Future of the metaverse matters to everyone

I don’t know if I actually buy into this metaverse stuff,” Tesla chief executive Elon Musk said. “Sure, you can put a TV on your nose. I’m not sure that makes you ‘in a metaverse’.

Tech giants have been preaching the coming of the next internet. Tomorrow’s cyberspace is said to be immersive, 3D and all folded together. Disparate websites and online services will come under one roof. But there is hardly a common standard yet.

However, the future might already be here, just not evenly distributed. Nike, for one, has acquired RTFKT Studios, which is a “developer of custom trainers designed for video game enthusiasts”. In other words, Nike can mint digital trainers with ownership authenticated via non-fungible token in the “metaverse”.

Whether this is hyperbole depends on one’s inspiration. Fifteen years ago, Nike introduced its iPod Sensor. The Nike+ sensor communicated with the iPod, which predated the iPhone. It allowed runners to measure and analyse their performance.

What this shows is the best time to invest in the future is when your core business is still healthy. The launch of Nike+ represented a shift away from its core competency in sport apparel. Nike embraced capabilities in analytics software, app development and electronics design.

To embrace the metaverse is to take another leap from the physical world into the virtual.

So far, the West has been deploying virtual reality technology mostly in the gaming sector. Coincidentally, children in China, by law, can only play online games for one hour a day on weekend and holiday evenings. That means Chinese tech giants must think about the pursuit of the metaverse far beyond gaming.

The metaverse in China, if it takes off, will look very different from the one in the Western world. China’s fundamental regulations will shape what new products and services materialise.

Manufacturing has long had the concept of a “digital twin” of physical facilities and their machines. With better virtual spaces to simulate your facility’s production process, you can quickly see how moving your assets around would affect production. But beyond that, the metaverse is a communal space for sharing ideas. As such, it is easy for different companies to design a product, share it with manufacturers within the same environment and iterate based on feedback. All this will shorten the product lifecycle for projects.

As with any new technology that facilitates access to user-generated content, people can recycle previously built content, tweak it and then launch a better version with great speed.

What strikes us most in our research is that future-ready companies have all exhibited a strong learning outlook. They draw inspiration from other sectors. And their management teams possess a shared viewpoint about the future. These outlooks correlate with outsized shareholder returns in the long run.

Seen in this light, the future of the metaverse seems relevant to everyone. And maybe to Musk, too.

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