

Metaverse: 5 questions shaping the next frontier of human experience

(PART 2)



ISAAC SARPONG: Isaac is the Partner in charge of Tax Services. He has over 26 years' experience in the provision of multi-faceted advice to both local and international clients in taxation, accountancy, audit & assurance, and corporate law, among others. Isaac is a Chartered Accountant, a Chartered Tax Practitioner and a Lawyer.



The convergence of physical and digital in the metaverse presents exciting opportunities but also critical challenges.

(CONTINUED FROM PREVIOUS EDITION)

2. Are regulators ready for the metaverse?

Already regulators are grappling with managing the negative externalities of current digital technologies. Issues of personal data collection, privacy, deepfakes and more are significantly impacting the fabric of our society as well as how companies interact with their customers and employees. Very likely, the metaverse will magnify these challenges and introduce new ones.

In the near-term, our portal into the metaverse will be through virtual and augmented reality devices. Not only will they allow us to interact in the metaverse, but it will also allow companies to track increasingly personal data such as, facial expressions, blood pressure, eye gaze and more. Current laws and data regulations will need updating across multiple vectors ranging from equitable access to security, liability, IP and digital rights as well as new ones like honest self-representation. What would good and fair regulation look like and what will it take for regulators get ahead this time?

3. How will the metaverse reframe human-centered experiences?

Putting human interests at the core is an increasingly differentiating characteristic for enterprises today. In the metaverse, this will take on an entirely new meaning as individual personas will manifest and want to teleport across the virtual immersive landscape. Successful experiences in the metaverse will hinge on understanding and adapting to emerging customer behaviors and expectations. Moreover, as customers journey through the metaverse traversing many ecosystems, trust will become even more integral.

As the metaverse emerges in the future as the main technology interface, we also need to ask ourselves about the impact on potential technology addiction and mental health. Concerns already exist across these same topics for the current generation of social media technologies and the metaverse will make that experience even more engaging and potentially more dangerous.

So, in this context, how will this change the way brands design and implement the customer journey? What will it take to deliver truly trusted experiences? And how will customer engagement and loyalty be redefined?

4. What new dimensions will the metaverse open for sustainability?

Perhaps the greatest existential threat to humanity, sustainability is high on corporate and government agendas. What role does the metaverse play in our collective effort to tackle this global issue?

Making the metaverse a technology reality will require a vast new infrastructure and to be embraced it will necessitate resilient, net zero solutions. Moreover, if product and experience consumption shift disproportionately to virtual or digital, it could significantly impact physical resource consumption and greenhouse gas emissions and that can be in a positive way as it could potentially lead to less travel but also potentially increasing the demands on the power grid.

If the metaverse makes us value the virtual and digital world more than the physical, will it move us to care less about the environment? On the other hand, the metaverse could transform our ability to observe, model and act in the physical world, leading us to better understand our environmental impact and make better decisions.

5. How will implementations of the metaverse develop around the world?

The internet is already balkanized, operating under different rules in different parts of the world. Indeed, technology is becoming the new basis for global competition and the metaverse will not be spared. While globally recognized standards will surely emerge to enable interoperability, sovereign governments will likely intervene as they have done in today's internet world.

How will global geopolitics and rising trend of protectionism impact the evolution of the metaverse? Will similar fault lines appear? And what will it mean for businesses that are increasingly multinational thanks to the nature of the internet itself?

The decentralization movement is at its core an attempt at collective governance without sovereign or corporate regulations. As it gains traction in the metaverse with blockchain-based mechanisms for exchange, will it become the defining economic paradigm? What implications might such a shift have on the future of business models and corporate structures?

Complexities and challenges of a new reality

At the threshold of any new technology wave there are competing visions of dystopia and utopia; the metaverse is no different. While we cannot fully imagine the entire gamut of benefits or risks that will emerge, it is clear that we are about to launch into a fascinating new dimension of the human experience. This is the first in a series of deep dives that EY proposes to undertake. In subsequent articles we will delve further into the critical questions

posed above in the hope of revealing actionable and practical strategies for enterprises, governments, economies and individuals.

Summary

We are seemingly at the brink of a breakthrough disruption: the metaverse. As the next frontier of the human experience, the metaverse will demand an entirely new approach to every sphere of human activity. Businesses, governments and society at large will need to understand the impact and implications for a broad range of stakeholders and design accordingly. ■

REIMAGINE THE WAY YOU DO BUSINESS

We help companies thrive in the transformative age by refreshing themselves constantly, experimenting with new ideas and scaling successes. Our innovative methodologies can help you address challenges and ignite business growth.

Our purpose is building a better working world. It starts with better questions. The better the question. The better the answer. The better the world works. Please send an email to isaac.sarpong@gh.ey.com and copy in kofi.akuoko@gh.ey.com

About EY

EY is a global leader in assurance, tax, strategy and transaction and consultancy services. The insights and quality services we deliver help build trust and confidence in the capital markets and in economies the world over. We develop outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, we play a critical role in building a better working world for our people, clients and for our communities.

This material has been prepared for general informational purposes only and is not intended to be relied upon as accounting, tax, or other professional advice. Please refer to your advisors for specific advice.

Find out more:

Address: 60 Rangoon Lane, Cantonments City, Accra.
P. O. Box KA16009, Airport, Accra, Ghana.
Telephone: +233 302 772001/772091
Email: info@gh.ey.com,
Website: ey.com