

M+E

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Charting the Metaverse

The metaverse
will prove
transformative
for M&E.
But only when
the entire
industry gets
on board.

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LET'S GET READY FOR THE METAVERSE

And be prepared for all the ways to monetize it



ABSTRACT: The ambitious concept of the metaverse promises to merge our digital and physical realities together with an interconnected hub of next-gen apps, platforms, and marketplaces — buoyed by massively large amounts of data. While the data complexities involved in building, collaborating and exploring these new worlds seem unfathomable today, serving up a unified virtual experience at scale is the next wave of transformation for media organizations.

**By Richard Whittington, General Manager, Media, and
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Most of what we think we know about the metaverse today remains wild conjecture and elaborate hypothesizing — still largely the stuff of science fiction: holograms hanging out with flesh and blood friends at rock concerts, virtual mortgages to finance virtual houses, and “being within the computer rather than accessing the computer,” in the words of VC and metaverse enthusiast Matthew Ball. Meanwhile, tech giants like the company formerly known as Facebook are betting big on this meta-future.

While the crucial what, when, where, and how of the metaverse remain hazy, certain components of this ambitious new model for human existence are already very much a reality. There are abundant examples in the world of video games, where avatars have been roaming virtual landscapes, using digital currency to purchase

virtual goods, and engaging in virtual relationships with other avatars for years, even decades.

The booming business in NFTs demonstrates that there is plenty of physical appetite for spending serious dollars and bitcoins on digital art and other virtual collectibles. Virtual reality and augmented reality technology, if still clunky, has gained greater adoption not only in gaming but also, increasingly, in business applications, as the COVID-19 pandemic has forced companies to think outside of the physical office box. And, for the last two years, many of us, from toddlers on up, have been living in hybrid worlds, with significant chunks of our days unfolding in digital spheres.

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and marketplaces — all running on and siphoning off massive amounts of data? And when you put it like that, the metaverse doesn't seem so fantastical or futuristic after all. Serving up a unified virtual-physical experience at scale is the next wave of evolution for media organizations, but that needn't feel like a great sci-fi leap. Think of the metaverse as the next step after the streaming revolution — simply a new channel for media content. And much of the technology that will make the metaverse possible — think blockchain, not holograms—is already alive and well here in 2022.

With the explosion of new customer engagement points presented by the metaverse comes another crucial question — how will media companies monetize the virtual entertainment landscape? The possible answers, of course, are manifold, but regardless of what forms the metaverse ultimately takes and how the entertainment industry fits into those potential virtual spaces, one thing is certain: media companies will need to have their revenue processes and systems fully modernized for a digital world. From frictionless cloud-based business processes to powerful analytics technologies, media companies must move now to create, recognize, and seize new monetization opportunities even as the metaverse is still taking shape.

Collecting and analyzing user engagement data is essential to continue to provide the personalized content experiences that consumers increasingly expect and demand. Savvy entertainment enterprises are already deploying cloud-based solutions to collect and analyze data from every digital interaction. This creates and maintains rich customer profiles that facilitate the individualized entertainment experiences that have become a hallmark of all streaming platforms. With cloud-based data man-

agement and analytics solutions already in place, many media companies will be well prepared to decipher and optimize the deluge of data to come and better adapt to an overwhelmingly digital world of entertainment.

In addition to managing monetization and user experiences, another area of complexity that will continue into the metaverse is tracking content rights and paying royalties. Managing rights and royalties is already an enormous undertaking for media companies and given that consumers demand an infinite supply of new, compelling, ultra-targeted content, the metaverse presents many complications to this already intricate task. Just one of countless questions that the metaverse will raise for rights and royalties departments: How will artists and content creators be compensated across these new engagement points — a song playing in a digital bar, a movie showing in a digital theater, a concert being watched by a digital avatar?

Media companies that are shifting their legacy rights and royalties operations to cloud-based solutions that automate, streamline, and optimize content acquisition and management, will be poised to seamlessly accommodate many of the new challenges presented by operating in the metaverse.

However inseparable we already are from our many devices, most of us are still accessing the computer rather than “being within the computer.” We don't know exactly when that relationship will flip, but we know that the flip is coming, one way or another. The future is arriving faster than we can grapple with it. Our children live in a world that was still unimaginable just two decades ago. We can expect the pace of change to accelerate exponentially in the months and years to come. ▣



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