# The Metaverse Wars: What is the Future of Social Media?

Opinions expressed by *Entrepreneur* contributors are their own.

With virtual real estate sales topping $500 million in 2021 alone and being expected to more than double in 2022, it’s clear that things are heating up in the metaverse, and marketers, investors and celebrities alike are starting to take notice.

Ever since Facebook’s shock announcement of its rebrand to Meta and its pivot to the metaverse, there has been no shortage of news headlines announcing celebrity and institutional investor interest into the space. In fact, according to PWC, the metaverse is expected to be worth up to $1.5 trillion by 2030.

From investment banks, like JPMorgan and HSBC, creating virtual lounges and buying virtual real estate, to Paris Hilton playing a DJ set on a virtual island she built herself, it’s clear that activity in the metaverse is gaining traction, and opportunities are presenting themselves for savvy participants.

But before we go any further — what exactly is a metaverse?

## Into the metaverse

Put simply, the metaverse is effectively the internet as we currently know it but fully immersive and experiential, integrating virtual and augmented reality. This means internet users won’t only be able to consume content in a two-dimensional way via a screen, but will be able to experience

it through a VR (virtual reality) headset in 3D.

For example, users from the comfort of their home could walk around a virtual shopping mall and purchase items from brands like Adidas and Gucci, which have already established a presence in the metaverse.

Alternatively, a user could attend a virtual event like Metaverse Fashion Week, decide to construct a house and rent it out, or open a shop to sell ecommerce goods. All items purchased and sold within these virtual worlds are generally done with both fungible and non-fungible tokens (NFTs) with transactions recorded on the blockchain.

Currently, there are four major metaverse worlds, including Decentraland, Sandbox, CryptoVoxels and Somnium – but there are new metaverses emerging all the time, which creates both opportunities and risks. Decentraland has roughly 300,000 active monthly users, while Sandbox has 500,000 active monthly users with both attracting significant interest and capital inflows.

For example, Tokens.com Corp (SMURF), a listed blockchain-technology company, bought $2.4 million worth of land in the Decentraland metaverse, and Investment firm Republic Realm bought $4.3 million worth of land in the Sandbox metaverse. The company said it will develop 100 islands, equipped with their own villas, boats and jet skis, and according to news sources, 90 of the islands sold on the first day for $15,000 each.

**Related: Why You (And Your Business) Need To Take The Metaverse Seriously**

# A virtual gold rush

Where there is increased traffic, there is increased opportunity. Exploding user activity combined with surging

amounts of capital being injected into the metaverse is creating entirely new industries and professions from digital real estate agents to digital brokers. It’s also creating entirely new opportunities for marketers.

From digital billboards located in busy areas of virtual towns to branded installations on virtual streets, companies are beginning to explore new and exciting ways to market to their audiences in the metaverse.

For example, the Gucci Garden experience saw the creation of virtual rooms, allowing users’ avatars to morph into their surroundings and don limited-edition virtual items from Gucci, while Samsung also opened up a store in Decentraland where users can undertake quests and earn unique Samsung wearable NFTs.

## Early days

The metaverse is creating exciting new opportunities for investors and an entirely new dimension for brands to interact and engage with their audiences. While nobody knows exactly which metaverses will reign supreme and which ones will fail, the increased attention and competition is generating “FOMO” for brands, creating a positive flywheel effect and compelling more and more companies to begin experimenting with the metaverse.

However, with new opportunities also come new risks. While the price of land is currently skyrocketing, this does not guarantee that it will continue to do so, and unlike the physical world, there is more than one metaverse. So, what might be hot today may not be tomorrow, and this can have significant impacts on land value and also brand value.

Things will undoubtedly continue to move fast in the metaverse, but with the current lack of standardization and unpredictability, both investors and brands should take a

degree of caution before plowing head first into the metaverse.

**Related: Brace For Impact: It’s Time To Usher In The Metaverse**

https://www.entrepreneur.com/article/423293