



METAVERSE

WHAT IS THE METAVERSE?

Metaverse refers to “online spaces” that allow people to interact in a more immersive way than a traditional website. A virtual reality where people use an avatar to represent themselves to explore, to interact with other people’s avatars, to build, play, trade, or even attend virtual concerts.

30 years ago, author Neal Stephenson coined the term “metaverse” in his 1992 science-fiction novel “Snow Crash,” which envisions a virtual reality-based successor to the internet. In the novel, people use digital avatars of themselves to explore the online world, often as a way of escaping a dystopian reality. 30 years later, companies like Meta (Facebook), Microsoft, Roblox, and Epic Games are planning to build their own metaverses, not to escape reality, but to combine reality and virtuality, and open up many great opportunities for everyone.

With the help of blockchain technology, users can earn and spend cryptocurrencies to buy digital assets such as clothes, art, and land the metaverse. From a business perspective, companies see the metaverse as a great opportunity for investment. For example, fashion companies are experimenting with making clothing that users can wear in metaverse environments.

Real estate is another industry that is rapidly growing in the metaverse. You could now buy digital land and potentially make money out of it by leasing and advertising. Imagine working with several brands that want to expand their presence in the metaverse?

A 500-square-meter virtual land within metaverse recently sold for \$2.43 million. This purchase was made by the firm Metaverse Group. A company focusing on buying, developing, and selling real estate within the metaverse. They believe that the novel (movie) “*Ready Player One*” will be representative of the future of both business and real estate thus the creation of metaverse property.

Another company, Republic Realm, a metaverse real estate firm, paid \$4.3 million for a plot of land in the virtual world, Sandbox, representing the largest public virtual real-estate deal to date. The company purchased the virtual plot from video game company Atari. This purchase broke the recently reported record of \$2.43M virtual land in Decentraland by the Metaverse Group.

MAJOR PLAYERS IN THE METAVVERSE

Meta [FB](#)

Has a massive investment in building the metaverse. Looking to launch in 5 years in an announcement in October 2021

"We believe that this is going to be the successor to the mobile Internet. You're going to be able to access the metaverse from all different devices and different levels of fidelity from apps on phones and PCs to immersive virtual and augmented reality devices."

-Mark Zuckerberg, CEO

Epic Games [EPOR](#)

The company behind Fortnite allocated \$1B funding to find growth opportunities for the metaverse.

"We are grateful to our new and existing investors who support our vision for Epic and the Metaverse"

-Tim Sweeney, CEO and Founder

Microsoft [MSFT](#)

Looking to build a work-focused metaverse where we can use Microsoft Teams, Windows, and other services in VR.

"As the digital and physical worlds converge, we are leading in a new layer of the infrastructure stack, the enterprise metaverse."

- Satya Nadella, CEO

Roblox [RBLX](#)

Aims to give users and developers ways to create digital worlds and pursue their vision.

"There's so much more when we think about kind of where we are in the metaverse journey, we're probably somewhere in the first inning. Right now we're just building the stack. We're all building the stack."

- Craig Donato, Chief Business Officer

Decentraland [MANA-USD](#)

Sold a piece of real estate inside a VR world for \$2.4M

"We are happy to make history by closing the largest public metaverse land acquisition to date. These assets will complement the existing portfolio of metaverse real estate already held at Metaverse Group. We are excited to have our subsidiary successfully close this landmark digital real estate transaction,"

-Andrew Kiguel, Tokens.com CEO

Tencent Holdings [TCEHY](#)

Local publisher of Roblox Corp.'s gaming platform, which allows users to create virtual worlds.

"The driving force [of metaverse] will still be software-driven and the technology that really helps us to provide the user experience, be it engine technology, be it the ability to provide better, real experience, high-fidelity experience across many – a large number of concurrent users, AI technology, for example, in order to customize the different experience for different people"

-Martin Lau, President

Autodesk [ADSK](#)

Makes programs used by architects and engineers to design and create buildings and products. Its software is also used to build virtual worlds for gaming and entertainment.

POTENTIAL REASONS TO INVEST IN THE METAVVERSE

According to Greyscale trust, the metaverse is a trillion-dollar market opportunity. 1 trillion dollars of revenue per year. Owning land in the metaverse plays a big part in it.

There is a limited amount of digital land. If you own a piece of this land, you can use it for hosting live events or games, lease the land, or sell it for a higher price. Investment can be in several ways. If there are a lot of users, another way to invest is to collect NFTs (non-fungible tokens) or individual items like clothes, art, or video clips that can be bought or sold within the ecosystem. This investment method is considered **high-risk**.

In Axie Infinity, a popular "Play to Earn" game in the Philippines and Ghana, investors purchase Axies (game characters) then let "scholars" play it for them. Scholars earn a "token" called SLP (smooth love potion token) by completing daily quests and battling with other scholars, then use them to breed new axies, or sell them to other players on the market for real-world money. However, the SLP value has been on a downward trend since July 2021 but investors are hoping for a comeback.

Here's an overview of how one can invest in the metaverse.

- **High Risk** - Investing in individual NFTs or assets. In the example above, this is what they call Axies. The same goes with a piece of land in Decentraland.
- **Medium Risk** - Investing in the ecosystem token. This is the SLP for Axie Infinity or Mana for Decentraland. You are not affected much should an individual asset lose value.
- **Low Risk** - Investing in Ethereum. Most, if not all, ecosystems run on Ethereum. When holding Ethereum, should all ecosystems fail, you have the base layer. If a different metaverse is built in the future, your Ethereum can still be in use.
- **Invest in Meta (Facebook)**
 - Meta is massive, working on a big project "metaverse."
 - They are hiring 10000 workers in Europe to build their metaverse.
 - Meta has everything it needs to succeed so the probability of success is high.
 - Metaverse Meta could be the next big thing in 2-5 years

There are risks and downsides of investing in the metaverse. If you invest big, you win big. You could be too early but being too late could also mean you are missing out on a big opportunity. Remember what happened to Bitcoin? A piece of advice is to invest what you can afford to lose. The decision is yours.