

The Metaverse



HOTEL REVENUE OPTIMIZATION CONFERENCE

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The Metaverse, exciting & new, but ...

Speaker:

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The Metaverse

Who am I to deliver the Topic?

Assoc. Professor Dr. Detlev Remy

- **Professor of Revenue Management at SIT since 2016**
- **Research interest in RM metrics, TRM + new Technologies**
- **Over 35 years hospitality industry experience**
- **Own consultancy business 'Remy Consult', with clients from Germany, Ireland, Cambodia, Indonesia, Singapore etc.**



The Metaverse

- ▶ **What is the Metaverse, and NFT, AR & VR?**
- ▶ **How will it look like?, such as platform, functionality etc.**
- ▶ **How to utilize & monetize the Metaverse**



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Short Overview of AR

- **AR** - the integration of digital information or objects into the subject's perception of the physical world, often in combination with other media, to expose, articulate or demonstrate customer benefits.

Example: Pokémon Go, Google Glass



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Short Overview of VR

➤ **VR** - utilises images, sounds and physical sensations to make users feel as though they are physically present in a virtual world.

VR typically makes use of **VR headsets**, and this equipment enables users to look around and immerse themselves in a digital environment.



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Short Overview - NFT

- non-fungible tokens; is a unique unit of data stored on a blockchain that can be sold and traded; NFTs allow businesses to create digital proof of ownership, and attendance.



2.2 million USD



250k USD

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NFT

Use Case	Example	Description	Today's Relevance	Long-term Outlook
 Travel Community	Travala	Loyalty program as part of booking platform		
	Travel Toucans	Travel community with NFT rewards		
	Nature Seychelles	Naure conservation NFTs		
 Airline Loyalty	airBaltic	NFT art as digital collectible		
	FlyCoin	Blockchain-based airline loyalty and rewards		
	United Airlines	Digital NFT collectible as VIP rewards		
 NFT Passport	San Marino	Government-issued NFT as vaccine certificate		
	IATA	Blockchain-based passport for health certificates and other documentation		
	Pebble	Blockchain-based device to record location-based data		

Source: Lufthansa Innovation Hub Analysis, TNMT.com

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Short Overview – the Metaverse

for now, the Metaverse is a combination of elements with the potential to create a vast virtual environment where new kinds of interactions and new kinds of B2C *and* B2B commerce are possible.

But: the Metaverse is not new; remember “Second Life”

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Short Overview – the Metaverse

While it is quite hard to define it, we can mention a working definition:

“The “metaverse” is a set of virtual spaces where you can create and explore with other people who aren’t in the same physical space as you.

You’ll be able to hang out with friends, work, play, learn, shop, create and more.” ([Facebook](#), 2021)

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Short Overview – the Metaverse

Credit: Rauschnabel, 2022

	Traditional Internet (including social media)	Current VR worlds such as Decentraland, Fortnite, Roblox, and Sandbox	“True” Metaverse
Hardware	Monitor, mobile device screen	Monitor, mobile device screen, VR	Simultaneous access through XR (AR and VR)
Transactions	Traditional currencies, established (e.g., credit card) or alternative (e.g., PayPal) payment methods	Cryptocurrencies, digital wallets	Cryptocurrencies, digital wallets
Goods	Physical and digital fungible goods	Non-fungible tokens (NFTs)	Non-fungible tokens (NFTs)
Identity	Several user profiles	One avatar within each platform	One avatar across platforms
Ownership and copyright	Copyright on virtual content (e.g., digital rights management - DRM)	Property identification based on blockchain, NFTs	Property identification based on blockchain, NFTs

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The Metaverse - Functionality

➤ Platforms

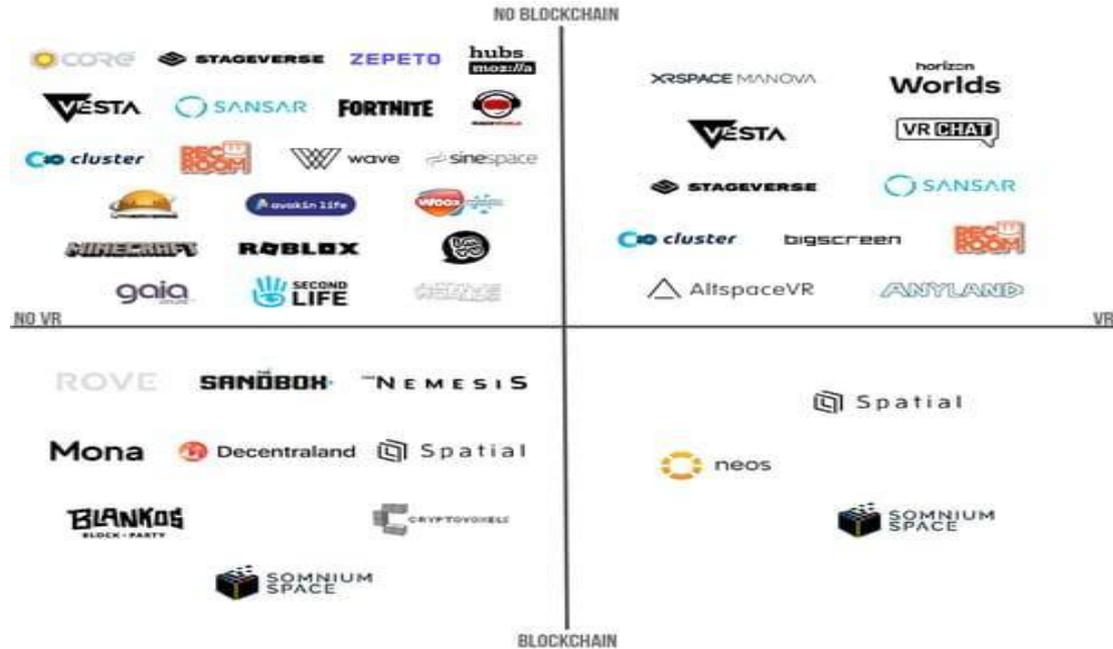
2 different platform models in terms of possible Metaverse applications, Gaming platforms (e.g., *Sandbox, Fortnite etc.*), where members already experience digital virtual worlds, spend considerable time and used to pay for certain offerings.

And Social platforms, based on their social network community model, although yet unpaid.

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MAP OF THE METAUVERSE 2022

vincos.it



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The Metaverse - Functionality

➤ Platforms

There are 4 major platforms in the Metaverse at the moment, with a combined total of 268.645 parcels of land:

The Sandbox, Decentraland, Cryptovoxels and Somnium Space.

It remains to be seen which platform will succeed, or maybe more than one, though clearly the most successful platform model will be the one which is capable to monetize its offerings optimally.

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The Metaverse - Functionality

➤ Payment Systems

blockchain-based payment, mostly crypto-currencies

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Utilizing the Metaverse

→ Hotel examples:

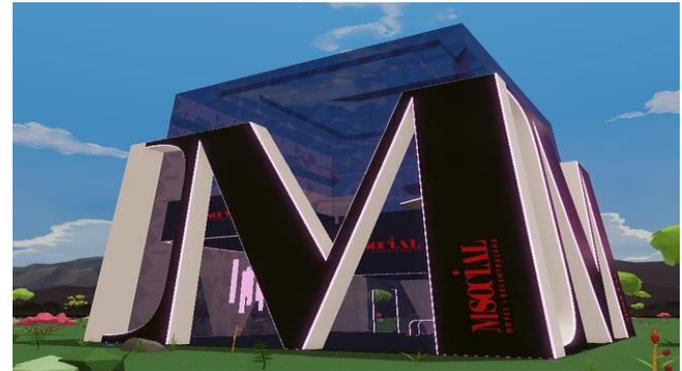
CitizenM, MSocial

→ Purpose & Objectives:

Branding,

Promotions

Building Loyalty



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Utilizing the Metaverse

- providing unique, virtual experiences and offering complimentary metaverse experiences to enhance the more traditional guest experience that the hospitality industry offers.
- hotels could offer services that allow guests to meet and interact in a virtual environment, effectively offering elements of the travel experience without the need for customers to travel physically. So, for example, people could use their avatars to carry out a business meeting in a virtual environment.

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Monetizing the Metaverse

→ Examples

- Sales (*virtual malls*), but also for Branding, Promotions
- Play-to-earn games
- Design 3D accessories for users
- Create and monetize VR games
- Conduct Metaverse events with paid tickets
- Trade 3D NFTs



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Monetizing the Metaverse

→ **Real Estate**, buying (and selling) virtual real estate (e. g. PwC, JP Morgan)

Issue of Scarcity:

Real-world land is a finite resource, whilst in the virtual world, the amount of land is potentially unlimited.

Though the big platforms currently have limits on the amount of land – enforcing “artificial scarcity”



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Monetizing the Metaverse

- **Real Estate**, rent out Metaverse real estate to developers (*to create buildings, gaming areas, concert halls, offices and other venues*)
- Value of Real Estate in a virtual world will be where brands and advertising congregate.
- for many brands, the Metaverse is about billboards rather than buildings (*purchasing advertising space*)

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Challenges, dealing with the Metaverse

- Privacy issues, Data protection, Identity hacking, etc.
- Lack of regulations & laws (*and lack of best practice*)
- Structure of the Metaverse is decentralized, based on blockchain or peer-to-peer model, thus, no central authority controlling aspects of exchange or information (e.g., *hate speech etc.*)
- Health concerns – VR “hangovers”, and “post-VR sadness”

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Critics on the Metaverse, Max Starkow

“Is the metaverse the perfect universe for misanthropes and germophobes, in other words, people who do not want to meet, mingle with and communicate in person with other people?

Or is it a parallel universe enabling people to experience travel to far away destinations from the comfort of their reclining chair? Only time will tell.

At this point, the Metaverse is the ANTITHESES of travel. Travel is all about indulging your five senses: taste, smell, touch, hearing and sight. At best, the Metaverse can let you experience two of these: hearing and sight.”

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Outlook

- At the moment limited opportunities for the hotel industry
- Much bigger opportunities for MICE industry
- Interestingly, first discussion to think about Revenue Management in the Metaverse ... 😊
- And even more interestingly, according to a recent US survey (2022), people are currently more likely to fear the Metaverse than be excited about it

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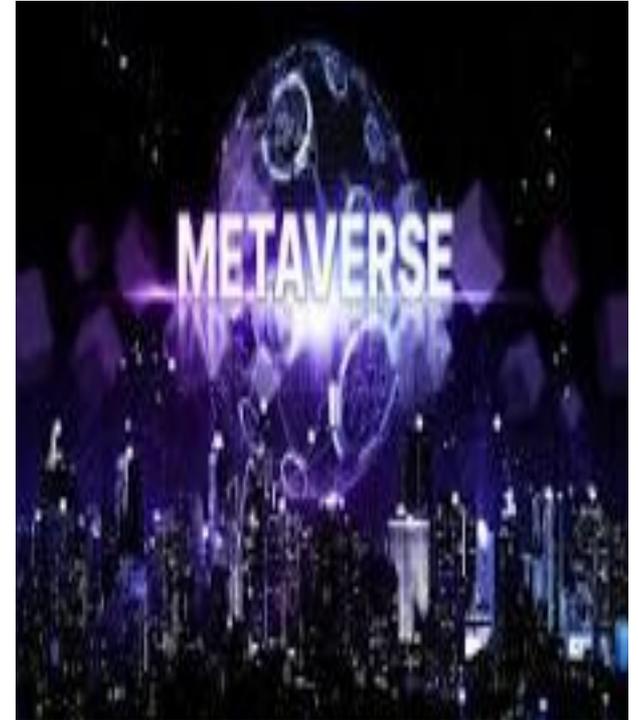
Key Takeaways

- The Metaverse is an exciting development
- Although still uncertainty which Metaverse platform will succeed, and scale up
- And the potential for monetisation for the hotel industry is yet uncertain

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Utilizing the Metaverse, some final words ...

- ▶ Stay curious [always asking the 'Why' question]
- ▶ Stay close to customers
- ▶ Observe other industries



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