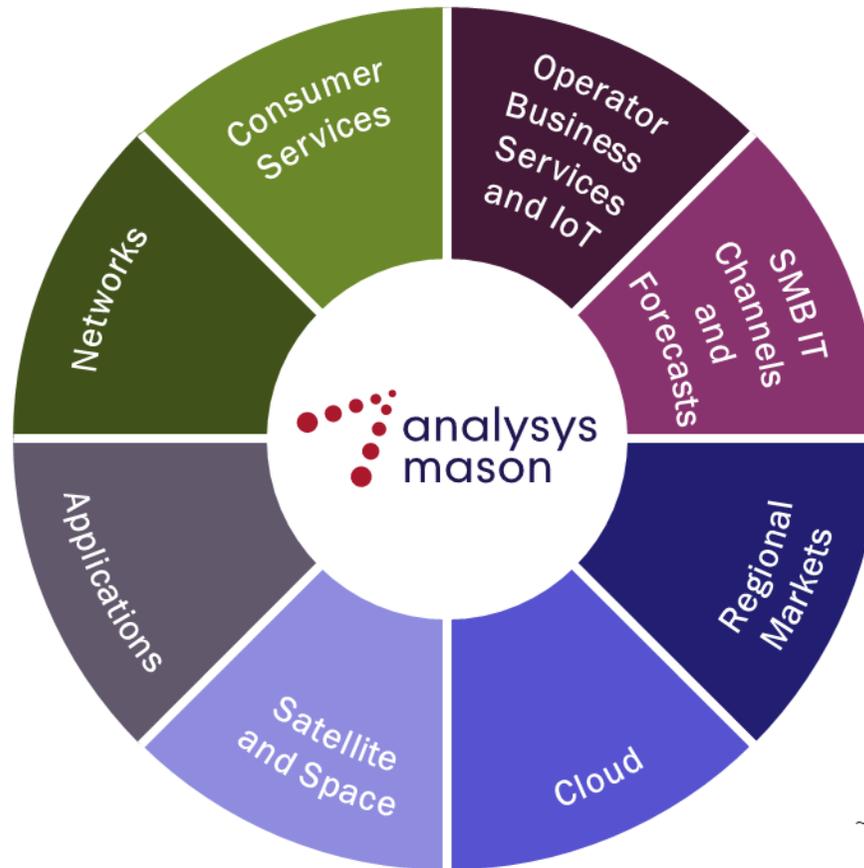
We bring together unparalleled commercial and technical understanding to deliver bespoke consultancy on strategy, transaction support, transformation, regulation and policy, further strengthened by globally respected research.

Our clients value our advice which combines deep domain knowledge with global reach and local insight into markets to help them achieve meaningful business results.

We are committed to our clients, employees and communities – contributing to a world where technology delivers for all.

Our research services

- 
Consumer Services
 - Fixed Broadband Services
 - Mobile Services
 - Fixed-Mobile Convergence
 - Smart Devices
 - Future Comms
 - Video, Gaming and Entertainment
 - Digital Services
- 
Networks
 - Next-Generation Wireless Networks
 - Wireless Infrastructure Strategies
 - Fibre Infrastructure Strategies
 - Operator Investment Strategies
 - Telecoms Strategy and Forecast
 - Transport Network Strategies
- 
Applications
 - Network Automation and Orchestration
 - Customer Engagement
 - Monetisation Platforms
 - Digital Experience
 - Automated Assurance
 - Service Design and Orchestration
 - Telecoms Software Market Shares
- 
Satellite and Space
 - Satellite Communications
 - Space Applications and Infrastructure



- Operator Business Services and IoT**
 - Enterprise Services
 - SME Services
 - IoT Services
 - Private Networks
- SMB IT Channels and Forecasts**
 - Cyber Security
 - SMB Technology Forecaster
- Regional Markets**
 - Global Telecoms Data and Financial KPIs
 - Americas
 - Asia-Pacific
 - Middle East and Africa
 - European Core Forecasts
 - European Telecoms Market Matrix
 - European Country Reports
- Cloud**
 - Cloud Infrastructure Strategies
 - Data, AI and Development Platforms
 - Edge and Media Platforms
 - Multi-Cloud Networking
- DataHub**
 - ~2800 forecast and 280+ historical metrics
 - Regional results and worldwide totals
 - Operator historical data

analysismason.com/what-we-do/practices/research

Our areas of expertise



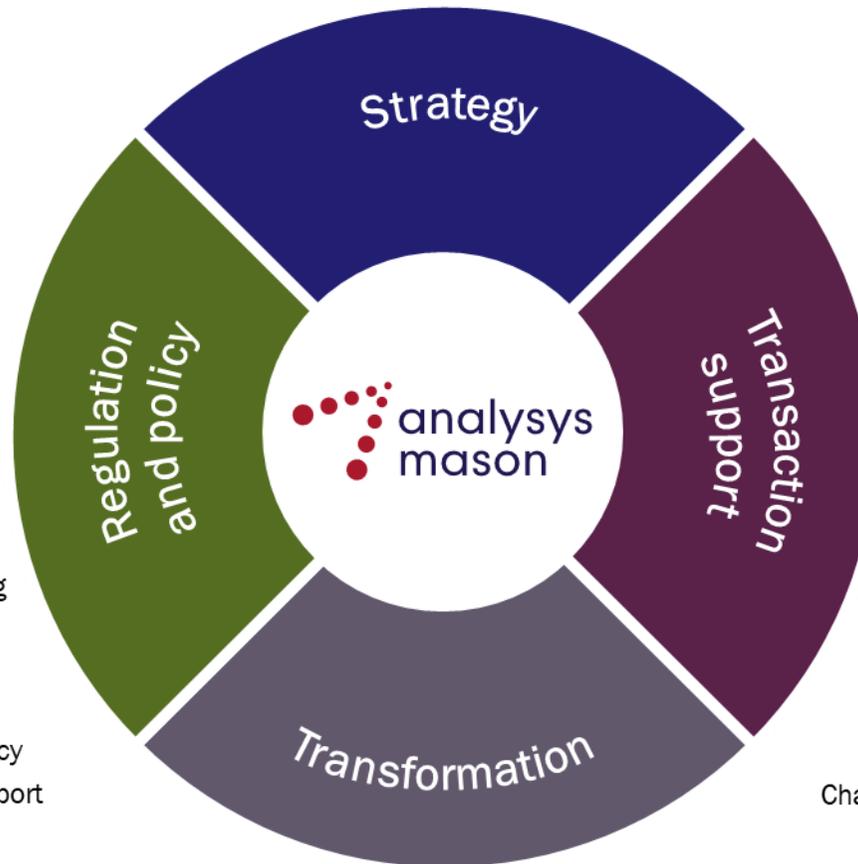
Strategy

- Corporate growth strategy
- Business unit strategy
- Infrastructure strategy



Regulation and policy

- Network and platform
- Public sector broadband intervention
- Accelerating digital transformation of society
- Price controls and cost modelling
- Regulatory accounting
- Regulatory benchmarking and analysis
- Spectrum management and policy
- Expert witness and litigation support
- Postal regulation and policy



Transaction support

- Commercial due diligence and market review
- Technical due diligence
- Post-merger integration
- Periodical business monitoring and loan technical advisory
- Opportunity scouting and pre-deal support



Transformation

- Business transformation
- Digitalisation
- Operational excellence
- Data, BI, steering and insights
- Change and programme management
- Sustainability



analysismason.com/what-we-do/practices

PUBLISHED BY ANALYSYS MASON LIMITED IN **DECEMBER 2022**

Analysys Mason Limited. Registered in England and Wales with company number 05177472. Registered office: North West Wing Bush House, Aldwych, London, England, WC2B 4PJ.

We have used reasonable care and skill to prepare this publication and are not responsible for any errors or omissions, or for the results obtained from the use of this publication. The opinions expressed are those of the authors only. All information is provided “as is”, with no guarantee of completeness or accuracy, and without warranty of any kind, express or implied, including, but not limited to warranties of performance, merchantability and fitness for a particular purpose. In no event will we be liable to you or any third party for any decision made or action taken in reliance on the information, including but not limited to investment decisions, or for any loss (including consequential, special or similar losses), even if advised of the possibility of such losses.

We reserve the rights to all intellectual property in this publication. This publication, or any part of it, may not be reproduced, redistributed or republished without our prior written consent, nor may any reference be made to Analysys Mason in a regulatory statement or prospectus on the basis of this publication without our prior written consent.

© Analysys Mason Limited and/or its group companies 2022.