

What Is the Metaverse and Why Is It Important to Entrepreneurs?

In recent years, you've likely heard about the so-called "metaverse," along with a host of inaccurate descriptors like "it'll be the next Internet" or "it will revolutionize eCommerce." In truth, the metaverse is both more and less than what many commentators say it is.

So, what is the metaverse? What does it mean, and why is it so important? Specifically, why is it important to small businesses and entrepreneurs? Read on for answers to these questions and more.

So, what is the metaverse?

The metaverse is the interconnected, VR-enabled digital world that persists through the Internet and cloud technology. Think of it analogously to the Internet.

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When you make an account on Google, you can take that Google account with you to many other websites, like YouTube, Facebook, and Instagram. Similarly, you can make an avatar on the metaverse, which you can bring with you as you visit different domains, platforms or worlds connected to the metaverse network.

You can, for instance:

- Create a metaverse avatar for work purposes.

- Take that metaverse avatar to a workplace meeting held wholly digital so people worldwide can collaborate.
- Take that metaverse avatar to a game where you play with your friends.
- Take that metaverse avatar to a digital shop to purchase digital items for your avatar, like new clothes.

In many ways, the metaverse is intrinsically tied to Web 3.0: the next “iteration” or version of the Internet. Web 3.0 focuses more on user identity persistence across different domains and websites and incorporates more VR and AR technology, further blurring the line between the online world and the real world.

People often confuse the terms Web 3.0 and metaverse; however, they are fundamentally different. Many metaverse platforms are now accessed with Web 3.0 technologies and integrate decentralized finance (DeFi) into their economies in the form of cryptocurrencies and NFTs.

Web 3.0 is based upon the idea of decentralized control and ownership over the internet. The metaverse isn’t concerned with technology ownership, but instead the creation of a shared digital reality.

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The metaverse as it stands today is partly theoretical and partly accessible – you can, for example, purchase a VR headset, make an avatar and jump into a virtual reality world right now.

However, the metaverse is not yet fully interconnected, and its various platforms or domains are still largely isolated. That said, the metaverse is well on its way to achieving its eventual potential.

How does the metaverse work?

The metaverse works by marrying new hardware technology, such as fully immersive VR headsets that are cheap enough to be commercially available to the average person, and cloud technology and enhanced servers.

In a nutshell, the metaverse is a linked series of worlds or digital domains that people can access using the same user ID. Since the metaverse relies on VR technology, your user ID is connected to a digital avatar that is 100% unique.

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What is the history of VR and AR technology?

The earliest examples of VR and AR technology were created in the 1960s and 70s. Over time, as people began to grasp the full range of computer capabilities, they began to imagine what it would be like to wear hardware headsets that displayed fully digital or virtual worlds before their eyes.

In the 1980s and 90s, new technologies involving headsets that projected fully realized 3D worlds became available, mainly as novelties or training devices for military personnel. Only in the 2010s did VR headsets become commercially available for the average American, usually to play games or immerse themselves in virtual worlds.

The idea of a “metaverse” isn’t new. In the Neal Stephenson novel *Snow Crash*, protagonists interact with a fully immersive virtual reality environment, and movies like *The Matrix* also showcase metaverse-like technology.

However, it has only been in recent years that technological advances have become powerful enough to emulate these ideas

and bring them to life.

VR vs. AR tech

Note that there is an essential distinction between VR and AR technology.

VR, or virtual reality, technology overlays a digital, virtual world over the real one, typically using a headset like the PlayStation Oculus.

AR, or augmented reality, technology adds digital or virtual elements, icons, and other things to the real world. AR technology can include wearing smart glasses or playing a smartphone game, like Pokemon Go.

Potential applications of the metaverse

Although it is still early, the metaverse has many potential applications, some of which you can already see used in the real world.

Working remotely

For starters, many may use the metaverse to work remotely. You've probably already heard about businesses requiring their employees to attend virtual meetings using 3D avatars on the metaverse. Or, maybe you've already participated in these meetings yourself.

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Regardless, the metaverse allows employees to collaborate as if they were in the physical world, even if they have offices around the globe. Real-time Zoom meetings in virtual spaces or corporate real estate are closer than ever, similar to the

environments in movies like Ready Player One.

Workers with the opportunity to work remotely, as well as their managers, report increased productivity and work-life balance. These and other benefits help paint the picture of how metaverse technologies could push efficiency and productivity forward for small business owners and entrepreneurs.

Playing games

Of course, many people already use metaverse technology for playing games. VR games are already popular among those who can afford VR headsets. While the graphics and controls are still in their earliest iterations, that technology will likely only improve as time goes on. Eventually, VR gaming may become the most common way to play games.

Video games like Fortnite, Roblox and Second Life may bring NFTs (non-fungible tokens) and other developments to the gaming side of the metaverse, partly powered by social media. This would allow players to sell virtual items for crypto, giving in-game economies real-world value.

Gamers can expect metaverse tech companies to push the frontiers of gaming further into sci-fi territory, as virtual reality headsets like the Oculus Quest have already done.

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Socializing online

More people will likely use the metaverse to socialize online. Digital hangouts, like metaverse coffee shops or dance clubs, may pop up on particular platforms or in certain virtual worlds. In the future, people may use the metaverse to go on dates, interview job candidates or hang out with friends without leaving the comfort and safety of their homes.

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Online shopping

The metaverse will almost certainly be used in online shopping for real-world and digital items. There are already metaverse shops that you can browse with your avatar to purchase digital items for your character, like clothes or accessories.

But imagine visiting a metaverse car dealership to see a graphically realistic version of a car you want to purchase before heading there personally. That's a possibility the metaverse may bring to fruition.

As a side note, the metaverse may grow to require using cryptocurrencies such as Bitcoin.

“Replacing” real life

In the long term, the metaverse may continue to replace aspects of real life. Whether or not this is good depends on your philosophy and how you view technology and the Internet.

Overall, there's no absolute limit to what the metaverse can do and what it may let people achieve.

Is the metaverse becoming more popular?

There's a lot of debate and discussion surrounding whether the metaverse is popular now and whether it will become more popular in the future.

According to Pew Research, the metaverse is currently at the bottom of its popularity level compared to what it will likely rise to in the future. In other words, the metaverse,

especially as it becomes a necessary part of many workplaces, may only become a more integral and regular part of daily life.

This doesn't necessarily mean that the metaverse will look exactly how Mark Zuckerberg, Microsoft, Apple and others predict it will, of course. However, it seems inevitable that the metaverse and Web 3.0 will likely both become more popular as time passes and as adoption becomes widespread.

Current metaverse platforms

Even today, there are plenty of metaverse platforms you can experience and check out. Here are just a few examples:

- **Decentraland:** A blockchain-based social environment through which you can explore virtual worlds, build things, trade or earn money.
- **The Sandbox:** A virtual 3-D world hosted on the Ethereum blockchain network. You can build things, make money, interact with others and enjoy new virtual experiences.
- **Bloktopia:** A VR world represented as a 21-story structure "built" out of 21 million Bitcoin.
- **Meta Horizon Worlds:** A VR platform through which users can make and host business meetings, socialize, and participate in various virtual activities like games.
- **Metahero:** A unique metaverse platform that lets users scan real-world objects and move them into the metaverse instead of building them in the virtual world.

The importance of the metaverse

This all leads to the million-dollar question: Is the metaverse important?

It's tough to say whether the metaverse will completely reinvent the workplace. However, it is safe to say that the

metaverse is incredibly important and may become more critical in the future.

Representing yourself graphically and accurately online might be attractive to many. More importantly, the metaverse can eventually allow people to interact around the globe in a largely physically realistic virtual environment.

Even though the metaverse's graphics are relatively simple now, you can rest assured that, in a few decades, those graphics will likely be fantastic.

The metaverse may lead people to spend more and more time online, which can have wide-ranging consequences on socialization, the economy and other major sectors.

Bottom line: The metaverse has the potential to change the way the world works just like the Internet did in the 1980s and 90s, if not more so.

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What does the future hold for the metaverse?

Ultimately, the metaverse is the next iteration of digital technology, marrying VR or virtual reality hardware with advanced, cloud-based software platforms.

In theory, the metaverse has the potential to revolutionize how humanity works, communicates and plays games. But it remains to be seen whether the metaverse will be as successful as proponents like Mark Zuckerberg hope.

Looking for more? Entrepreneur's guides, breakdowns and resources can help you understand the metaverse as it evolves.

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