Beyond gaming: The real metaverse opportunity

Detailed Survey Results

—

September 2022

01

Executive Summary

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- In it’s early stages, consumers are clear: they are excited about the metaverse, reporting that they expect the metaverse to open opportunities to interact with families and friends, improve job training, create new opportunities to socialize and more.
- Further, most consumers (59%) report they expect a significant impact from the metaverse in the next five years, with 48% anticipating a significant impact in the next 12 months.
- While Millennials report the most excitement, edging Gen Zers, it’s noteworthy that nearly half of Gen Xers also expect a significant impact in the next five years with 44% excited about the metaverse.
- However, there are hurdles and some skepticism on the path to greater adoption.
- Privacy and protecting personal information are the most significant concerns about the metaverse. In the same vein, feeling secure about privacy and security of personal information is the most important factor in encouraging participation in the metaverse.
- Greater access to affordable metaverse technology and customizable avatars are the most cited ways to increase diversity and inclusion in the metaverse.

02

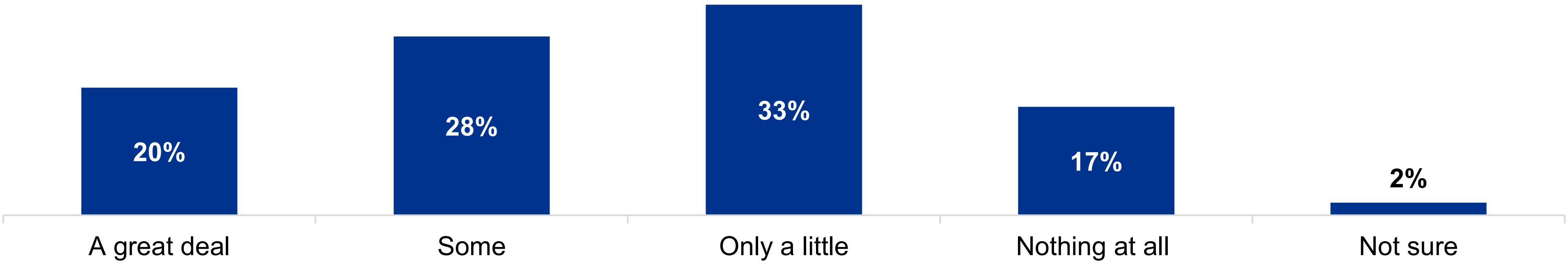
Current Use and Expected Impact

While most Millennials and Gen Z are exposed to the metaverse, 42 % of Gen Xers have had either a great deal or some exposure

57% of Gen Z and 61% of Millennials have had at least some exposure to the metaverse recently, and almost half of all those familiar with the metaverse have heard a great deal or some about it.

Men (57%) are more likely than women (38%) to have seen a great deal or something about the metaverse

Exposure to the metaverse (seen, read or heard)
(Asked of those at all familiar with metaverse, n=842)



	A great deal	Some	Only a little	Nothing at all	Not sure
Gen Z	15%	**42%**	26%	14%	2%
Millennial	**34%**	27%	27%	11%	1%
Gen X	15%	27%	**36%**	20%	2%
Boomer	4%	15%	**48%**	31%	2%

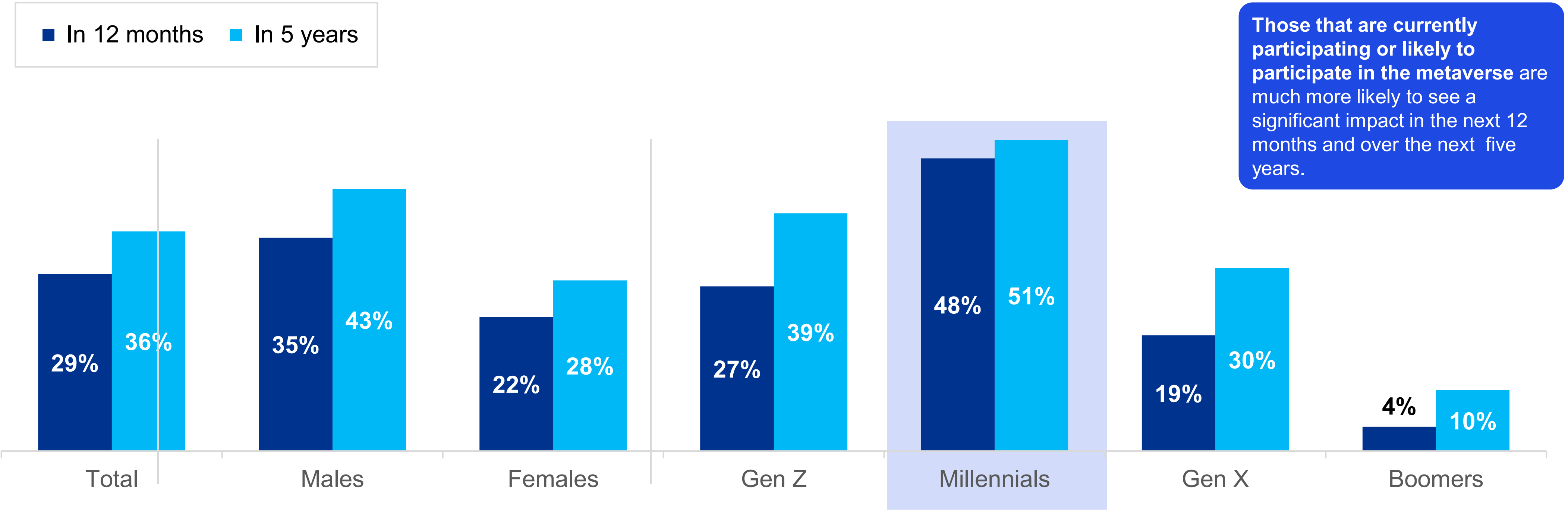
Q13: How much have you seen, read or heard about the metaverse recently?

Half of Millennials familiar with the metaverse believe it will have a significant impact on their lives in the next five years

Over one-third (36%) of those familiar with the metaverse believe it will have a significant impact over the next five years. Younger generations and males are more likely to see the metaverse having a significant impact.

Perceived significance of metaverse in the future – % extremely/very significant shown

(Asked of those at all familiar with metaverse, n=842)



Those that are currently participating or likely to participate in the metaverse are much more likely to see a significant impact in the next 12 months and over the next five years.

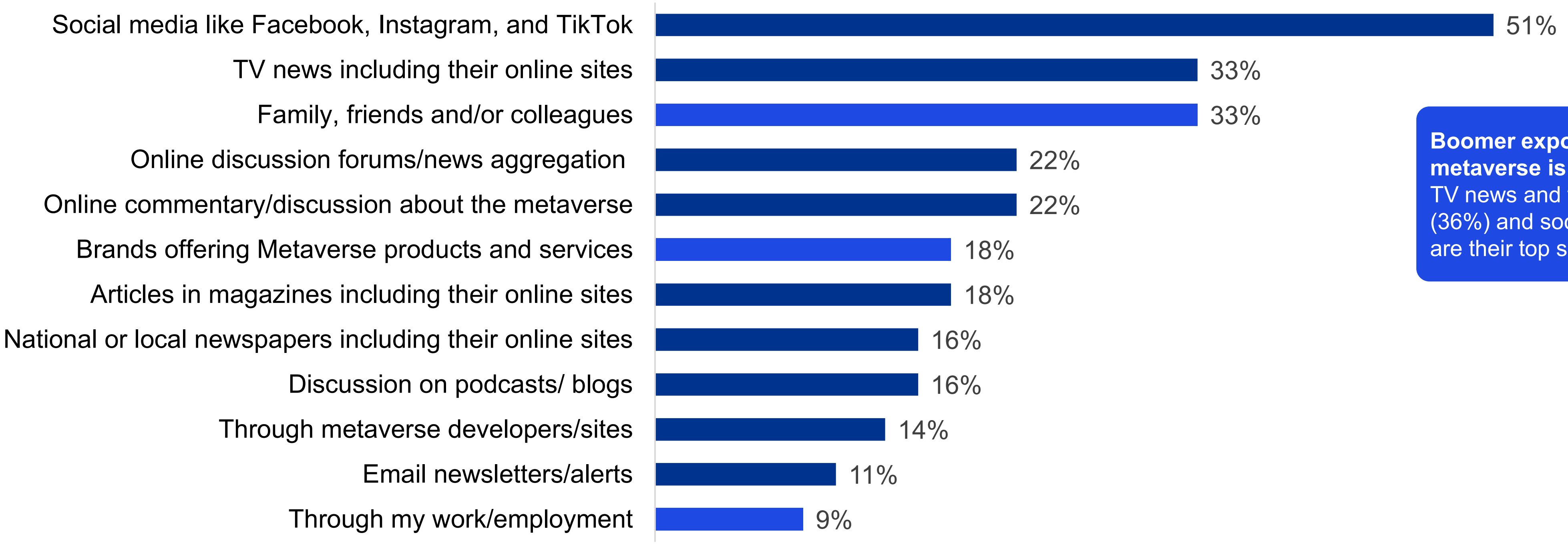
Q15: How significant an impact do you feel the metaverse will have on your day-to-day life in the next 12 months?
Q16: How significant an impact do you feel the metaverse will have on your day-to-day life in the next five years?

Outside social media and TV, family and friends (33%), brand offerings (18%), and even employers (9%) are driving metaverse awareness

While sources vary in exposure, the metaverse is beginning to be ever present, reaching audiences through a number of mediums

Sources seen, heard, or read about the metaverse

(Asked of those at all familiar with metaverse and have heard something recently, n=681)



Boomer exposure to the metaverse is more limited – TV news and their websites (36%) and social media (31%) are their top sources.

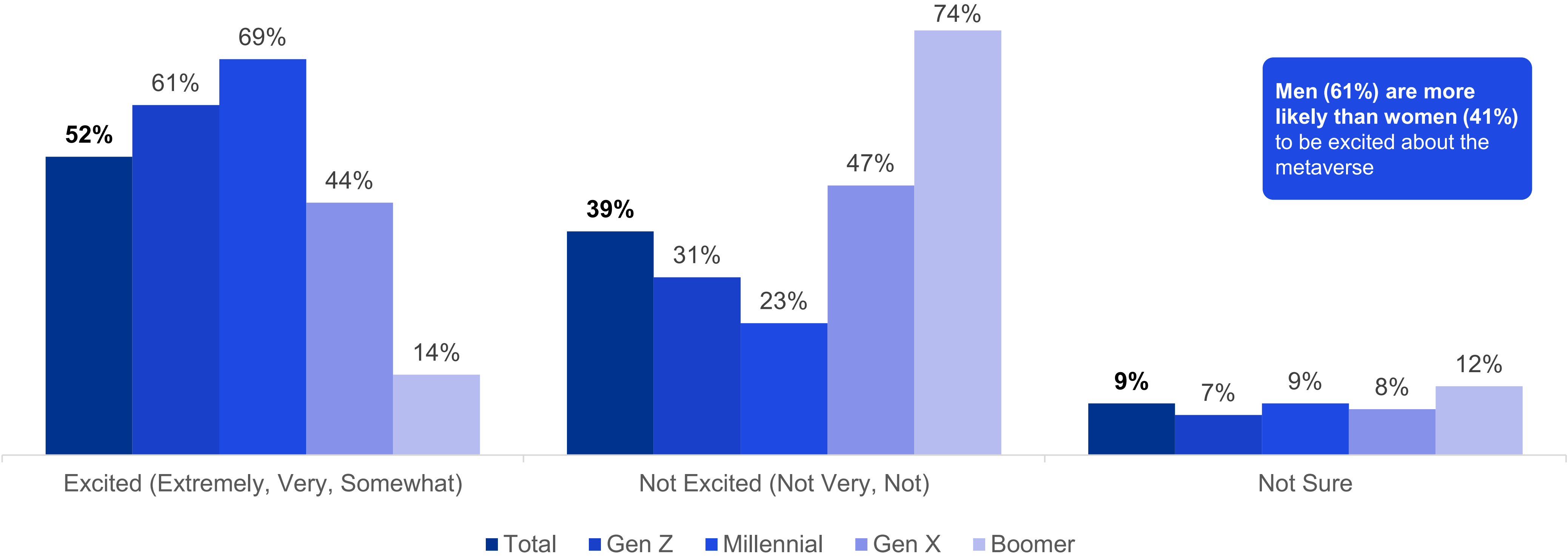
Q14: Where have you seen, read, or heard about the metaverse?

Millennials (69%) and Gen Z (61%) lead in metaverse excitement, while Gen Z is split

Only the Boomer generation lacks excitement about the metaverse. Overall, most consumers are excited about the metaverse, Millennials by a 3:1 margin.

Excitement about the metaverse

(Asked of those at all familiar with metaverse, n=842)



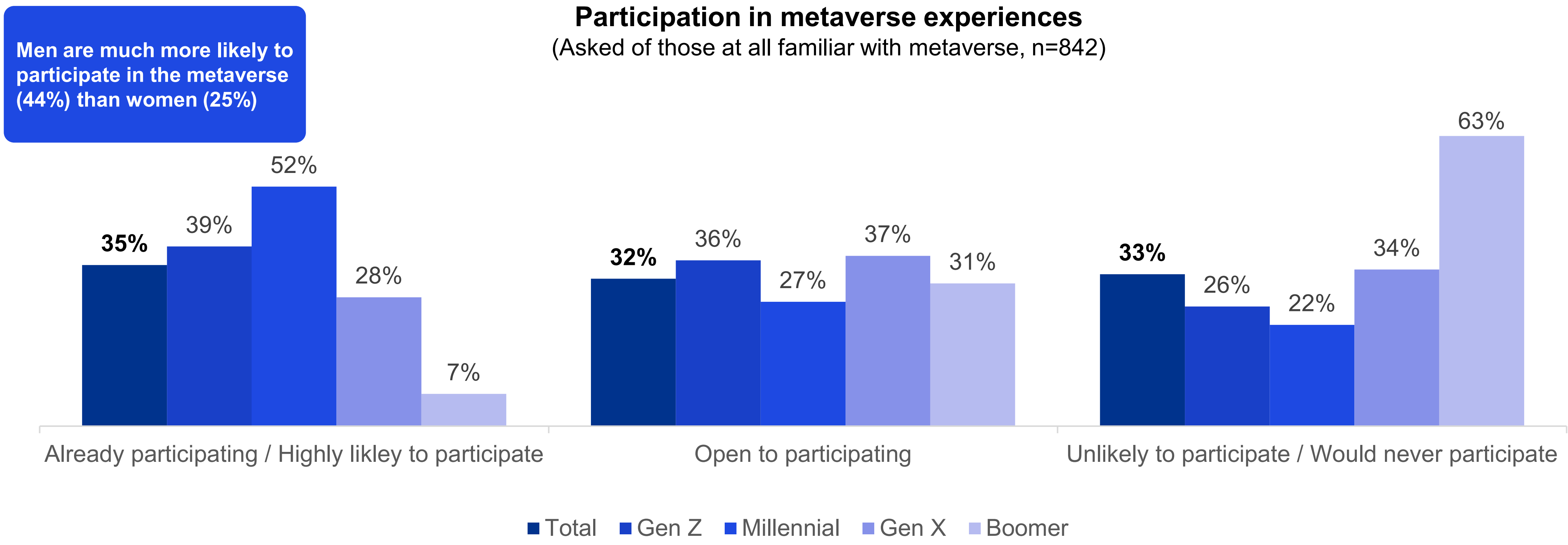
Men (61%) are more likely than women (41%) to be excited about the metaverse

Q17: In general, how excited are you about the metaverse based on what you have seen or heard?

Across Gen Z, Millennials, and Gen X, one-third of US adults are participating or likely to participate in the metaverse; another third are open to participation

Gen X takes the lead in openness to metaverse participation, while Gen Z and Millennials lead in current / highly likely participation.

Men are much more likely to participate in the metaverse (44%) than women (25%)



Q18: Which one of the following best describes how you feel about participating in metaverse experiences or environments in the next 12 to 18 months?

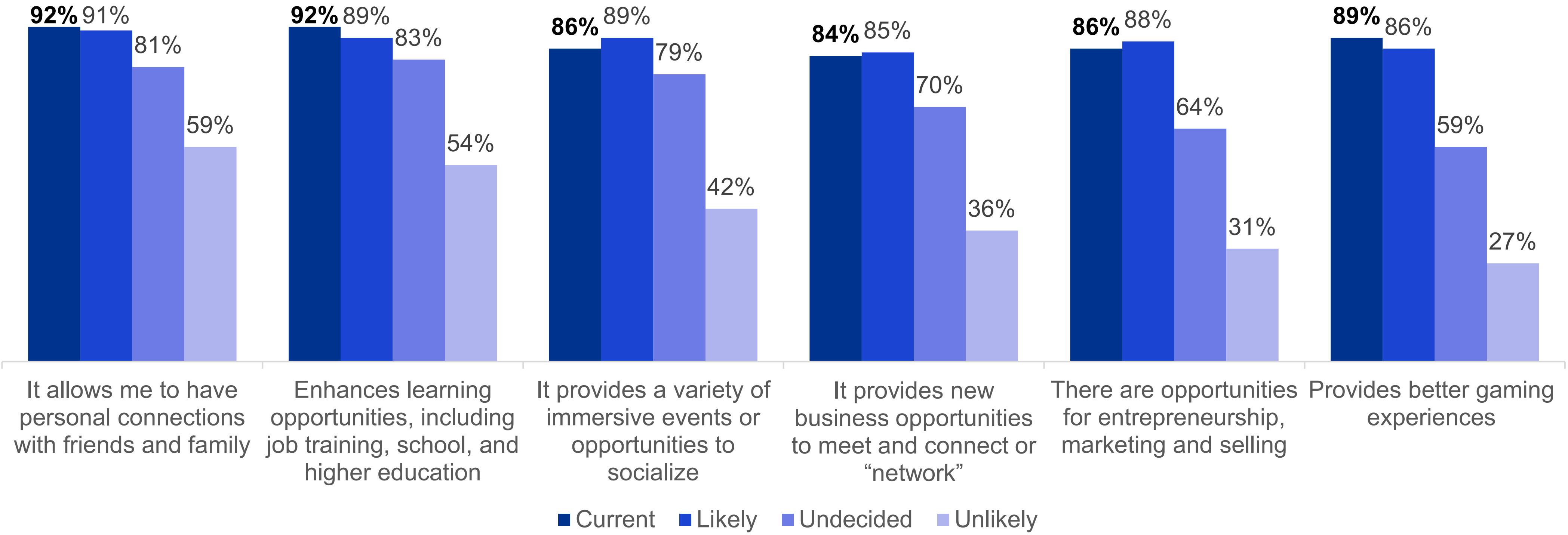
03

metaverse Opportunities

More than half of US adults are able to envision important metaverse benefits and opportunities

The metaverse is reshaping interactions with friends and family, with most respondents (78%) citing the potential for maintaining personal connections as an important benefit.

Perceived benefits of the metaverse to current, likely, undecided, and unlikely users



Q36: How important are the following potential benefits of a metaverse experience or environment?

Virtual experiences shape metaverse perceptions: current and likely metaverse users are most satisfied with their virtual experiences

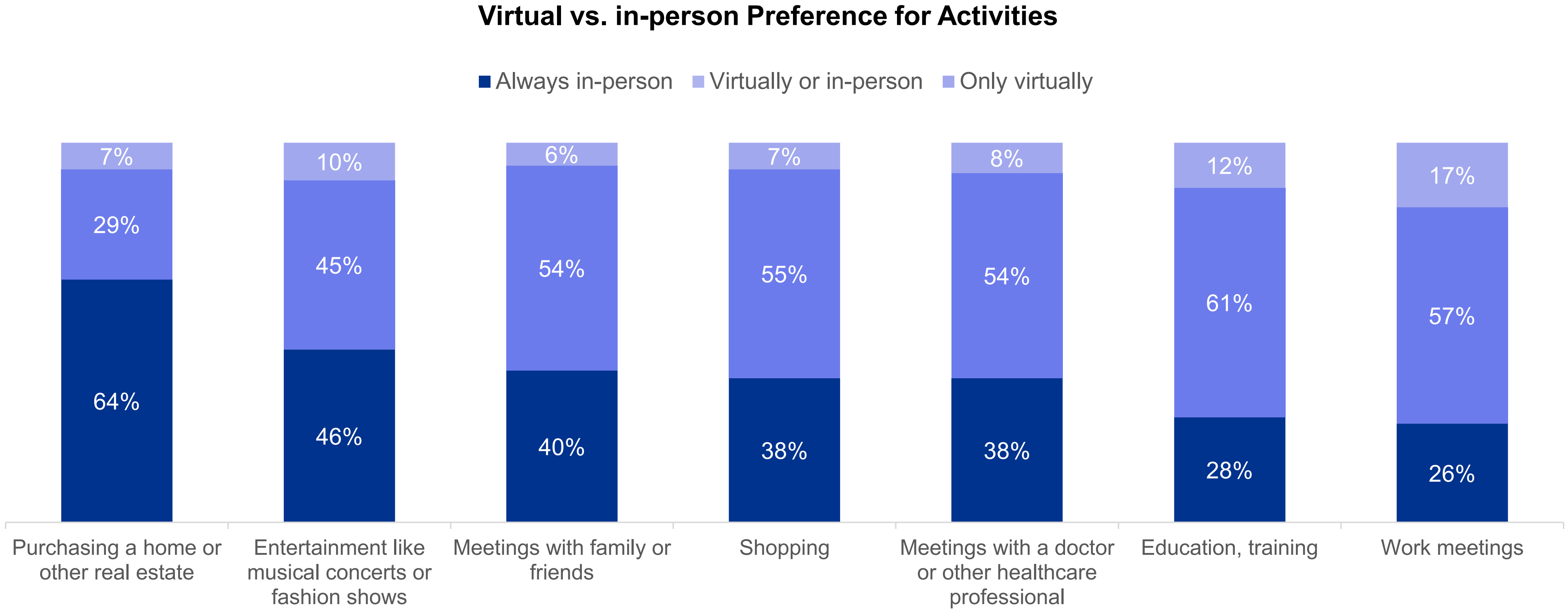
metaverse participation

Experiences in Virtual Interactions % Excellent/Very good (among those who have participated in each)	Total	Current User	Likely	Undecided	Unlikely
Starting a business in a virtual world	82%	91%	80%	67%	67%
Collaborative online games like Roblox and/or Minecraft	73%	91%	80%	64%	48%
Open world simulations like Sims, Second Life and/or Decentraland	73%	83%	85%	64%	46%
Participating in immersive, virtual experiences created by brands	68%	87%	64%	50%	50%
Virtual entertainment like musical concerts or fashion shows	66%	78%	79%	47%	41%
Interactive, competitive online games like Call of Duty	66%	84%	79%	57%	29%
Virtual meetings with family or friends	62%	82%	79%	51%	46%
Telemedicine or virtual meetings with healthcare professional	61%	81%	75%	50%	50%
Virtual tours of museums or other historical sites	60%	83%	70%	44%	32%
Virtual shopping apps	58%	82%	73%	40%	9%
Virtually participating in a government meeting	57%	71%	72%	27%	36%
Virtual work meetings	56%	82%	75%	51%	33%
Virtual trainings for work or school	49%	96%	68%	33%	29%
Virtual classrooms or school	49%	72%	61%	38%	34%

Q21: How would you rate your experiences in each of the following virtual interactions you have participated in? (N sizes vary)

However, apart from real estate purchases, A majority of US adults are open to virtual/hybrid interactions, suggesting a larger metaverse opportunity

US adults are split between in-person (46%) and virtual (45%) experiences when it comes to concerts and fashion shows.



Q23: Which of the following activities would you prefer to do only virtually, virtually OR in-person, or always prefer to do in person?

In fact, a least half of US adults are interested in any given virtual interaction, with virtual meetings, telemedicine, and tours leading

People unlikely to participate in the metaverse see higher potential for virtual meetings with family or friends, telemedicine visits, and virtual tours of museums.

metaverse Participation

Interest in Virtual Interactions % Interested	**Total**	**Current User**	**Likely**	**Undecided**	**Unlikely**
Virtual meetings with family or friends	73%	91%	92%	81%	47%
Telemedicine or virtual meetings with healthcare professional	72%	91%	89%	76%	48%
Virtual tours of museums or other historical sites	70%	88%	95%	74%	42%
Virtual shopping apps	67%	84%	90%	75%	36%
Virtual trainings for work or school	65%	86%	87%	70%	39%
Virtual work meetings	65%	92%	88%	66%	39%
Virtual entertainment like musical concerts or fashion shows	64%	88%	89%	72%	30%
Virtual classrooms or school	59%	87%	86%	60%	29%
Participating in immersive, virtual experiences created by brands	57%	82%	92%	62%	18%
Virtually participating in a government meeting	54%	87%	80%	51%	27%
Interactive, competitive online games like Call of Duty	54%	86%	86%	56%	18%
Open world simulations like Sims, Second Life and/or Decentraland	53%	87%	86%	54%	19%
Starting a business in a virtual world	51%	85%	84%	51%	17%
Collaborative online games like Roblox and/or Minecraft	51%	87%	84%	52%	15%

Q22: How interested are you in participating in any of the following virtual interactions in any form as described below?

04

Hurdles to Greater Adoption

Breakdown of undecided metaverse participation profile

Lack of awareness contributes to hesitation among undecided US adults.

Undecided (32%) (open to the idea, but still undecided)

- More likely to be females (53%), Gen X/Boomers (52%), higher proportion of unmarried (36%), no college (55%), lower income (41% earn less than $50K a year), and no children at home (62%)
- Lower familiarity with metaverse (31%) and not hearing about it (36%) that often
- Very few believe the metaverse will have a near-term impact in 12 months (8%) or in five years (16%)
- They have low participation across virtual activities
- We have identified a number of factors that would encourage metaverse participation and see many benefits to metaverse.

Privacy and security of personal information are more significant deterrents for those less familiar, undecided, or unlikely to participate in the metaverse

US adults with metaverse experience are more concerned about bullying, racial slurs, polarizing political discourse, subpar experiences, adopting tech, and becoming addicted to the metaverse.

Metaverse Participation

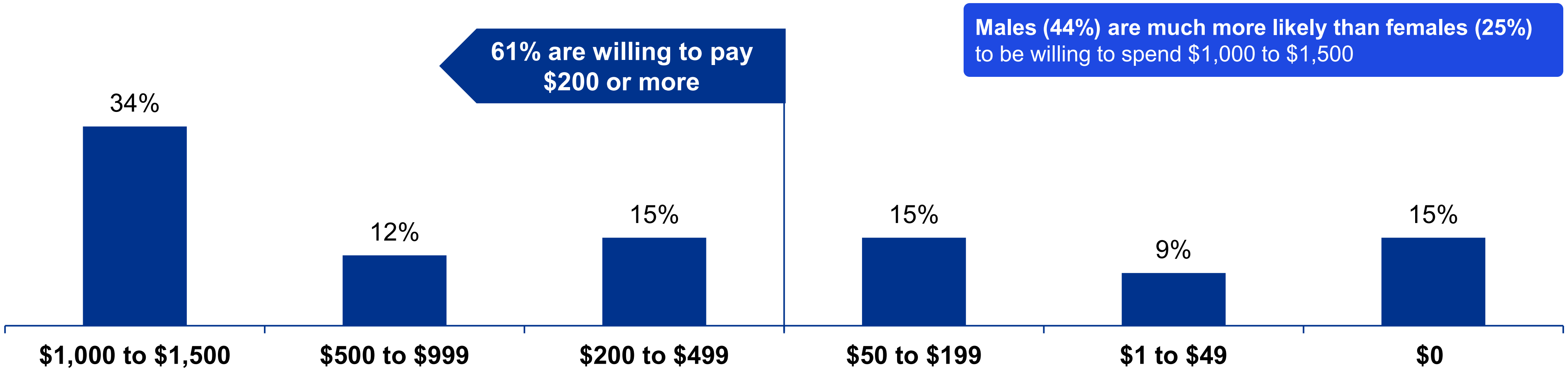
Concerns about Using the metaverse % Very Concerned	Total	Current	Likely	Undecided	Unlikely
Privacy	50%	37%	43%	50%	58%
Securing personal info	49%	49%	43%	49%	53%
Children exposed to inappropriate content	45%	43%	45%	42%	48%
Inaccurate information	37%	40%	34%	34%	39%
Unwanted advertising	33%	38%	25%	30%	38%
Sexual harassment	31%	34%	35%	28%	29%
Bullying	30%	41%	28%	26%	31%
Racial harassment	27%	32%	29%	23%	27%
Polarizing political discourse	25%	32%	21%	18%	31%
Subpar tech creates poor experience and performance	23%	34%	27%	20%	21%
Adopting new tech and devices	22%	34%	23%	16%	22%
Becoming addicted	20%	32%	23%	17%	17%

Q28: How concerning are each of the following when you think about engaging, participating and interacting with others in metaverse environments?

Expenses in the metaverse: 6 in 10 (61%) US adults are willing to pay $200+ for metaverse devices; a third would spend $1,000 to $1,500

Almost a quarter (24%) are willing to spend between $1 and $199; 15% are unwilling to pay for devices.

Willingness to Pay for metaverse Devices (virtual reality goggles or glasses, gaming console)
(Dollar amounts are shown from highest to lowest)



Males (44%) are much more likely than females (25%) to be willing to spend $1,000 to $1,500

	$1,000 to $1,500	$500 to $999	$200 to $499	$50 to $199	$1 to $49	$0
Current	80%	8%	5%	4%	1%	1%
Likely	68%	16%	12%	4%	0%	0%
Undecided	23%	18%	27%	18%	9%	5%
Unlikely	5%	5%	11%	23%	16%	39%

Q33: Assume you are interested in participating in metaverse experiences or environments, how likely are you to spend the following on devices (i.e., virtual reality (VR) goggles or glasses, gaming console, etc.) that will enable you to access and interact with the metaverse?

05

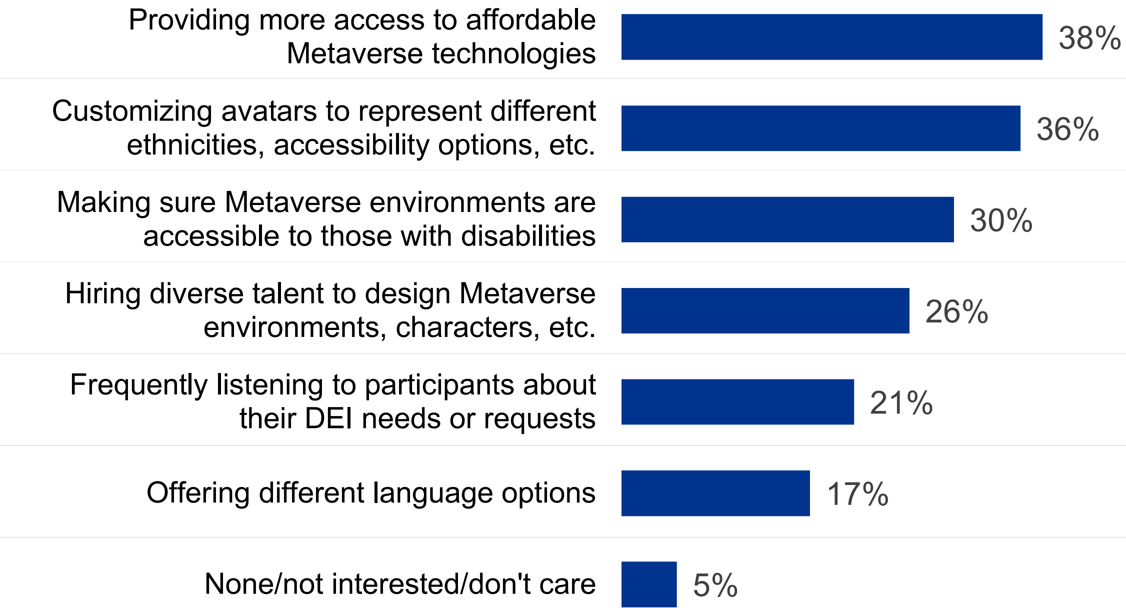
Paths to Greater Engagement

Respondents align on DEI and technology affordability as most important factors for an equitable and inclusive metaverse experience

There is general alignment on important DEI factors by gender; Gen Z cares more about customization options for avatars (42%).

Most Important Factors for Creating a Diverse, Equitable and Inclusive metaverse Experience

(Select Top 1 or 2)



	Male	Female	Gen Z	Millennial	Gen X	Boomer
Providing more access to affordable Metaverse technologies	40%	36%	30%	39%	40%	40%
Customizing avatars to represent different ethnicities, accessibility options, etc.	33%	38%	42%	36%	36%	29%
Making sure Metaverse environments are accessible to those with disabilities	30%	30%	36%	31%	25%	32%
Hiring diverse talent to design Metaverse environments, characters, etc.	27%	24%	34%	27%	23%	19%
Frequently listening to participants about their DEI needs or requests	21%	20%	20%	25%	21%	11%
Offering different language options	16%	18%	20%	19%	16%	10%
None/not interested/don't care	3%	6%	1%	1%	6%	14%

None (0%) selected: *monitoring to prevent bad behavior and hateful language* or *stop forcing diversity/ treat everyone the same.*

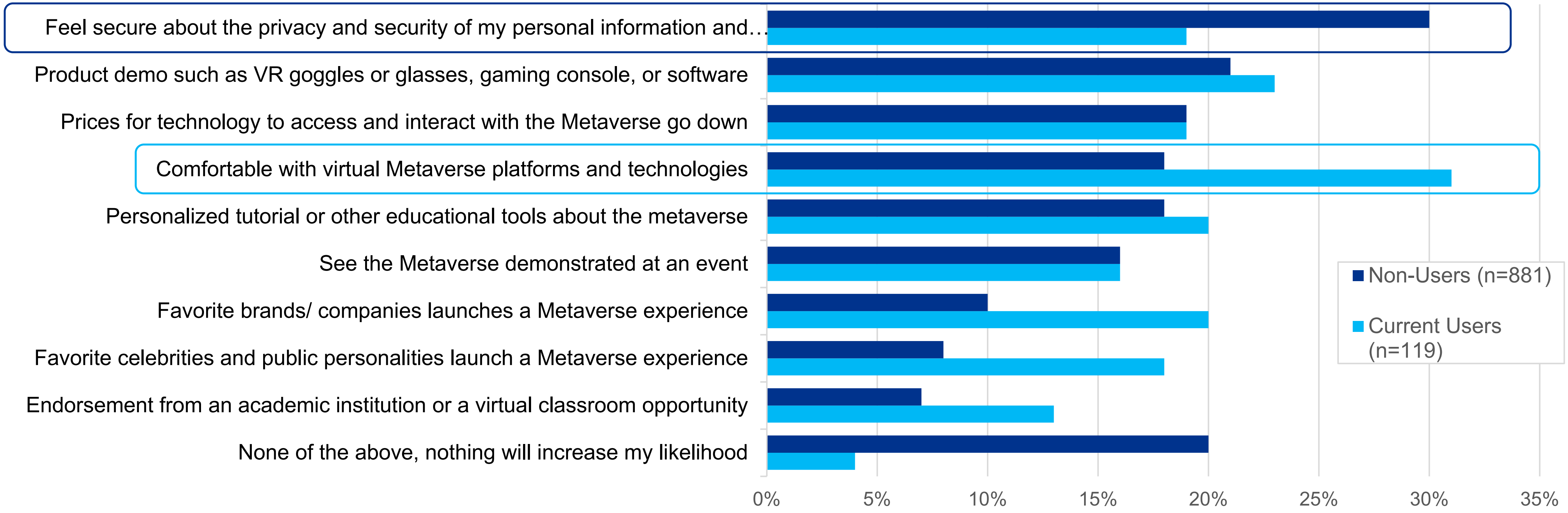
Q32: Which 1 or 2 of the following do you think are MOST important to creating a diverse, equitable and inclusive metaverse experience? Please select 1 or 2.

Different factors drive current users and non-users to want to participate in the metaverse

Feeling reassured about the security of personal information is a foremost requirement for non-user participation (30%), while comfort with metaverse platforms and tech motivated most current users (31%).

Factors Encouraging metaverse Participation – Current vs. Non-Users

(Select Top 1 or 2)



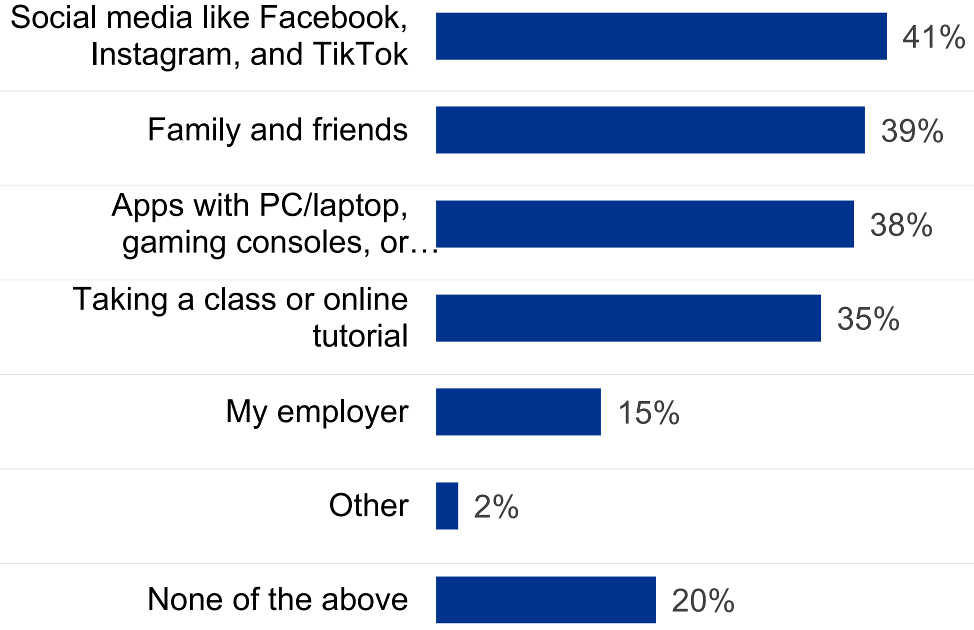
Q30: Which 1 or 2 of the following encouraged you to participate in a metaverse experience or environment?
Q31: Which 1 or 2 of the following would encourage you to participate in a metaverse experience or environment?

US adults are open to learning about the metaverse in multiple ways, including social media, family and friends, installed apps, and tutorials

Learning through an employer is least preferred; a fifth (20%) do not have any preference for learning about the metaverse.

Preferences for Learning about the metaverse

(Select all that apply)



	Male	Female	Gen Z	Millennial	Gen X	Boomer
Social media like Facebook, Instagram, and TikTok	43%	38%	57%	55%	30%	12%
Family and friends	39%	40%	41%	44%	39%	29%
Apps with PC/laptop, gaming consoles, or…	43%	34%	44%	46%	35%	23%
Taking a class or online tutorial	37%	33%	37%	33%	35%	38%
My employer	18%	11%	18%	19%	11%	9%
Other	2%	2%	2%	0%	2%	6%
None of the above	16%	25%	13%	13%	25%	34%

Q29: In which of the following ways would you want to learn more about the metaverse? Please choose all that apply.

There is opportunity to reach those who are undecided about the metaverse through family and friends, installed apps, and tutorials

For those unlikely to participate, there is opportunity to reach half (50%) through different learning sources; however, the remaining half do not indicate a preference for learning about the metaverse.

		metaverse Familiarity			*metaverse Participation*			
Preferences for Learning about the metaverse (Select all that apply)	**Total**	**Never Heard**	**Familiar**	**Very Familiar**	**Current**	**Likely**	**Undecided**	**Unlikely**
Social media like Facebook, Instagram, and TikTok	41%	23%	46%	71%	66%	67%	37%	17%
Family and friends	39%	31%	43%	50%	41%	57%	42%	24%
Apps with PC/laptop, gaming consoles, or mobile phones	38%	23%	46%	56%	61%	54%	45%	12%
Taking a class or online tutorial	35%	28%	42%	37%	38%	44%	45%	19%
My employer	15%	7%	17%	26%	33%	23%	12%	5%
Other	2%	3%	1%	0%	0%	0%	1%	4%
None of the above	20%	34%	13%	3%	3%	0%	10%	50%

Q29: In which of the following ways would you want to learn more about the metaverse? Please choose all that apply.

KPMG

06

Appendix

Objectives & methodology

Quantitative research was conducted to support message and strategy development that KPMG's external communications team will use to position KPMG as a global leader in the emerging metaverse space. Specific areas of inquiry focused on:

- Consumer interaction and familiarity with virtual and metaverse experiences.
- Expectations for, and interest in, engaging with virtual and metaverse experiences.
- Triggers and motivators that encourage participation in metaverse experiences.
- Consumer perspectives on the metaverse, including barriers to engaging, fears about privacy and data security, benefits, and feelings toward DE&I in the metaverse.

Key findings from this research will be used by KPMG to identify potential campaign ideas and concepts that will serve to differentiate the brand, strengthen its reputation and increase brand awareness as a metaverse thought leader.

KRC Research conducted a 20-minute online survey among 1,000 US adults (ages 18 to 65).

- The survey took approximately 20 minutes to complete.
- KPMG was not identified as the sponsor.
- Demographic quotas were put in place for the following to ensure a sample that is approximately representative of the US population:
  - Gender (women and men)
  - Region (Northeast, South, Midwest, and West)
  - Age (18-25, 26-41, 42-57, and 58-65)
  - Race and ethnicity
- The survey was fielded from July 5 to July 11, 2022.

Respondents were provided with the following definitions as context for survey questions about the metaverse

Following are definitions of new and emerging technologies. Please read each carefully before continuing the survey.

metaverse is the combination of virtual reality spaces (VR) plus digitally augmented real-world experiences (AR or Mixed Reality). The metaverse can be understood as the use of new digital technologies to enhance commerce and social and entertainment experiences through the use of new and existing technologies, such as virtual reality goggles or smartphone apps.

Virtual reality is the term used to describe a three-dimensional, computer-generated environment which can be explored and interacted with by a person. That person becomes part of this virtual world or is immersed within this environment and while there is able to manipulate objects or perform a series of actions.

Augmented reality is the blending together of the real-world environment with the virtual world. To bring the virtual world into view, you need a camera and a screen to create augmented reality. The most common device for augmented reality is your smartphone. There are many augmented reality apps which use your camera to overlay virtual features onto your screen.

The following survey definitions were provided for questions about respondent participation and interest in virtual experiences

- **Video.** Video interactions with others through Zoom, Microsoft Teams, FaceTime and similar platforms.
- **Real life simulation platforms.** Also known as the metaverse, involves interactions with others through real life simulation platforms using avatars with the platform having the look and feel of a real-life space.
- **Augmented reality.** Interactions with others using augmented reality technologies.
- **Virtual reality.** Interactions with others using virtual reality, which requires ocular goggles and other equipment to have a 3-D real life virtual experience.

Respondent Demographics

Region	Total
Base	N=1000
Northeast	22%
Midwest	19%
South	44%
West	16%

Age	Total
Base	N=1000
Gen Z (18-25)	17%
Millennial (26-41)	35%
Gen X (42-57)	32%
Boomer (58-65)	16%

Gender	Total
Base	N=1000
Male	49%
Female	50%
Non-binary	1%

Income	Total
Base	N=1000
<$25K	13%
$25K to $59K	30%
$60K to $99K	23%
$100K or higher	31%

3% prefer not to answer

Ethnicity	Total
Base	N=1000
White	67%
Hispanic or Latino	14%
Black or African American	12%
Asian or Pacific Islander	5%
American Indian or Alaska Native	1%
Another race or ethnicity	2%
Prefer not to answer	-

Education	Total
Base	N=1000
Some high school	3%
High school grad or equivalent	17%
Some college	17%
Associate Degree or trade school graduate	12%
Bachelor's degree	27%
Master's degree or more	24%
Prefer not to answer	-

Employment	Total
Base	N=1000
Work full-time	57%
Work part-time	11%
Self-employed	6%
Student	3%
Homemaker	6%
Retired	6%
Disabled	4%
Not employed	7%

Relationship	Total
Base	N=1000
Single, not married	30%
W/ partner, not Married	8%
Married	52%
Divorced	6%
Separated	2%
Widowed	3%
Other	-

Children	Total
Base	N=1000
None	56%
One	22%
Two	16%
Three	5%
Four	1%
More than four	1%

Reduced base sizes for select questions

Familiarity with the metaverse:

Familiarity	N-size
Never heard of / Not familiar	430
Familiar	384
Very familiar	186

metaverse Participation:

Participation	N-size
Current User	119
Likely	228
Undecided	321
Unlikely	332

Of those at all familiar with the metaverse, by key audiences:

Audience	N-size
Gender	
Male	449
Female	383
Generation	
Gen Z	149
Millennial	309
Gen X	260
Baby Boomer	124

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