

The “Ultimate” Metaverse:

MANAGEMENT DECISIONS

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Reactions and Decisions

The reactions of Meta’s launch of the Metaverse

When Mark Zuckerberg announced that they are changing the name of Facebook to Meta, there were a lot of mixed comments. There were Facebook consumers that were excited for the change and upgrade of virtual reality. However, there were many more consumers that were concerned. “A large percentage of the comments from members on LinkedIn had a visceral response to the post, appalled that the Meta CEO would wield even more control over their lives.”¹ A majority of the responses from people were critical and stated that they did not want another social media platform by Mark Zuckerberg. Many consumers don’t trust or like Mark Zuckerberg and because of that they are not a fan of Meta’s metaverse. A lot of these people went to Facebook to express their outrage by stating how negatively social media affects their mental health and life in general. In addition, people were afraid of what this future of vertical reality will do to children and how it will impact their lives. Older people were also afraid of being left behind due to all this new technology. However, since Meta’s metaverse hasn’t been released yet, many people aren’t sure what to expect.

Many tech leaders and top executives are predicting though that hoping on the chance to create their own metaverse and is the way to go into the future. The CEO of Bumble believes that this new increase in metaverse is a great way to connect with people and help their company’s mission come to life. In addition, the CEO of The Walt Disney Company, Bob Chapek, believes that the company can make its own metaverse and “be able to connect the physical and digital worlds even more closely, allowing for storytelling without boundaries in our own Disney metaverse.”² The reviews of Meta’s metaverse suggest that many executives believe that it is a great business opportunity and a way to grow their company to another level. But many users of social media are scared that this is taking it too far and believe that this could lead to a life completely on the internet, forgetting about the real world.

Investments in other Metaverses

Because Meta’s metaverse has not been fully developed and that society can experience a soft launch within five years, many other companies are starting or even have invested in other and already developed metaverses in various ways. The most

¹ Kelly, J. (2022). The Metaverse Is Met With Eager Anticipation By Early Adopters And Skepticism Over Meta And Mark Zuckerberg’s Involvement. Available online:

<https://www.forbes.com/sites/jackkelly/2022/01/06/the-metaverse-is-met-with-eager-anticipation-by-early-adopters-and-skepticism-over-meta-and-mark-zuckerbergs-involvement/> [Accessed 17 February 2022]

² Insider. (2021). Here's what 14 top executives are saying about the 'Metaverse', Available online:

<https://www.businessinsider.com/tech-execs-said-about-the-metaverse-earnings-calls-2021-11?r=US&IR=T> [Accessed 17 February 2022]

significant investments which have been made so far are companies in the high-end fashion industry from Ralph Lauren and the real estate sector from Republic Realm.

Ralph Lauren is one amongst a few fashion brands that have already invested in the metaverse through a partnership with Roblox and Zepeto. Roblox is an online platform and a place where customers can play games that is made by other developers³ and Zepeto is an app where you can create a 3D avatar based on a picture of yourself⁴. The investment was a part of their strategic reorganization plan in order to, for instance, grow online sales. In December 2021, they launched an exclusive digital clothing collection on the metaverse Roblox which was a part of a holiday-themed branded world called “Ralph Lauren Winter Escape”. Previously, they had designed various digital outfits for avatars on Zepeto, although this was a strategic next step for the company. The collection was inspired by the 90s and was launched in eight polo sports looks which were all gender neutral. The available clothes from Ralph Lauren Digital Collection have a cost between 125 to 300 Robux which is \$1.25 – to \$3.00 in real money.

Ralph Lauren’s investments in the metaverse has resulted in a sales rise due to a growing customer base. This contributed to their digital business jumping by 40 per cent in the last quarter, and during the same period the revenue increased 27 per cent to 1,8 billion dollars. This resulted in Ralph Lauren achieving the same results with pre-pandemic revenue levels. The explanation for this is that the metaverse, such as Roblox Winter Escape World, was effective in driving digital sales and lured new Gen Z customers.

Further on, the real estate company Republic Realm is said to be one of the most significant real estate developers in the metaverse at the moment. The company announced last year that the company had completed the largest ever land acquisition in the metaverse of Sandbox with a value up to 4,28 million USD for 792 parcels of land which can be translated to over 7.9 million square meters of game area. Republic Realm purchased this land from game developer Atari which agreed on a co-developing of real estate in the metaverse. As the investment was made, Republic Realm Managing Director, Janine Yorio said: “Republic Realm is excited to co-develop real estate with Atari, one of the most iconic gaming brands, in the Sandbox, one of the most exciting metaverse platforms in existence today.”⁵ At the moment, Republic Realm manages a portfolio of different real estate NFTs (non-fungible tokens) across other metaverses to develop and enhance value and community building. The real estate company plans on expanding their business in Sandbox by developing the so called Metajuku, the first ever metaverse shopping mall which provides the opportunity for other companies to invest by offering leases and retail tenants. Moreover, the company is also planning on developing Fantasy Islands which is a limited-edition luxury development of 100 private islands. These islands currently trade for 300 000 USD each and have a total value of around 30 million USD.

³ Roblox. (n.d.). What is Roblox, Available online: (<https://corp.roblox.com>) [Accessed 20 February 2022]

⁴ Zepeto. (n.d.) Another me in another universe, Available online: <https://zepeto.me> [Accessed 20 February 2022]

⁵ Republic Realm. (2021). Republic Realm Completes Largest Ever Metaverse Land Acquisition, 4.28 Million USD, Available online: <https://www.republicrealm.com/news/republic-realm-completes-largest-ever-metaverse-land-acquisition%2C-%244.28-million-usd> [Accessed 20 February 2022]

Conclusion

It has been four months since Meta completely changed its direction towards developing the "ultimate" metaverse and the debate is still ongoing whether the future for Meta will be successful or not. By changing a company's direction towards developing something as futuristic as the metaverse can be seen as a significant gamble for Meta as no one can tell if they will be successful in this development or not. Although, because many other companies in, for example, the real estate sector or high-end fashion sector have invested in the already existing metaverses, this could work as a preview for the potential Meta's metaverse have. Simultaneously, many other companies predict a certain success rate in the future for creating their own metaverses. They see the opportunities with interacting with friends and letting your imagination run free in the digital world. Because society has seen a certain surge in investing or developing their own metaverses, this new era can be seen as Internet 2.0 because of the huge and many investments being made despite the fact that the investments could go south. All in all, it is hard to say if Meta's metaverse will be successful or even the most successful metaverse in the future. Although, regarding their humongous passion for this development, the future could be significantly interesting to witness.