

The Debating Group



A Parliamentary forum for Media and Marketing Debate

The metaverse provides a unique opportunity for the advertising community to reach a whole new audience

On November 30th, 2022, the Debating Group met in the House of Commons with Jim Rothwell, Vice Chair of the Debating Group, standing in for Stephen Woodford. Rothwell noted that the Debating Group secretary Doreen Blyth was making a steady recovery after her recent accident and introduced Lord Black of Brentford as Chair of the Debate. Lord Black, a Conservative peer and deputy chair of the Telegraph Media Group, thanked the IPA for sponsoring the debate on what he considered a politically timely topic as the online safety bill was progressing through parliament. He introduced each of the speakers before handing over the floor.

Proposing the motion, **Ed Greig, Chief Disrupter at Deloitte**, asserted that the Metaverse provided a unique opportunity for the advertising community to reach a whole new audience. Greig believed that if the Metaverse was built in the right way, it could be a unique space that allowed people to connect more naturally - and for advertisers to connect more naturally with consumers.

Starting with the complex question of definitions, Greig felt the one best capturing the Metaverse's breadth and potential was that 'the metaverse is the internet but more immersive.' He cited a Vox Media poll where nearly half did not know anything about the metaverse, suggesting this was because of the emphasis placed on its technology like headsets and crypto. Greig contrasted this with the way people now thought of the internet as an experience rather than a technology. The same should be true of the metaverse.

In explaining the metaverse, Greig cited Tony Parisi's Seven Rules of the Metaverse: There's one metaverse; it's for everyone; no-one controls it; it is open; it is hardware independent; it is a network; and that the metaverse is the internet. He noted that this was a Nirvana-like state that we were heading towards but had not yet reached.

Greig suggested we think of the metaverse as a spectrum, citing the metaverse traits developed by Antonia Forster at Unity as helpful to understand why this space is attracting and retaining new audiences and so why advertisers should pay it attention. Traits included being multiuser, often represented by avatars; having assets that can be bought within the space using digital or real currency; being multipurpose; having user-generated content that is more immersive than the internet; being able to move around within the space either through AR or VR; having multiple ways of control including hands, eyes, voice, and even brainwaves to enable more natural engagement; and being multiplatform. He explained that the more of these traits an experience had, the more metaversey it was.

Greig argued that in practice these features enable you to connect more naturally with people you might otherwise not be able to meet in person. He told a story from his own experience where, in a virtual meeting, just with a glance a colleague was able to confirm his thoughts in a way that could never happen when communicating over video, text or voice – but instead mirrored a real-world

interaction. This was what made the metaverse a comfortable place, with Greig emphasising that younger generations especially were entirely comfortable using AR and avatars.

Greig acknowledged that games like Fortnite have metaverse traits such as being multiplayer, having avatars and a concept of ownership. Even some immersive training and meeting spaces had metaverse traits. Here Greig noted that Roblox had 58.5 million active daily users including half of 10-year-olds in Britain. These were not people absent-mindedly watching TV but people actively engaging with an experience, suggesting this made them more receptive to advertising.

Looking at what made the metaverse attractive, Greig considered that the pandemic may have accelerated shifts towards the metaverse that were already happening. He cited a Vox Media survey that found 53% of people felt more comfortable expressing themselves in the metaverse than the physical world; 68% said they used the metaverse because it allowed them to be themselves; 66% said they go to the metaverse to connect with people with a shared passion; and 50% felt better able to share their passions in the metaverse. To Greig, this was key, especially with younger generations, and he proposed that being able to express yourself more naturally offered a very exciting opportunity for brands.

In conclusion, Greig explained that the metaverse was a unique space offering an immersive and natural way to connect with people, and that this appealed to new audiences from a generation that has grown up with the technology. The metaverse was somewhere that advertisers should be and they should be experimenting with ways to connect their brands to this new audience.

Opposing the motion, **Melanie Wong, Global Planning Director at VCCP**, acknowledged that the promises of the metaverse sounded amazing – a complete but better replica of our reality where we can sit and talk with geographically distant friends in a virtual space. She agreed that the metaverse promised to connect us with more people more deeply than ever. However, she challenged Facebook's concept of the metaverse as to her, it didn't seem that radical. Wong suggested that 'their metaverse' was not a unique opportunity at all – that she had been playing online games with friends and relatives as a way of connecting over distances for many years.

Here Wong noted that Animal Crossing had generated \$150 million in a single year during the pandemic with brands like KFC, Marc Jacobs and Uniqlo recreating their stores within the game. In contrast, Meta Quest 2 had taken three years to sell 15 million units. Both these games enabled people to build their own virtual world with friends and to speak to them while playing together in a virtual space. For Wong, the promise offered by the metaverse already existed. She felt that people didn't need Meta's help to connect better and that gamers were already using existing platforms like Twitch, YouTube and Discord to chat while gaming – connecting people deeply.

For Wong the invention of the internet was a true world-changing innovation because it democratised information, opening up new audiences. The internet's strength came from being an open forum, an organic invitation to create and build. In contrast, the current definition of the metaverse demanded expensive technology like VR headsets which could cost \$1500 – hardly a democratic invitation, she argued.

Wong also reminded the audience that metaverse innovation could be a slow process: it took 30 years to get dial-up broadband in to homes and six years for 10% of the UK to gain internet access. However, gaming exists now, and it is everywhere. The worlds that already exist within gaming held the real power and while they may not exactly be the metaverse, marketers should be much more excited by the opportunities these gaming multiverses offered. While they may not reach a 'new' audience, they reached an audience with incredible value and a worthwhile mind state – a state of creativity and play.

Wong went on to explain how gaming allowed us to steadily climb Maslow's hierarchy of needs – enabling us to reward, help and fully express ourselves to each other. She believed that in a state of

play, we are at our most receptive and willing to trust brands and that gaming tapped into this because it was not a novelty but had become normal through mass adoption. In contrast, the metaverse felt esoteric and undefined so it did not offer the same opportunity as gaming - people would not want to play in it because they don't know what it is.

Turning to definitions, Wong noted that when the metaverse was rigidly defined as high-tech it made the possibility of what we can do with it inaccessible. But when the definition was relaxed to allow the metaverse to be multiple things – it was clear that it already existed in gaming.

Wong concluded that the metaverse promised one virtual world to rule them all: while video games and entities may not be collaborating, gamers within their communities were – playing more than one game with the same people and constantly connecting and building deeper and closer connections. The question Wong left the audience with was that as all of these elements already exist, what does renaming it 'the metaverse' really add?

Seconding for the proposition, **Peter Judodihardjo, Behavioural Science Analyst with Ogilvy Consulting**, felt that the metaverse was more than putting an ad in front of a set of eyeballs because it created a branded experience that truly engaged the consumer and made them more likely to buy. Emphasising that this was the fundamental purpose of advertising, he argued that a definition of the metaverse with virtual reality offered great opportunities for brands in the future.

He continued, explaining that in virtual reality people are fully immersed in an experience with no opportunity to ignore, look away, or disengage. As such, metaverse advertising would target the most engaged consumer base of any medium, a type of audience that never existed before – a truly captive audience who can experience brands in a fully immersive way. In the metaverse, consumers wouldn't only watch advertising but participate in it with the line between advertising and experiential branding being blurred. For Judodihardjo, in today's age this was more important than ever because younger generations were much wiser to the tricks of advertising – being quick to detect insincerity and to ignore blatant peddling of useless commodities. He added that at best these were shunned; at worst they were turned into memes!

Judodihardjo argued that the metaverse provided a new medium for advertising that would feel more realistic than ever. Brands would become embodied in avatars; they would interact with consumers in real time and build whole branded worlds the consumer can explore at their leisure in ways that did not feel pushy or forced. He explained that the adopters of the metaverse are a uniquely new audience, growing up with an entirely different relationship with technology than previous generations. He cited a recent Ogilvy report that 56% of Gen Zs are friends with someone they have only met online. Personally, Judodihardjo had several 'online only' friends who he knew and trusted as closely as his real-life friends because his generation did not distinguish between the online and real worlds and created entirely online social circles that were more comfortable communicating online.

As a result, Gen Zs spent more time online than any other generation, with a survey showing that 45% of Gen Zs were more themselves online compared to 22% of Gen X. This highlighted the new generations for which the metaverse was being built and, he argued, advertisers needed to go into the metaverse and interact with these consumers. For Judodihardjo, this made the metaverse an amazing new opportunity for advertisers and marketers to reach consumers they had not reached before. Judodihardjo pointed out that Gen Z was the largest consumer base of all generations and because it operated in the metaverse brands, business and events no longer needed to be restricted by geography. Museums, guided tours and concerts accessed only through 2D recordings lacked feeling and presence - they were unsatisfactory substitutes to being there. However, technology and the metaverse had changed this so that people living far apart could visit places and experience events together while really feeling they were sharing the same space. Now businesses that only advertised locally could deliver a truly immersive experience that reached a global audience of consumers.

Finally, Judodihardjo talked of the appeal of the metaverse to previously marginalised peoples such as the disabled and neuro-divergent communities. These had historically been under-served by brands and advertising, however the metaverse would place them on more of a par than ever making this audience very active in the virtual world. This meant that brands that produced metaverse-based services and products (but that had not previously targeted such marginalised communities) would now be reaching out to them by default – reaching an entirely new audience.

Judodihardjo applied the same logic to military personnel who could use the virtual space to develop and maintain relationships despite enforced absences. He related one military success story where the couple met virtually but the relationship and the mutual support was real because metaverse technology allowed immersive interactions beyond Facetime calls: the couple got married. Judodihardjo called on advertisers to consider their segmentation work, questioning whether these marginalised communities were seriously represented – arguing that the metaverse would offer them an entirely new audience.

In conclusion, Judodihardjo asserted that metaverse communities are on-line, non-geographically tight, and more egalitarian than ever. The technology that facilitated the metaverse was tech that matched future trends of society. As a result, advertisers had a unique opportunity to tap into a new audience by advertising in the metaverse – reaching the new generation of consumers where they spend time. This meant advertisers would reach a whole new audience in a way that would feel more authentic, more collaborative, and more engaging than ever.

Countering for opposition, **Gethin James, Group Planning Director at VCCP**, noted he did not think he would feel as comfortable standing up to talk in a virtual environment. Thanking the opposition for their clear arguments, he felt it came down to a question of definitions. In this, he emphasised that the metaverse was not unique or new, we just have a different word for it - gaming. And gaming was a simple concept that we all understood.

James noted that the unofficial oath of the marketer is to start with people. But while he had heard a lot of hype about the metaverse, he had not heard any talk of it from consumers. He doubted that most consumers could tell him what the metaverse was and in the run up to Christmas when breakthrough technology tops the gift list, he had not seen any metaverse advertising. As such, he felt the metaverse was not about to breakthrough but remained a distant speculative idea. Or perhaps, he added, it already existed under a different name - gaming!

For the metaverse to be an opportunity it had to exist, but the opposition had already referred to it as a Nirvana - something almost unachievable. When the definition was broadened, as by McKinsey and others, it was simply called the Internet – an existing opportunity. Another report referred to the metaverse as being interchangeable with cyberspace, that he felt was an idea that doesn't really speak to something that is here or that consumers are part of.

Moving on he noted that for the metaverse to be an opportunity it needed scale. While the opposition had talked about depth of engagement, he drew attention to decades of research on advertising that emphasised the importance of reach and that the reach did not have to be deep. James would rather have a shallow reach of a larger audience than a narrow reach of people in depth. To illustrate the narrowness of the metaverse's reach he noted that on search engines more people searched for the Radio Times than for the metaverse, suggesting a sense of scale that was just not there.

James felt that technologically the metaverse was at about the same point as Google Glass was when it was pulled. Again, this was a technology that engineers fell in love with, but people didn't – it was a solution in search of a problem. So, for James the metaverse was not a breakthrough concept that consumers were hollering for and had a reach that was absolutely narrow. And for James, you couldn't build up a brand like Cadburys off a reach of such limited scale.

James next turned to the need for trust for advertising to work in the metaverse. He noted how for buying and trading media it was crucial to understand how many people there are, what their demographics are, and whether they were who they claimed to be – children posing as adults. Advertisers needed to be able to trust the metaverse and were not likely to rush into a space where they can't guarantee brand safety and online safety. Similarly, for consumers to adopt the metaverse they needed to trust it in terms of data privacy. For James, the metaverse had yet to prove itself trustworthy in terms of sustainability and societal impact, and only when these were established could the metaverse be embraced as an advertising opportunity.

In conclusion, James relayed how he had tried to find out how to get on to the metaverse but couldn't – although he could find companies explaining how to prepare brands for the metaverse! He questioned the need to prepare a brand for the metaverse before consumers were even there, asserting that advertisers did not have to jump into new technology before people were using it and that they could let people be their guide. For James, when people were on the metaverse advertising would follow, but until they were there they should leave it alone - the metaverse needed marketers far more than marketers need the metaverse.

Lord Black thanked the speakers and opened the debate to questions from the floor.

Discussion from the Floor

To his surprise, Will Nicholson from The Vision Network (TVN) was for the motion. He recognised the difference between playing a game and being fully immersed in it and felt that the metaverse was an opportunity now and was one that would grow.

James Delves from the Chartered Institute of Marketing (CIM), the second speaker was the opposite, being swung from the opportunity the metaverse could provide the marketing sector, to consider the uncertainty it could mean for consumers and brands alike. He noted some of the issues that might prevent marketers from investing in the metaverse such as safety concerns and a need for regulations – asking the floor what could be done to make it a safe space for marketers to invest.

The next speaker picked up on the point, asking the speakers and attendees how the metaverse could be measured in the real world, let alone in the virtual world. He felt his initial cynicism had been confirmed – questioning whether people would immerse themselves in advertising when the real world had such a spirit of ad avoidance.

Denise Turner noted that coming out of a physically restrictive pandemic, the metaverse might be encouraging even more isolation, so she was against the motion.

Angel Bradman was a passionate advocate of virtual reality – especially now that technology had caught up with the hype. She acknowledged that it would need more time even though some audiences were already there and while noting the tremendous community spirit of gaming and music. She felt that smaller brands might benefit but questioned how much money would be invested right now.

Howard Pool was also a passionate advocate of the metaverse but sided with the opposition because he felt the focus is and should be on gaming. For him, this was where the energy, passion and growth were. Where the metaverse experience was rooted in gaming it was growing but in other uses, it was declining.

David Crawley was sitting on the fence but wanted the opportunity to reach and engage with new audiences. He acknowledged that the metaverse already offered a great opportunity for creating experiential advertising – putting a customer in a potential holiday resort for example.

Richard Lindsay from the IPA raised the challenges of data protection and online safety but thanked the speakers for a balanced debate which had left him undecided.

A speaker from the ASA responded that they were ‘watching with interest’ what would happen with the metaverse and what actions might be appropriate. She opposed the motion because she can’t see it reaching a ‘new audience’ that wasn’t already being reached.

Another speaker asked how transparency in numbers and facts, so crucial to advertising, could be achieved in a virtual world full of people operating multiple avatars on multiple platforms.

Bianca Schneider, a post-grad student, raised the point that many gamers were not joining the metaverse yet while many people in the metaverse were not gamers. She supported the motion with high expectations for the future

Another IPA representative opposed the motion because he didn’t trust the generosity of marketers and brands to entertain people sufficiently – creating content that is immersive enough for audiences to voluntarily spend time and energy on it.

Simon Marcos opposed the motion, noting the issues of trust and the need for an ethical framework.

Jim Smith referenced Facebook’s recent fine for privacy violations saying that this rang alarm bells for the metaverse. On a more general point, technology enabled us to turn inwards and away from the world. The success of advertising in the metaverse would depend on how many people attempted to use it - but it may offer glancing opportunities for the likes of product placement and sponsorship.

Lord Black thanked the contributors from the floor and called for the closing arguments.

Summing up for the opposition, **Melanie Wong** initially focused on the debate about definition noting the similarity between the metaverse and the internet. Picking on one of the proposed differences, Wong questioned whether the metaverse was more immersive than the internet presenting three key points: being multiuser was covered by online gaming; being multipurpose was also found in games like Fortnite where concerts had been played within the game; and being multiplatform was not new to gamers. What’s more, Google Meet or Slack also contained these elements. For Wong, such difficulty of definition brought transparency and trust issues.

Turning to gaming, Wong argued that gamers were a very sceptical community, but that gaming had an accessibility and familiarity that marketers can appreciate and use. She also noted that many relationships had blossomed through online gaming and some had even led to marriages.

She reiterated that a marketer’s job is to understand people. Quoting Jeff Bezos, Wong felt we should look less at what might change and more at what would stay the same in the future because as humans we’re not changing much no matter how far technology evolves.

Talking about immersion, Wong reiterated all the incredible and immersive media that already existed, for example books and boardgames, asserting that immersive experiences are everywhere and not just in technology, so we don’t need the metaverse to deepen our immersive experiences.

Wong’s final point was about safety, trust and transparency. She felt that gaming was unfairly demonised for safety, especially when compared to the dangers of social media. Unlike the metaverse, she felt gaming had good checks and balances.

Summing up for the proposition, **Ed Grieg** also believed the arguments came down to definition, noting that the makers of Fortnite described it as the metaverse. On this basis he agreed with all that the opposition was saying and that a distributed version of interconnected worlds was where we wanted to get to. However, he felt that their description of a single corporate controlled metaverse was something of a strawman as it was not what he was proposing. Grieg agreed that the metaverse was already here in the form of gaming – but that it went beyond gaming.

Addressing the question of what ‘more’ the metaverse brought to the internet he conceded that the metaverse was an evolution of the internet rather than a revolution but argued that the increased immersion delivered by VR and AR was an opportunity for advertisers and brands to engage more deeply. Here he challenged the opposition’s comments about advertisers and brands not being able to create engaging content and argued that this was exactly why it was such a great opportunity – we needed to seize the opportunity to create engaging content. He referenced the popularity of Roblox Brandsworld, and the creativity of infusing a world with play to make it somewhere people want to spend time – for example a virtual Nike store packed with entertaining things to do. Perhaps because of the challenges presented by 2D environments and adblockers, advertisers may have lost sight of the opportunity to be really creative and engage with people – especially in exciting spaces like the metaverse.

Here, Greig noted that the metaverse provided curated spaces where the brand has absolute control over the experience and can offer safety providing a real opportunity for creativity and for advertisers. Turning to connections, he felt that while meeting in the real world was better than the virtual, there were many situations where that was not practical and where a really immersive virtual experience was valuable. This was certainly true of the corporate world where more immersive metaverse team meetings were both more practical and sustainable – and he felt this would expand into the social world too.

He felt that all of these experiences should be about driving deeper connections between people who otherwise would not be able to meet and connect so engagingly and naturally. Done right, the metaverse was about connecting people who would otherwise not be able to connect, and also connecting people to our planet. Here Greig noted that augmented reality does that brilliantly, explaining how the President of Tuvalu spoke at COP27 from a digital twin of the island to make the point that it may not exist soon because of climate change – inviting people to visit to highlight the challenge it faced.

Turning again to safety, Greig suggested advertisers think back to what they wished they’d known about Web 2.0 and social media and that we should apply those learnings to the metaverse to get safety right. In conclusion, Greig believed the metaverse was a space where brands can connect to people in ways that don’t have to be annoying – you can bring them, have a conversation and connect with them in a much more human way.

The result: The motion was defeated.

Next Debate: The next debate will take place at the House of Commons on the 31st Jan 2023, sponsored by the MRS.

To find out more details about the Debating Group or to attend a debate: Visit our [LinkedIn group](#) or view our [Twitter account](#).