

The Black Box Institute

The Business of The Metaverse  
PART 1: Introduction to Metaverse  
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# What is the Metaverse?

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## Definition

“The metaverse can be defined as a simulated digital environment that uses augmented reality (AR), virtual reality (VR), and blockchain, along with concepts from social media, to create spaces for rich user interaction mimicking the real world.”

## Main Goals



Provide people the power to build communities



Bring the world closer together



A new economy where wealth can be created, traded and enhanced

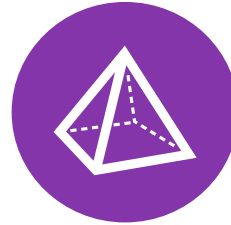
*A platform for innovation, creativity, and expression*

# How will the Metaverse Reshape our World?



## Work

The Metaverse will make it possible for people to work from anywhere and collaborate together. It can also change the way we communicate with one other and what is expected at work.



## Enhanced Education

Students can experience history in 3D environments and collaborate around the world. The Metaverse will change the way we learn and teach.



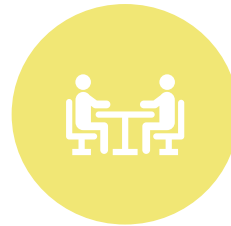
## Reduced Waste

There can be a reduction in fuel consumption by reducing the need to travel for work or socialization. Live entertainment and events can have reduced waste.



## Live Events

Unlimited capacity and advanced special effects in live entertainment and events.



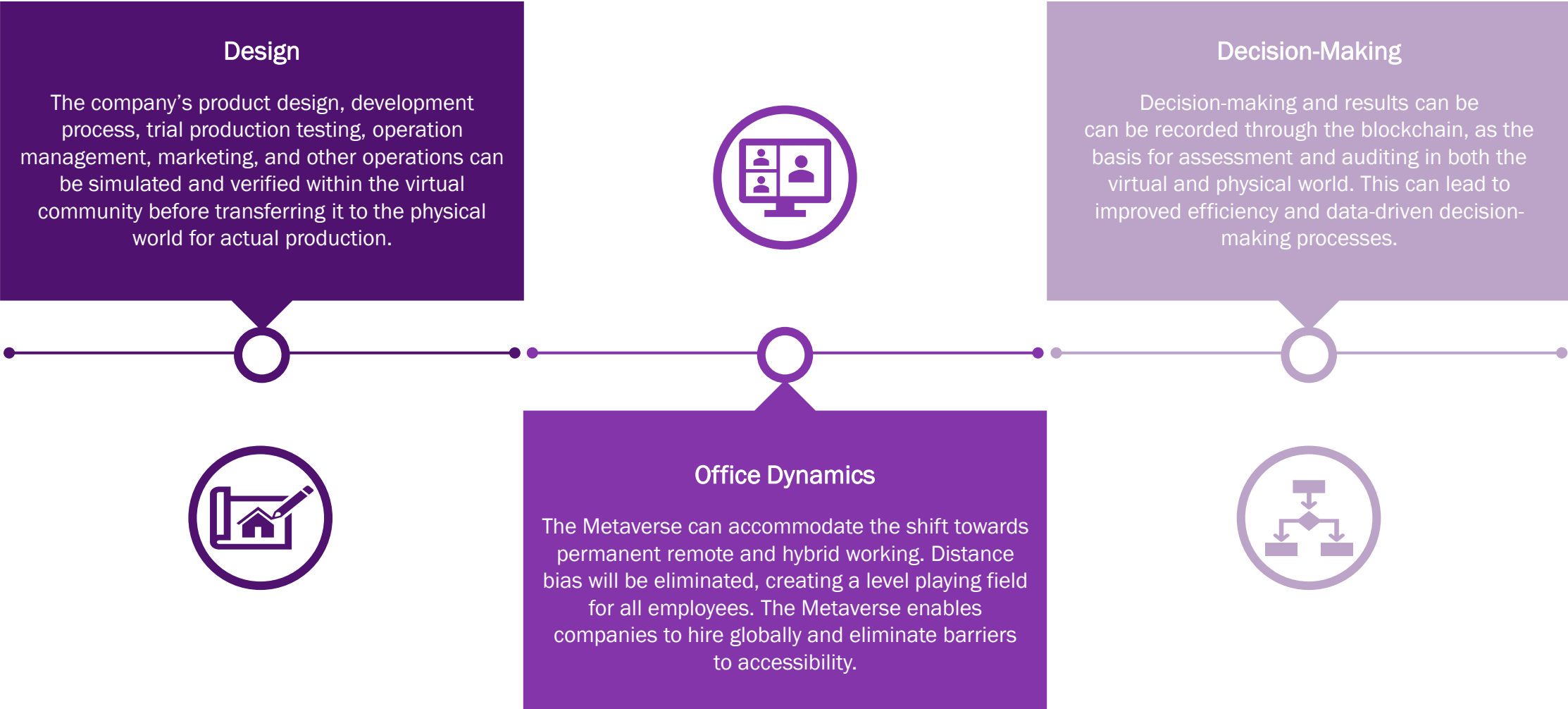
## Socialization

How we meet new people and interact will completely change through the Metaverse. Additionally, relationships will have different dynamics and ways to interact.



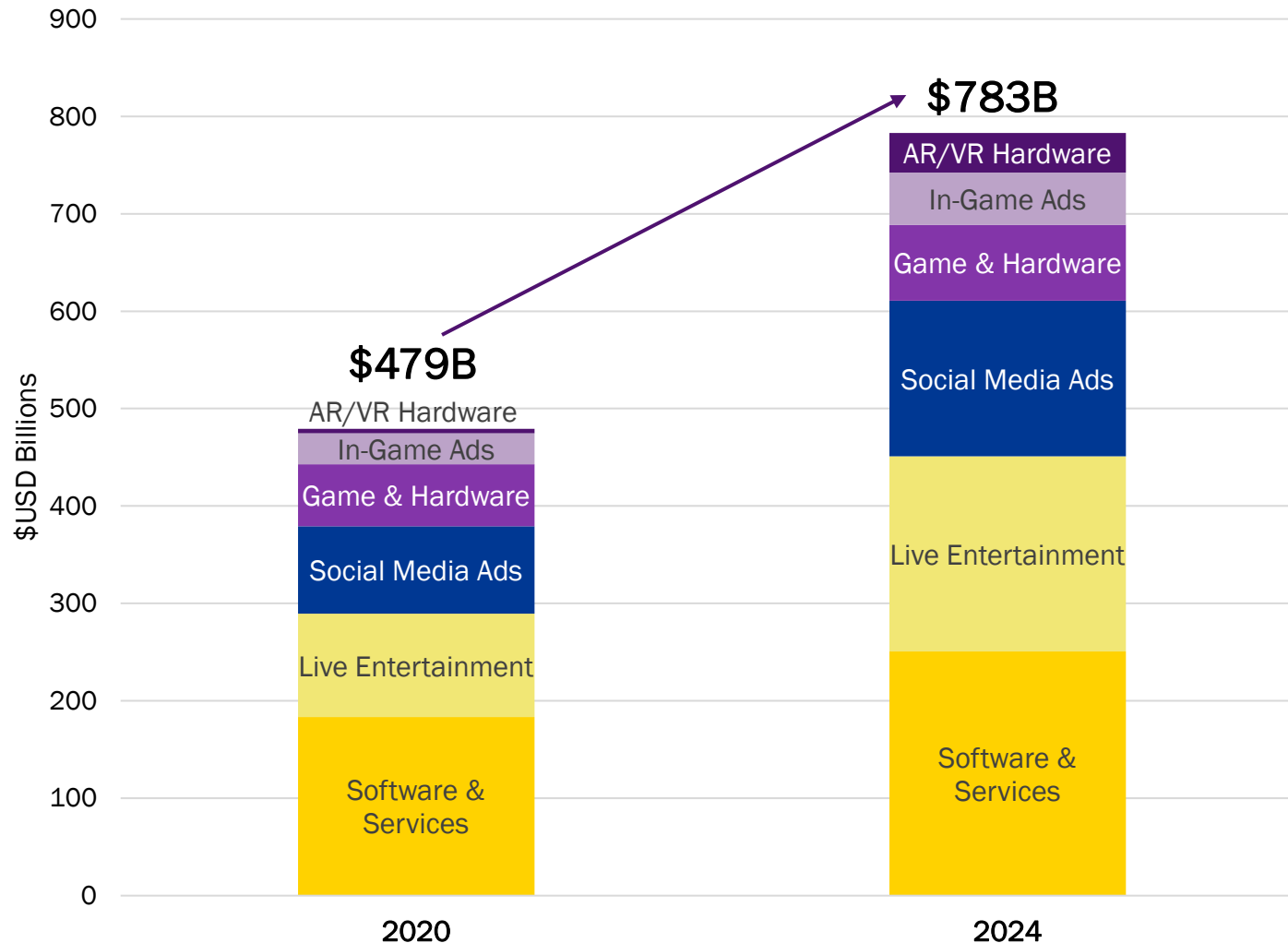
## Mental Health

It can be used to treat mental health problems by creating an environment where they can control their surroundings or experience certain sensations.



# The Impact size of the Metaverse

Metaverse Market Size



The market size of the Metaverse is expected to reach \$800B by 2024 and to be valued at over \$1T by the end of the decade.



This Metaverse is going to be far more pervasive and powerful than anything else

- Tim Sweeney, CEO of Riot Games

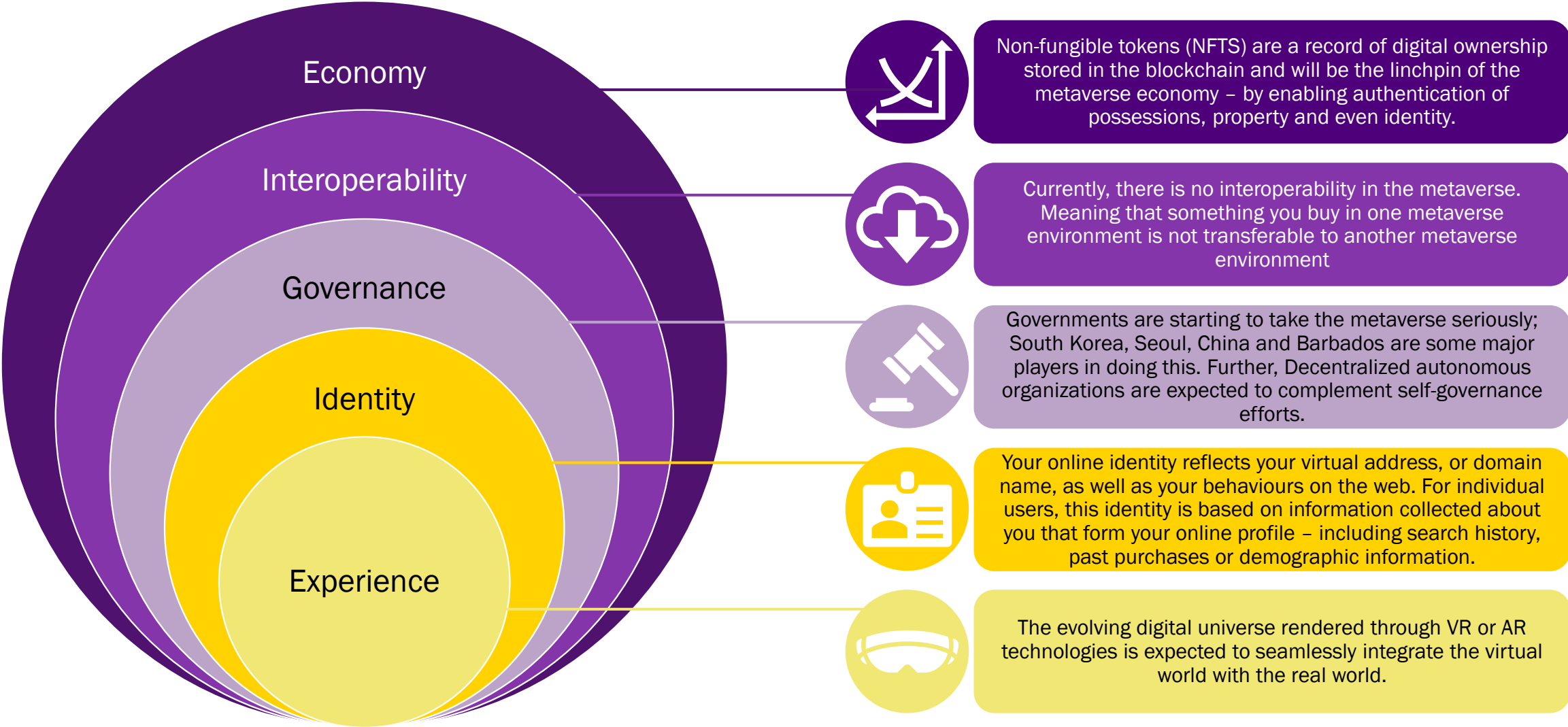


Simply put, we believe augmented reality is going to change the way we use technology forever, we're already seeing things that will transform the way you work, play, connect and learn






- Tim Cook, CEO of Apple



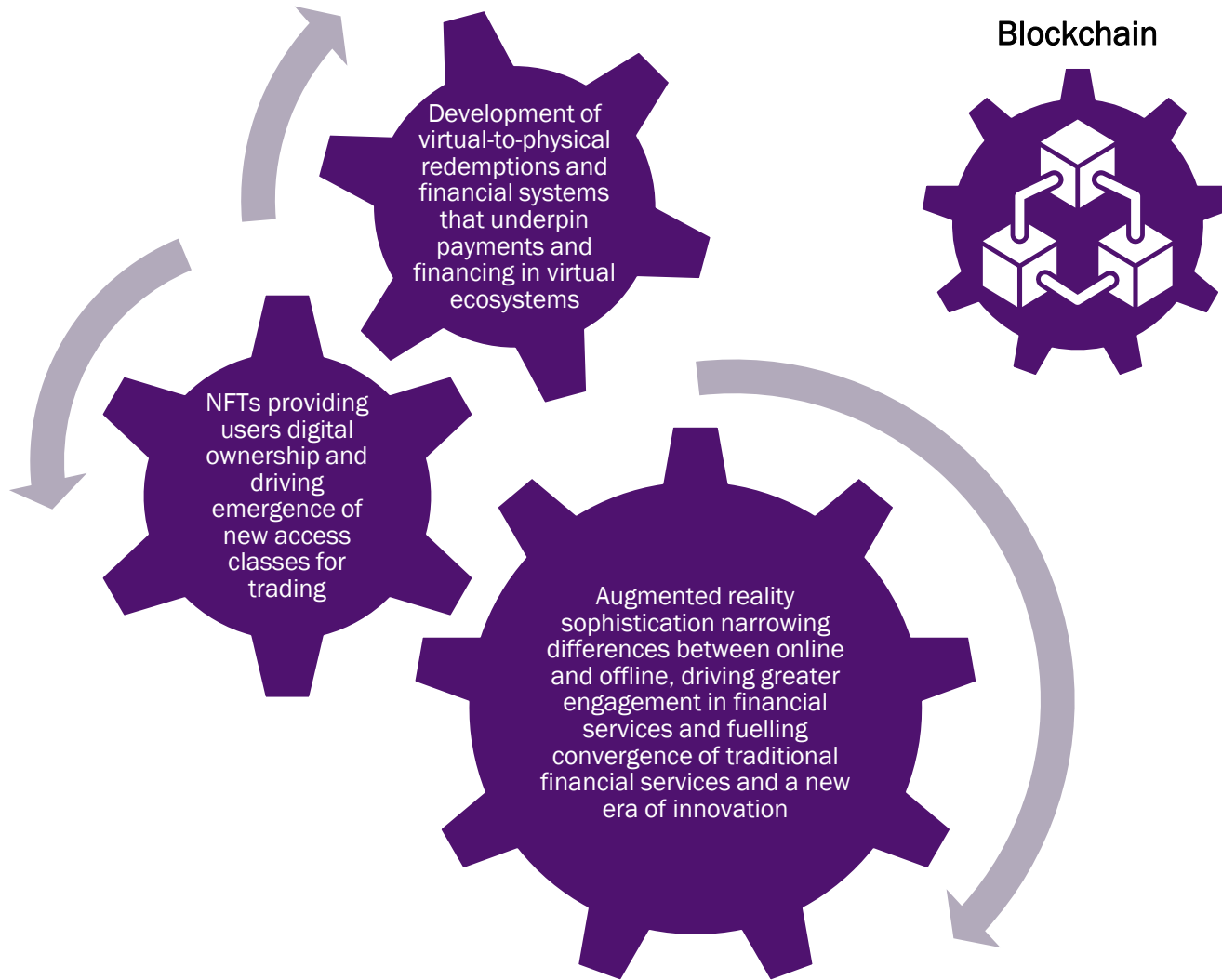
# The Five Ecosystems of the Metaverse



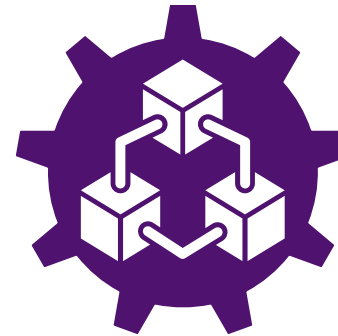
# Metaverse Market Map

Economy	Interoperability	Governance	Identity	Experience
				





### Blockchain



### Smart Contracts

Autonomous, trustless, secure, transparent contracts on blockchain

Use cases:

- Record storage
- Title to assets
- Governance
- Insurance
- Supply-chain automation



### NFTs

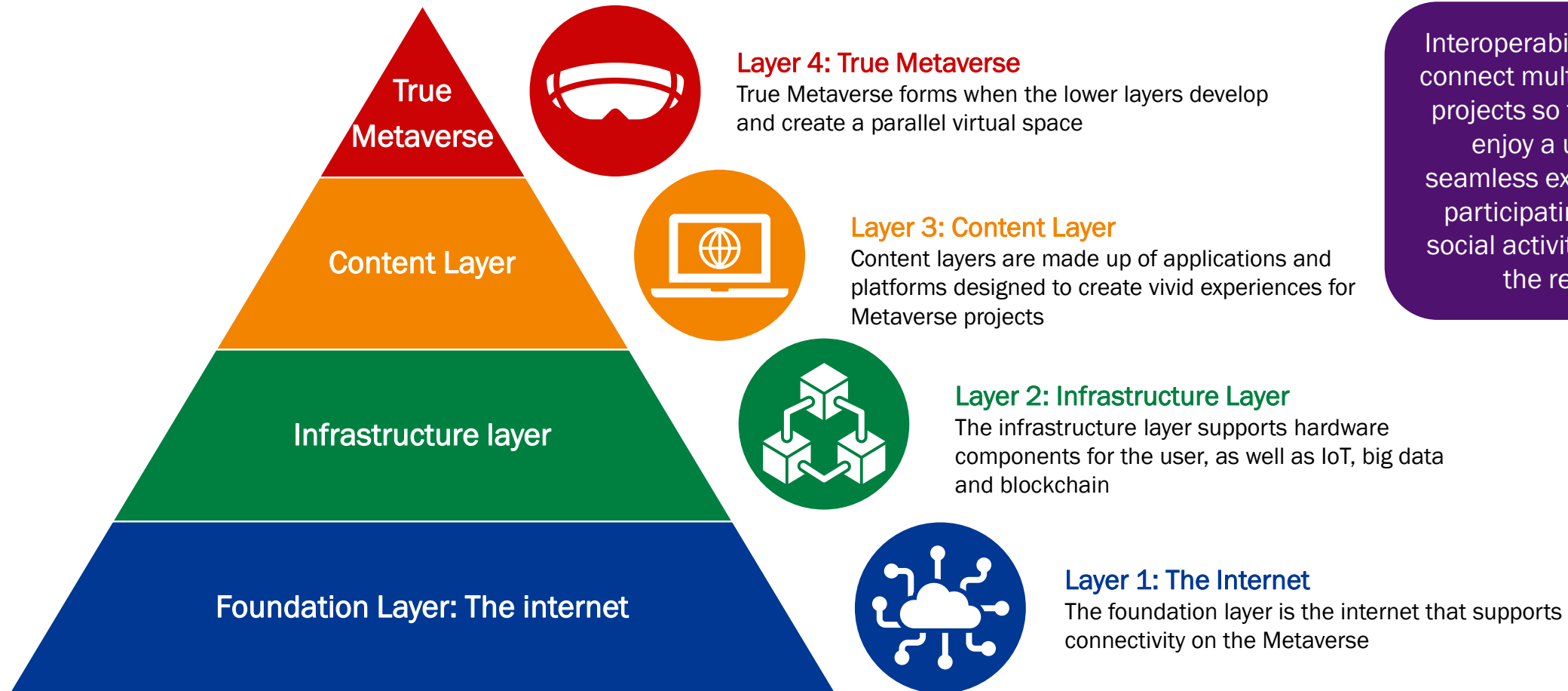
Provides decentralized, trustless, programmable asset ownership with provable scarcity on blockchain

Use cases:

- Real estate
- Art
- Music
- Gaming



A Metaverse project with interoperability features can interact with a different Metaverse projects, utilize the services and features, and enable cross-chain social connecting, trading, and many other activities that are not possible in a siloed ecosystem.



Interoperability is crucial to connect multiple metaverse projects so that users can enjoy a unified and seamless experience while participating in multiple social activities, just like in the real world

There is no one-size-fits all solution to governance in the Metaverse, especially as it will likely be composed of a variety of spaces. Like many social media platforms and video games today, there will be components of self-governance and external governmental regulation.



## Self-Governance

- Like many social media platforms
- Valid and binding terms of service
- Set rules, community guidelines
- Regulations can be built into smart contracts, so that violations can be automatically enforced



## Governmental Regulation

- Ecommerce and internet-based transactions
- Intellectual property (IP) law
- Contractual agreements
- Cybersecurity, privacy and consumer protection



## Decentralized Autonomous organizations (DAOs)

- Run like corporations, with token holders who vote like shareholders
- Users can be voted off the “island”

## Other considerations:

- Bad actors such as hackers or “trolls”
- Like in the real world, there will likely be fraud
- Data and privacy protection will be a contentious issue
- Need methodologies to protect people from bad actors

## Importance



Required to permit access, engage, or otherwise operate in the Metaverse



A reflection of who you, or your business is



Proven identity needed to access advanced features

## Challenges



Impersonation of another user or asset



Identify and authentication cannot be owned by one company



Passwords can be compromised or NFT keys lost

## Opportunities



Richer set of authentication techniques through gestures, body motions etc.

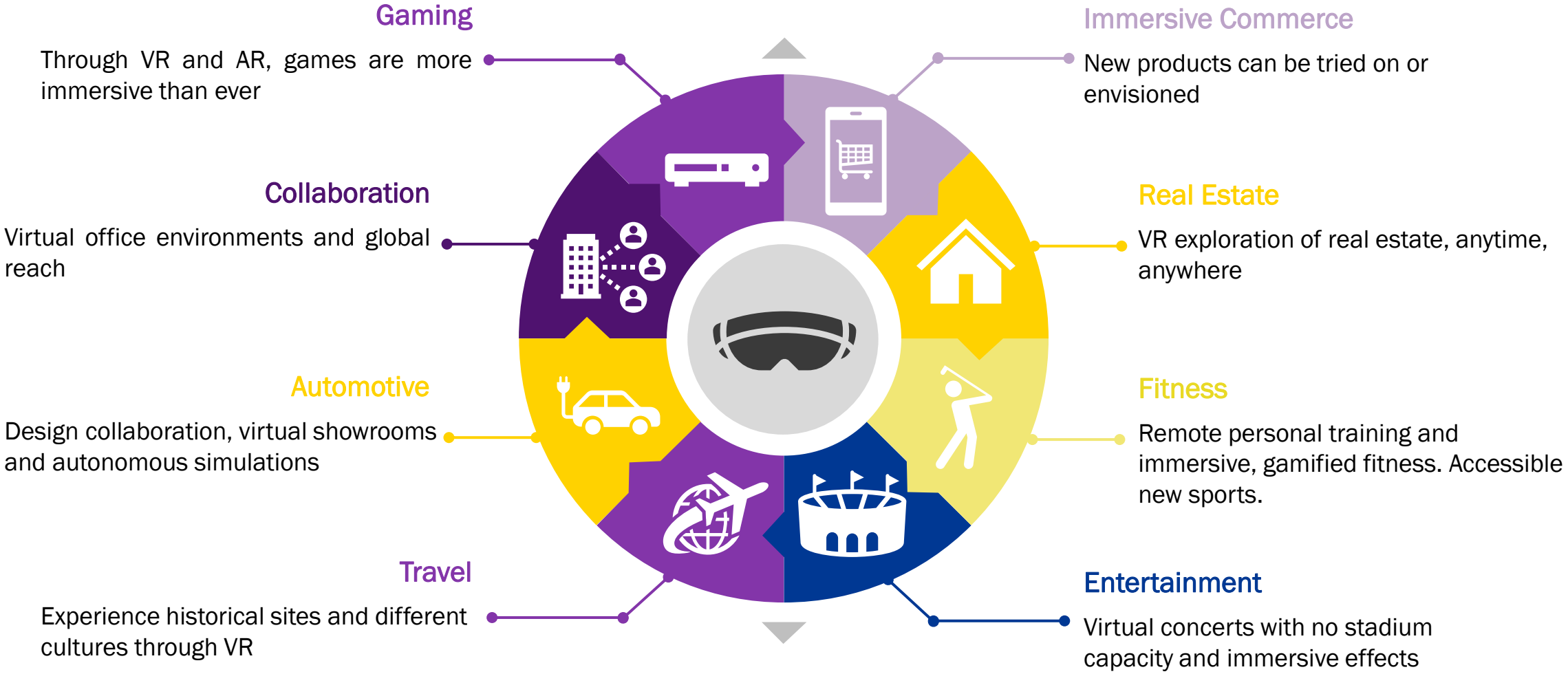


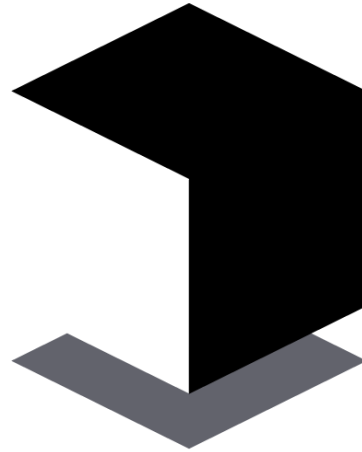
NFT adoption can lead to open interoperability through an established, personalized token



Digital cryptographic credentials built on “Root of Trust” – adding accountability to each user

The Metaverse can completely change the way we experience life





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