



Why the metaverse is a massive opportunity for companies to get diversity right

The C-suite has a key role in cultivating diversity in the metaverse—starting today

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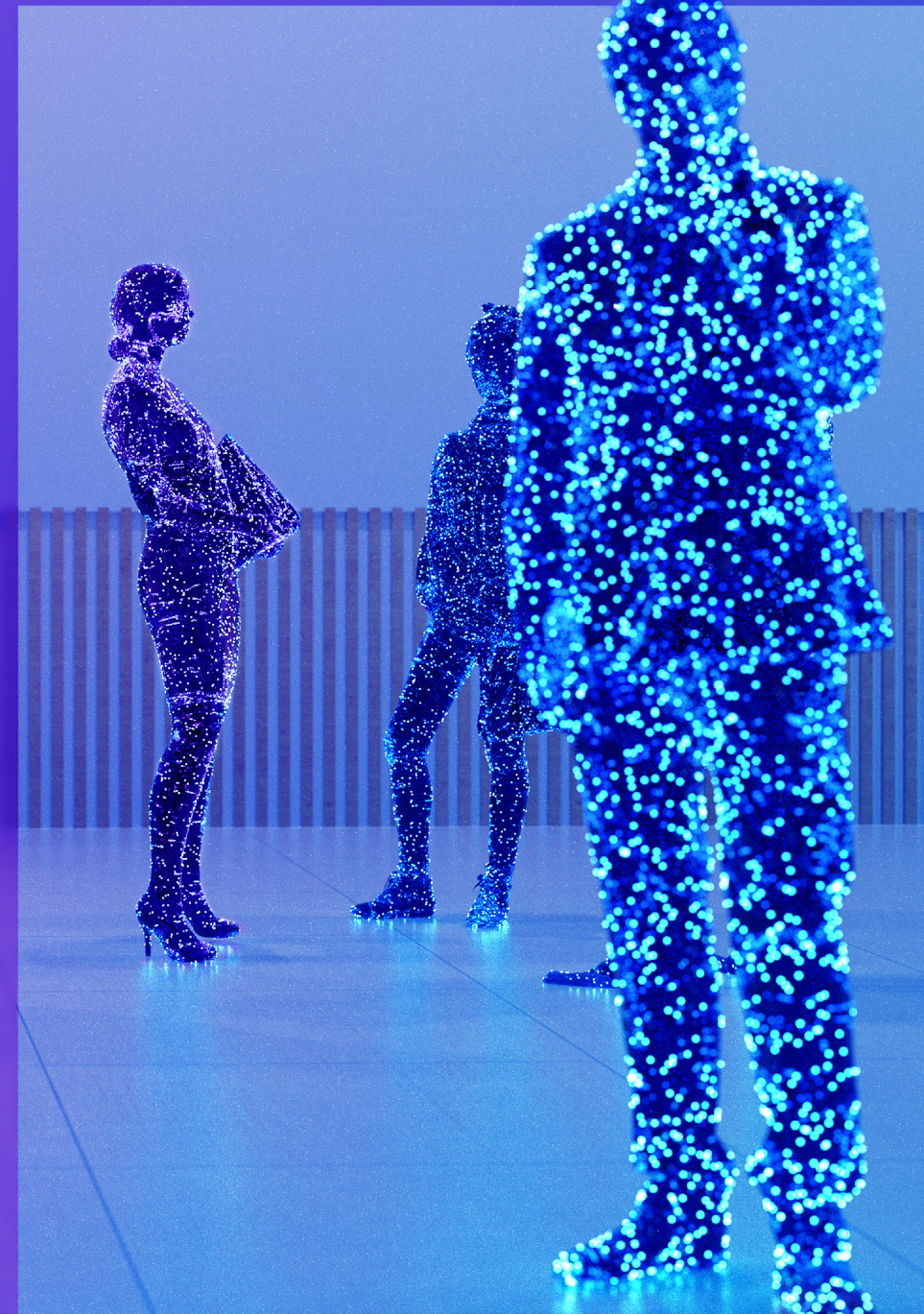


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The emergence of the metaverse calls to mind the early days of the internet in the 1990s—new and full of unimaginable potential.

Although diversity, equity, and inclusion (DEI) weren't the focus when the internet was new, that shouldn't be the case for the metaverse. And the C-suite can make sure it isn't.

DEI values are threaded through the fabric of modern life, and companies have spent years retrofitting DEI strategies across their digital properties. The financial and reputational costs have been high. Flash forward to today, and the metaverse offers an extraordinary opportunity for a DEI reset. The metaverse is the next generation of the internet, and it is being built now. Companies have the chance to incorporate accessibility and diversity principles from the start, rather than bolting them on later.

There is a clear imperative to act now given the fast pace of technological and cultural change. From consumers to potential employees to investors, expectations are high. Fifty-nine percent of U.S. consumers expect significant impact from the metaverse in five years, according to a [recent KPMG survey](#).¹ And Gartner predicts that in just three years, 30 percent of organizations worldwide will have metaverse-ready products.²



The internet and the evolution of social media have made way for all types of conversations about identity, self-determination, and yes, even gender. The metaverse doesn't have the same constructs that the physical world does. Technology is evolving all the time. We need the collective will to embed DEI principles into the metaverse where people can freely express who they are. The hope is that in the metaverse, we can transcend the limitations of our physical bodies."

Cathy Hackl

Founder and Chief Metaverse Officer, Journey

Diversity in the metaverse is a C-suite issue

Building a metaverse that reflects the diversity of human experience is valuable for people, society—and business. The metaverse will radically change how business is conducted, with breakthrough ways to drive growth. As such, the responsibility to design for diversity in the metaverse goes well beyond developers. It's a responsibility for every member of the C-suite for three reasons:

01 The metaverse is a source of future revenue

As the next big channel to engage, convert, and retain customers, the metaverse could represent up to a \$13 trillion addressable market by 2030, according to Citi.³ Across industries, companies are already creating new product categories, business models, and branded entertainment in the metaverse. They are rewriting the rules, such as expanding beyond selling physical products in stores and online while virtualizing them to sell in the metaverse.

Companies that design for diversity in the metaverse now will be best positioned to take full advantage of its revenue-generation potential.

Consumers want to do business with companies that share their beliefs.

In fact,

80%

of U.S. consumers seek out companies that act in line with their social and environmental values.⁴

Younger demographics like Gen Z and millennials are particularly concerned about diversity,⁵ and their beliefs are likely to have even more of an influence on purchasing power as they mature.

⁴ Why the metaverse is a massive opportunity for companies to get diversity right



Organizations are at a pivotal moment that doesn't happen often. They can build the best, most inclusive metaverse from the ground up starting now. With the C-suite leading the way on diversity in the metaverse, the sky's the limit on what we can achieve as we develop a welcoming digital world that doesn't tolerate bias."

Anu Puvvada

Metaverse Center of Excellence and KPMG
Studio Leader, KPMG LLP

There is general alignment across generations on important metaverse-related DEI factors, according to our [U.S. consumer survey](#). For example, millennial, Gen X, and baby boomer respondents say that providing more access to affordable metaverse technologies is the top factor for supporting equity and inclusion.⁶ Gen Z—tomorrow's consumers—grew up on Fortnite, Roblox, and Decentraland and are at home in the metaverse like no other generation. Gen Z survey respondents say the most important factors for supporting diversity in the metaverse are customizing avatars, making the environment accessible for people with disabilities, and hiring diverse talent to design metaverse experiences and characters.⁷



02

The metaverse is key to the future of work

The metaverse is the natural evolution of the virtual and hybrid ways of working that arose during the pandemic. It offers opportunities for onboarding, job training, and virtual workplace collaboration. While it is still early days, the workforce is ready for metaverse experiences like this. [Across generations, 89 percent of the U.S. consumers we surveyed](#) say that the metaverse can enhance learning opportunities, including job training.⁸

Members of Gen Z are particularly primed for the metaverse at work:

Not only do

80% want to work with cutting-edge technologies,⁹

46% expect to work in the metaverse in the future.¹⁰

Metaverse experiences at work can't be one-size-fits-all. They should accommodate a diverse workforce—reflecting the needs and preferences of people with a range of backgrounds, different ways of absorbing and processing information, and unique approaches to expressing their identities.¹¹ The choices companies make could very well influence where top talent decides to work in the future. The fact that 81 percent of U.S. workers would consider leaving their job if the employer doesn't embrace DEI could very well translate into sentiments about working in a diverse metaverse environment.¹² Clearly, as companies prepare for this future, it is critical to prioritize diversity in the metaverse from the earliest development phases, which are underway today.

03

The metaverse is on the investment community's radar

Investor trends are a barometer of how important the metaverse will be to business in the future. [The KPMG metaverse investor survey reveals investors' enthusiasm](#). Ninety percent of survey respondents predict the metaverse is the next phase of the internet and see a future in which it is increasingly used for work meetings, training, and learning. Investments related to the metaverse currently make up 45 percent of venture capital and institutional investor assets, and that percentage is expected to increase over the next five years.¹³

Despite their strong interest, investors have concerns about several metaverse issues, with 73 percent of those we surveyed expressing concern about how DEI issues will be addressed. When asked what the most important factors are for supporting

diversity in the metaverse, investors pointed to access to affordable technologies, the ability to customize avatars to reflect a wide range of identities, and proper governance through encoded rules and social norms.¹⁴

For their part, investors are directing dollars to support diversity in the metaverse. For example, Ready Player Me closed a \$56 million funding round last year.¹⁵ The company offers interoperable avatars to give users a consistent identity in the metaverse.

As part of its focus on customizable avatars, the company launched an initiative to get users' feedback on avatar personalization features that are currently in development, such as **gender-neutral body types, diverse body shapes, and age presets**.¹⁶



How leaders can start the conversation to get diversity right in the metaverse

The same DEI tenets from the physical world apply to cultivating diversity in the metaverse. But organizations should go further. Although physical barriers disappear in the metaverse, wholly new barriers and challenges emerge, such as agreeing on common terminology, addressing cyber security risks, and determining how to monetize offerings, among others.

Each C-suite leader will likely have a perspective to add to the conversation, including the following key leaders. Start by asking these questions:

The Board

How can prioritizing diversity in the metaverse help us improve customer relationships, attract top talent, and drive competitiveness? Is our metaverse strategy supporting DEI and addressing risk, compliance, and cyber security best practices?

The Chief Executive Officer

How is the metaverse an opportunity for the company to do even better on our DEI commitments, and what resources should we have to be successful?

The Chief Diversity Officer

What new opportunities for representation and inclusion does the metaverse introduce, and how do we align them with our corporate DEI strategy?

The Chief Marketing Officer

How do we leverage the metaverse to connect with a more diverse customer base and differentiate our organization from the competition?

The Chief Digital Officer

What should we do to make sure that the systems, data, and AI models that feed metaverse experiences reflect the needs and preferences of all demographics, including underrepresented groups?

The Chief Innovation Officer

How can we design our metaverse and immersive brand engagement to be accessible for all—even those who can't afford virtual reality headsets?

The Chief Learning Officer

How can the metaverse help us increase our DEI training and development at all levels of the company?

The Chief Human Resources Officer

Do we have diverse talent with different perspectives designing our metaverse and how can partnerships help us to create this pipeline of Web3 talent?

The C-suite is in a position to help create something brand new. Since the metaverse is a blank slate, there is a massive opportunity to get diversity right from the start.

How KPMG can help

KPMG LLP (KPMG) is uniquely positioned to help companies realize the opportunities the metaverse represents. Our dedicated teams provide strategic and technical support to navigate the metaverse ecosystem, including metaverse design, engagement, use cases, crypto assets, and broader Web3 integrations. Our services include:

- Ideation and insights discovery
- Strategy, road map, and experience design
- Governance, security, and risk management
- Implementation and scaling
- Ongoing management

Learn more at: [visit.kpmg.us/metaverse](https://www.kpmg.us/metaverse)

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