



# KPMG metaverse investor perspectives survey

Detailed survey results

—  
Survey fielded from Nov. 28 – Dec. 16, 2022

**01**

# **Executive summary**

# Executive Summary

- Despite macroeconomic conditions and sluggish consumer engagement, metaverse VC and institutional investor investments currently make up nearly half (45%) of investor assets, with the expectation to increase this focus over the next five years.
- Over 90% of investors predict the metaverse is the next phase of the internet and envision a future in which it is increasingly utilized for work meetings, trainings and learning experiences.
- Increasing client demand is the main driver leading investors to either maintain or increase their focus on the “phygital” world.
- Investors also see a great deal of benefit in *early* investment, possibly due to one-third (36%) having missed windfall opportunities from not investing or investing too little in metaverse technologies.
- But these expectations are not without concern. While optimistic, 70% of investors are cautious about various factors, including regulation, privacy and broad adoption.
- Further, much of investor confidence hinges on factors like the prospects of improved interoperability across metaverse platforms, broader workplace adoption and more affordable hardware options.
- This, however, is not enough to deter their long-term strategies as the majority of investors a (63%) plan to increase their metaverse investments over the next five years.

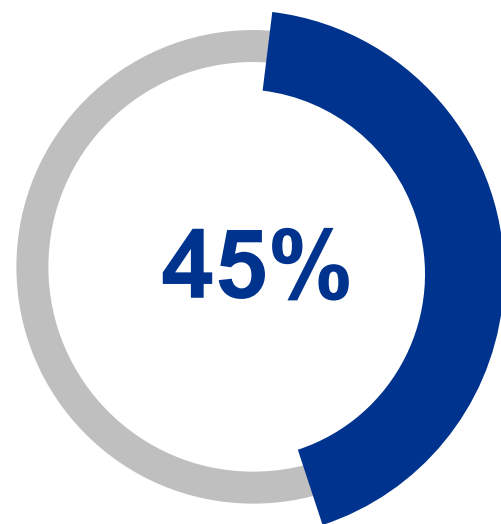
**02**

# **Metaverse investment**

# On average, 45% of current assets and investments are going to metaverse related technologies and initiatives

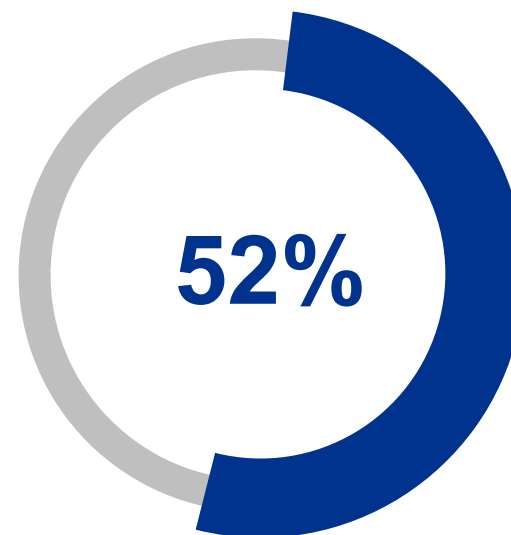
Within five years, investors estimate that over half of their assets and investments will be metaverse related.

**% of current assets under management that are metaverse related**  
(Average % shown, n=405)



Venture Cap: 41%  
Comm Investors: 47%

**% of future assets under management that will be metaverse-related**  
(Average % shown, n=405)



Venture Cap: 53%  
Comm Investors: 52%



**75%**  
plan to increase or maintain their metaverse investments over the next five years

**22%** plan to decrease their metaverse investments; **3%** refused to comment

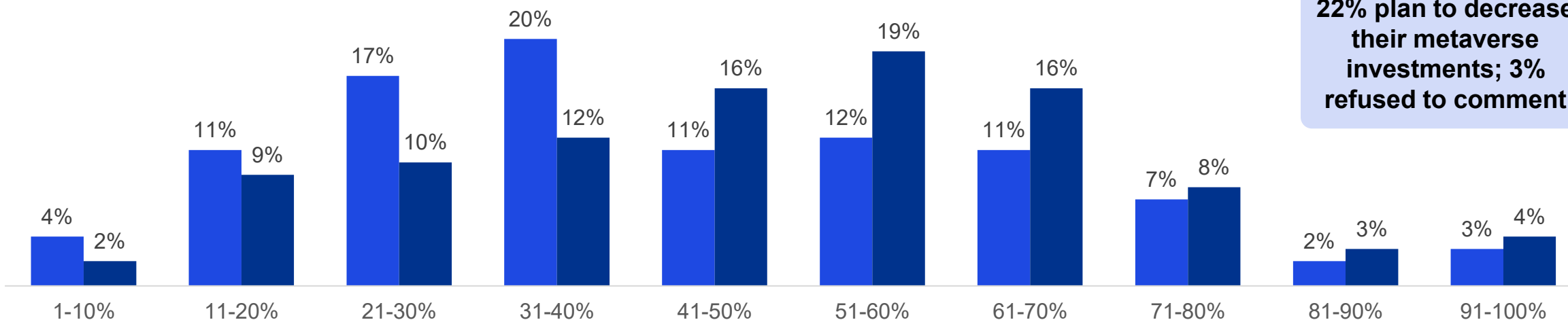
Q1. Approximately what percentage of your current assets under management/investments are metaverse related technologies and initiatives?  
Q2. Approximately what percentage of your total assets under management/investments will be metaverse related technologies and initiatives for the next 5 years?

# Currently, a third (35%) of investors have more than half of their assets in metaverse related technologies and initiatives

Within five years, half (50%) of investors expect that more than half of their assets will be metaverse related.

-  Current investments
-  Future investments

**% of Current and future assets under management that will be metaverse-related**  
(n=405)



**75%**  
plan to increase or maintain their metaverse investments over the next five years

**22%** plan to decrease their metaverse investments; **3%** refused to comment

Q1. Approximately what percentage of your current assets under management/investments are metaverse related technologies and initiatives?  
Q2. Approximately what percentage of your total assets under management/investments will be metaverse related technologies and initiatives for the next 5 years?

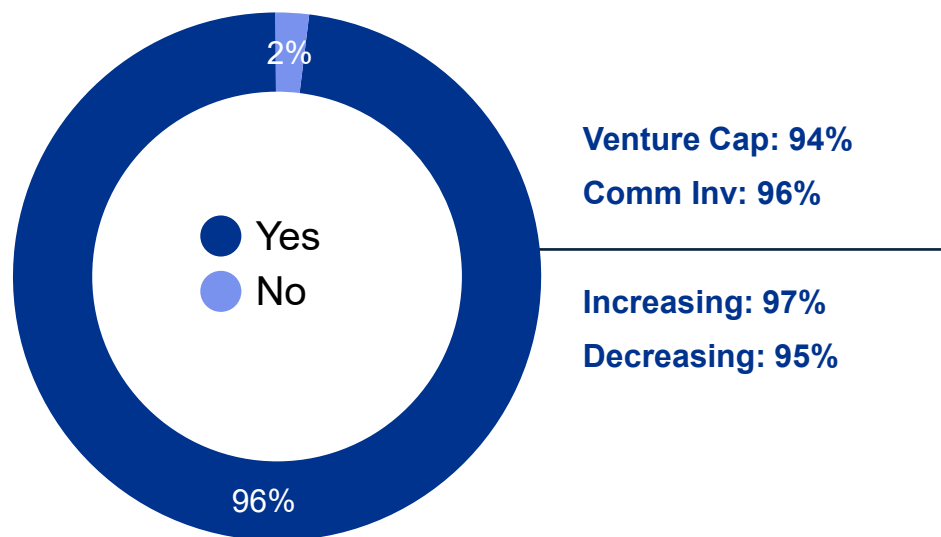


# Nearly all investors feel that there is long-term upside to investing in the metaverse and that the metaverse is the next phase of the internet

This is true even among investors who plan to decrease their assets in the metaverse over the next five years.

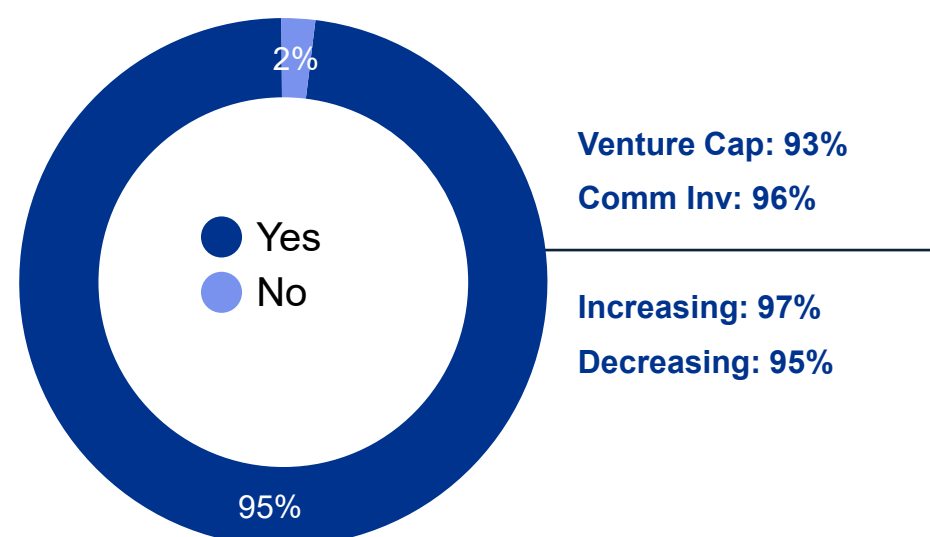
Do you see long-term upside to investing in the metaverse?

(n=405)



Do you believe the metaverse is the next phase of the internet?

(n=405)

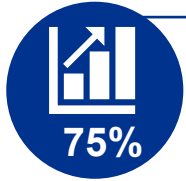


Q1a. Do you see a long-term upside to investing in the metaverse?  
Q1b. Do you believe the metaverse is the next phase of the internet?

# Increased demand from clients is the top reason for increasing or maintaining metaverse investment

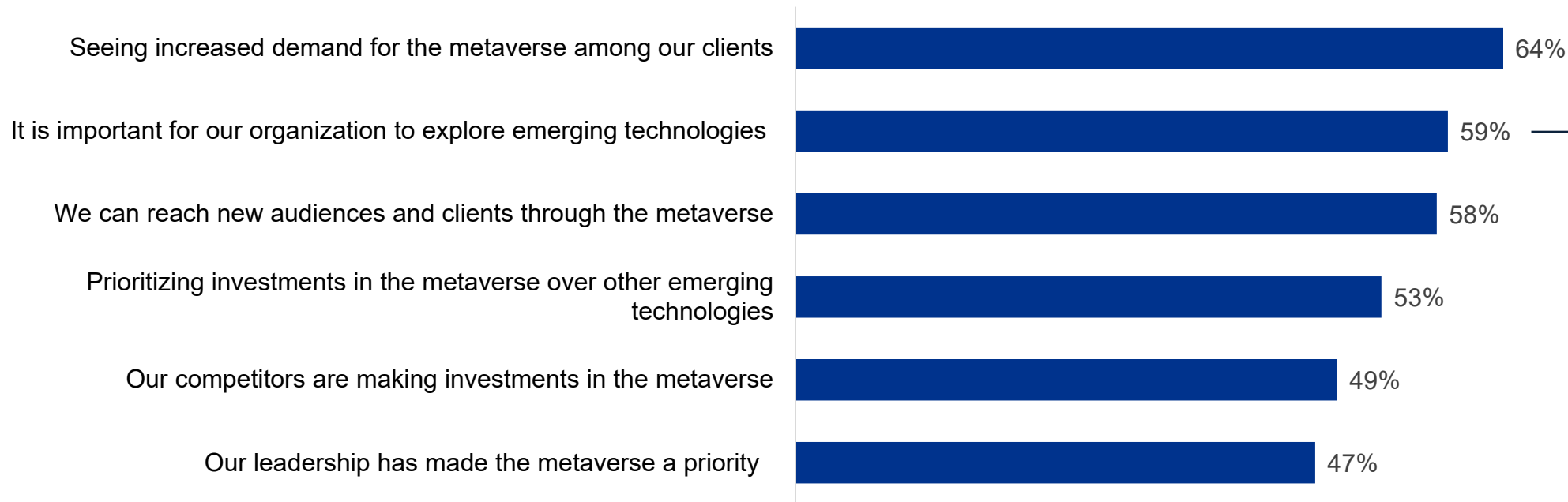
Venture capital funds are particularly interested in keeping up with emerging tech, their top cited response.

Increasing or maintaining investment



## Reasons for increasing or maintaining metaverse investment over the next five years

(Asked of those increasing or maintaining metaverse investment; multiple response; n=307)



Venture Cap: 72%

Comm Inv: 55%

Exploring emerging technologies is the top reason (72%) for increased VC investment

Q3. Which of the following best describe why your organization is looking to maintain its metaverse investments for the next five years?





# Investors are deprioritizing cryptocurrency, cloud, social, and IoT technologies to make room for metaverse investments

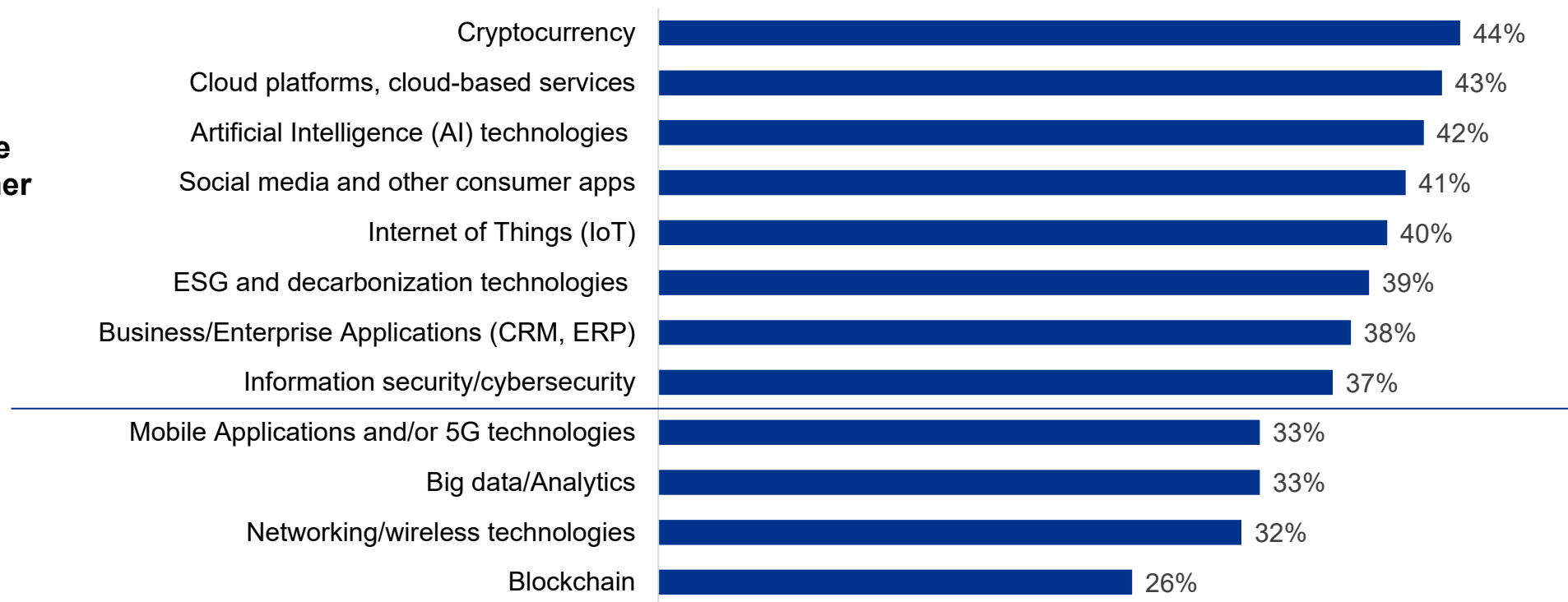
Blockchain, 5G, analytics, and wireless are less likely to be deprioritized.

53%

are prioritizing investments in the metaverse over other technologies...

## ...Are Deprioritizing These Technologies

(Among those prioritizing investments in metaverse over other technologies; multiple response; n=162)

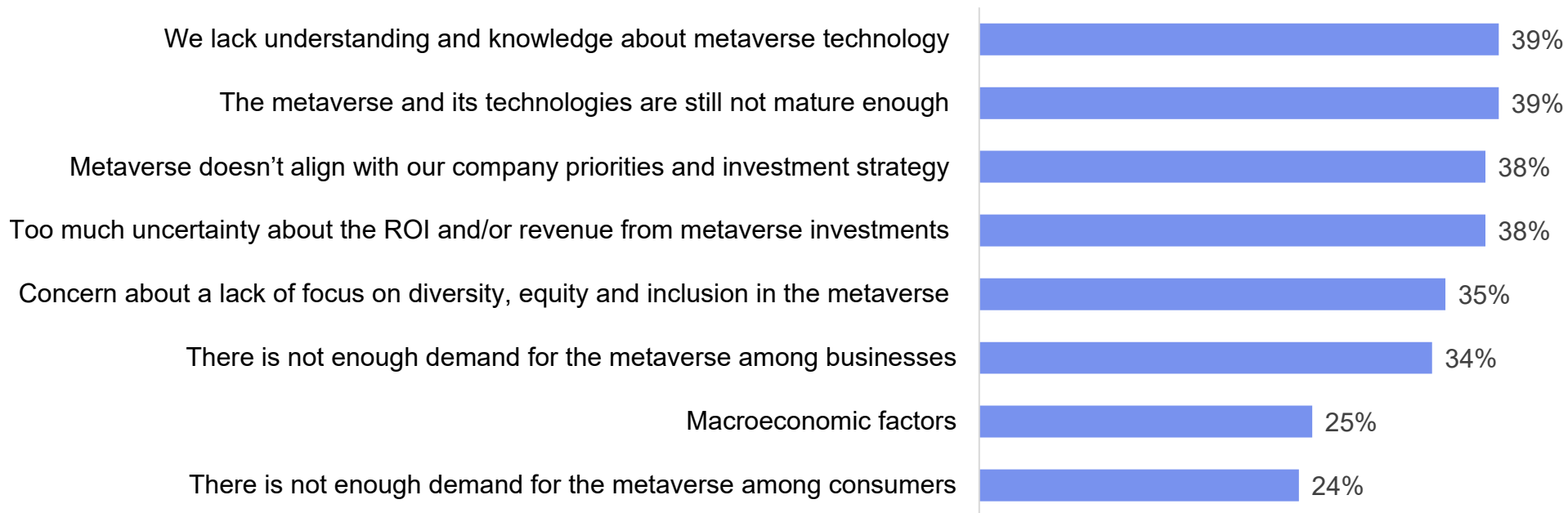


Q5. Which of the following are you deprioritizing so you can invest more in the metaverse?

# Investors cite a number of reasons for decreasing metaverse investments, including a lack of understanding and immature tech

Macroeconomic factors and low consumer demand are less likely to be driving decreases.

## Reasons for decreasing metaverse investment over the next five years



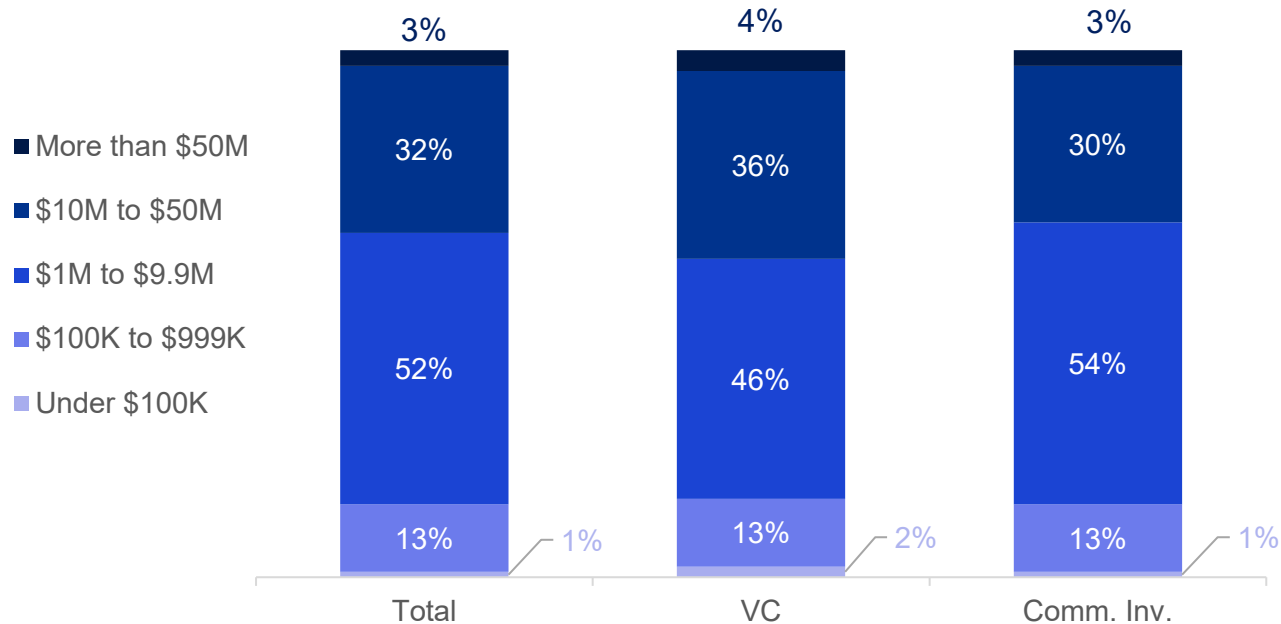
Q4. Which of the following best describe why your organization is not currently investing or planning to invest/decreasing its investment in the metaverse over the next 5 years?

# For half of investors, a single metaverse investment averages between \$1M and \$9.9M; this is expected to increase long-term

Nearly a third of investors have single investments averaging between \$10M and \$50M.

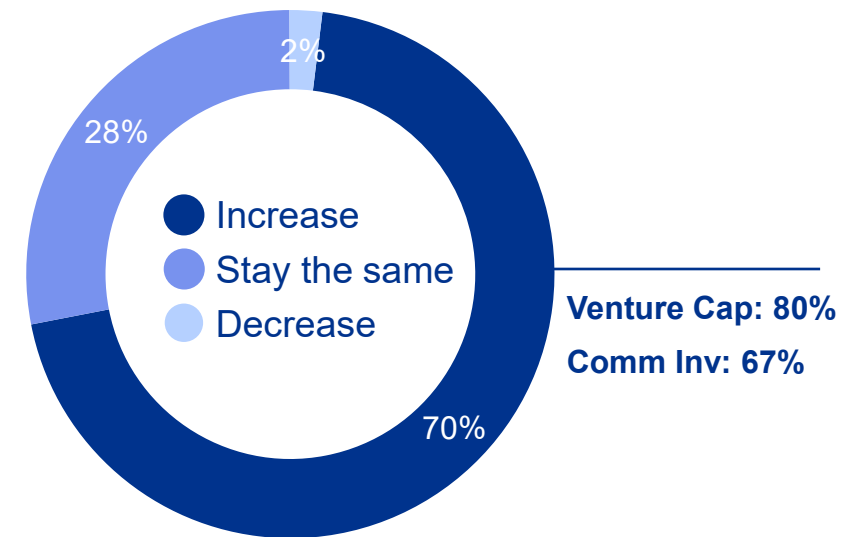
## Typical amount of an individual metaverse investment

(Among those that are already investing; n=398)



## Expect more metaverse investment change in the long-term

(n=405)



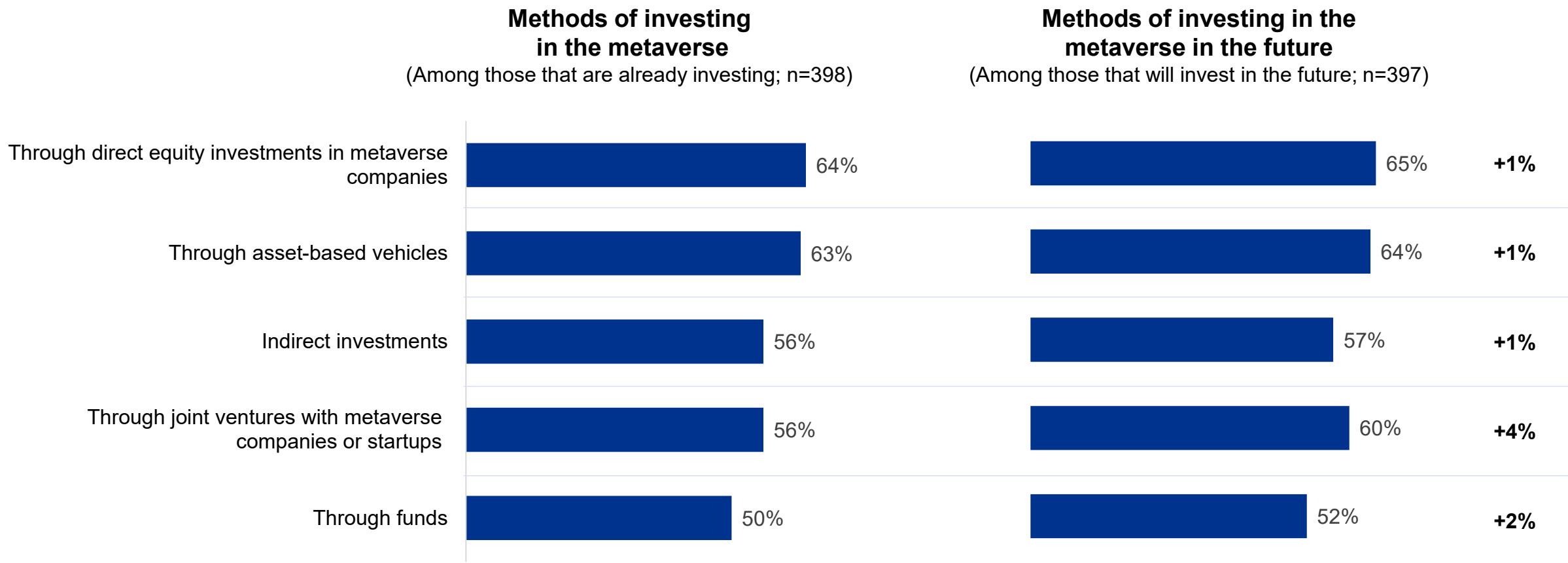
Q7. For your organization, what is the typical amount of an individual metaverse investment? Select one.

Q8. Do you expect the size of your individual metaverse investments to increase, stay the same, or decrease as it relates to your long-term strategy?



# Direct equity investments and investing through asset-based vehicles are the top methods for investing in the metaverse

Investment methods are expected to remain relatively similar in the future.



Q9. How have you invested in the metaverse in the past?

Q10. How do you plan to invest in the metaverse?



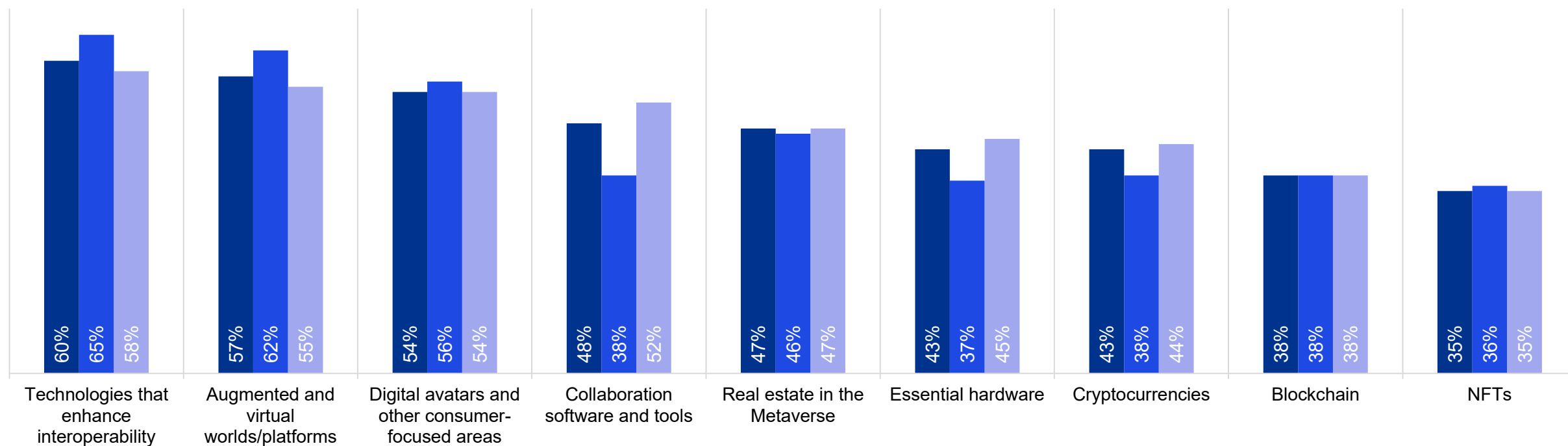
# Investors are most interested in technologies that enhance interoperability and improve augmented/virtual worlds and digital avatars

Comparatively, there is less investor interest in blockchain and NFTs.

## Specific metaverse investments

(Asked if investing or planning to; multiple response; n=395)

■ Total ■ VC ■ Comm. Inv.



Q11. What specific technological functions of the metaverse are you investing in or planning to invest in?

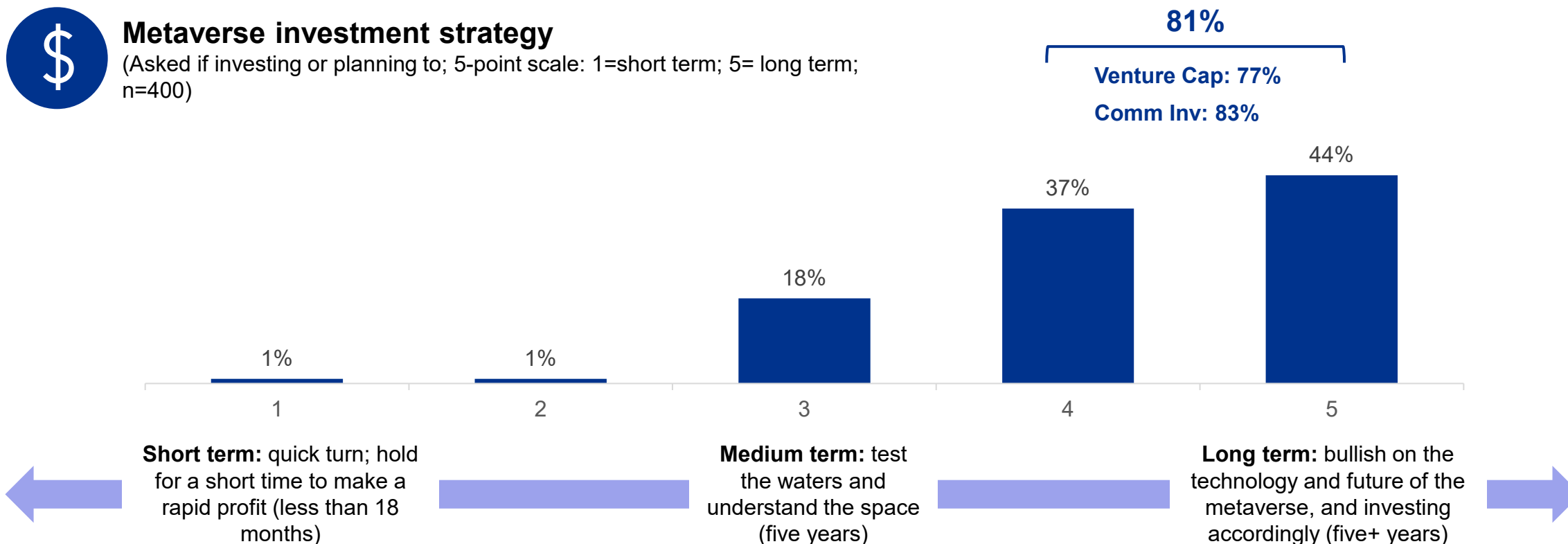


# A majority of investors are utilizing a long-term investment strategy for the metaverse



## Metaverse investment strategy

(Asked if investing or planning to; 5-point scale: 1=short term; 5= long term; n=400)



Q12. What is your investment strategy for the metaverse?

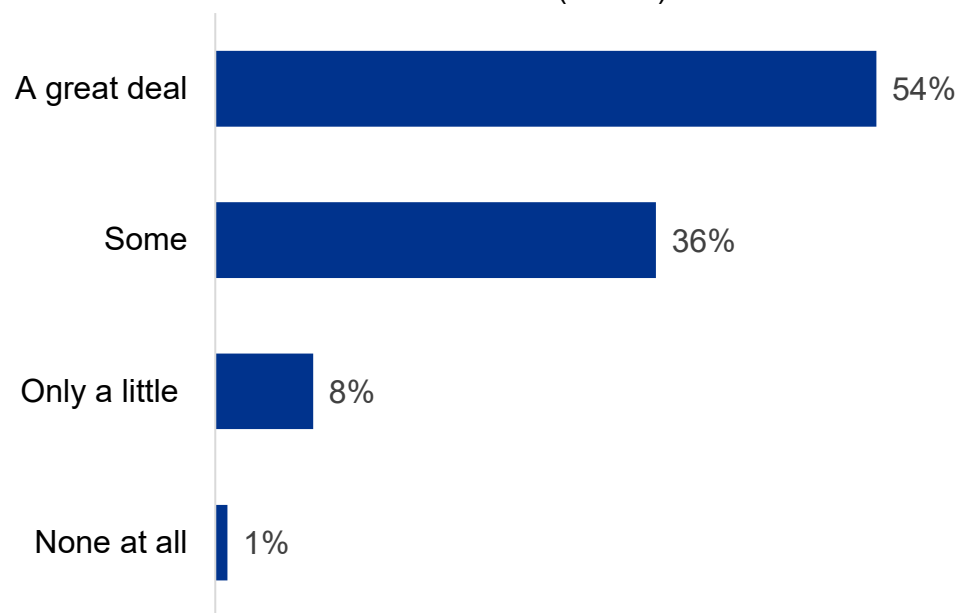


# Early investment into metaverse technologies is particularly important for just over half (54%) of investors

For one-third of investors (36%), the urge to invest early is potentially driven by missed windfall opportunities or having invested too little.

### How much of a benefit is there to early investment into metaverse technologies?

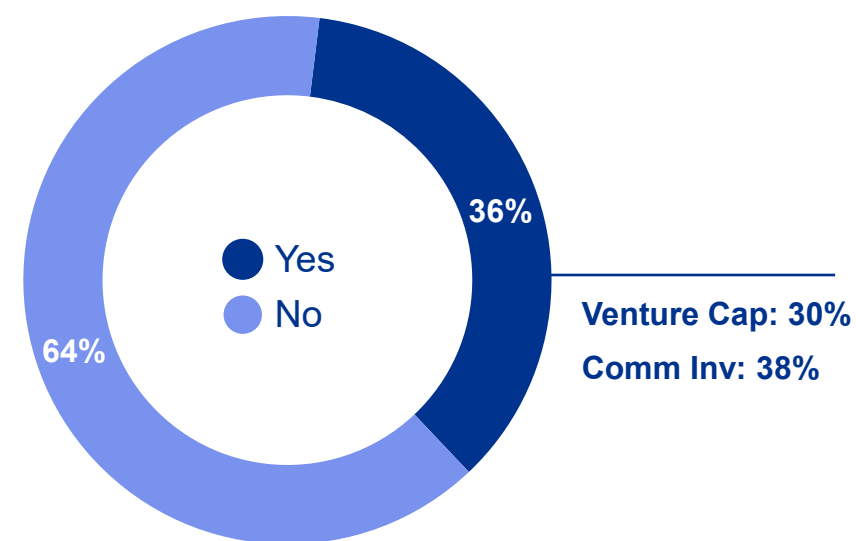
(n=405)



**VCs (63%) are more likely than commercial investors (51%) to say early investment is important**

### Have you missed opportunities from not investing the metaverse?

(n=405)



Q13. In general, how much of a benefit do you believe there is to early investment into metaverse technologies?

Q13a. Have you missed any windfall opportunities by not investing in the metaverse or investing too little so far?



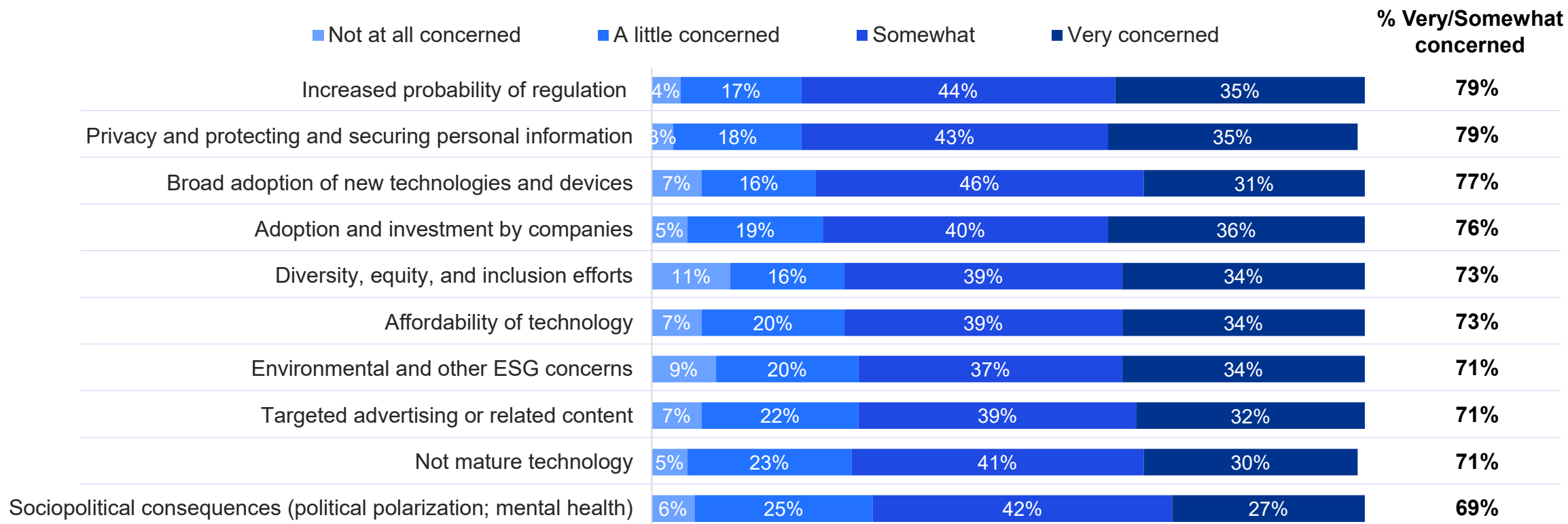
**03**

# **Metaverse concerns**



# Most investors have concerns about different metaverse issues, including regulation, privacy and adoption

**Metaverse Investing Concerns**  
(n=405)



Q14. How concerned are you about each of the following when you think about investing in the metaverse?



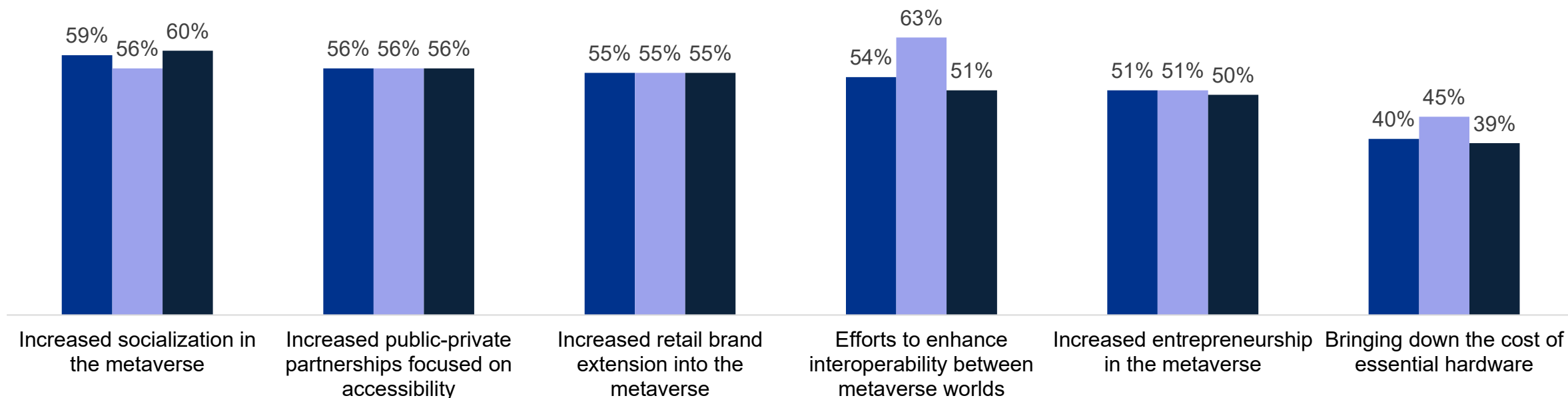
# 6 in 10 investors agree that increased socialization in the metaverse would have a positive impact on decision to invest

Enhance interoperability between metaverse worlds would have a positive impact on the majority of VC decisions to invest

## Positive Impact on Decision to Invest

(n=405)

■ Total ■ VC ■ Comm. Inv.

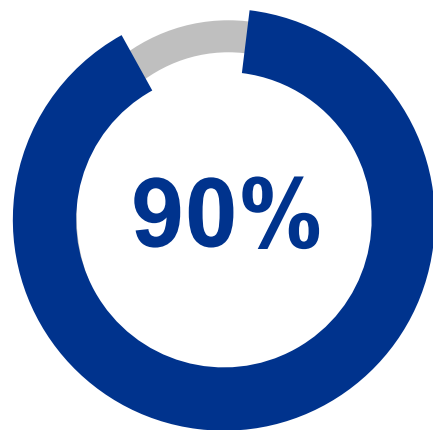


Q15. Which of the following would have a positive impact on your decision to invest in the metaverse?

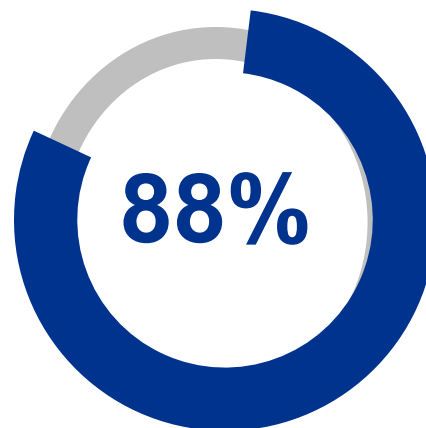


# Confidence in investing increases greatly with improved interoperability across metaverse platforms, broader workplace adoption, and more affordable hardware options

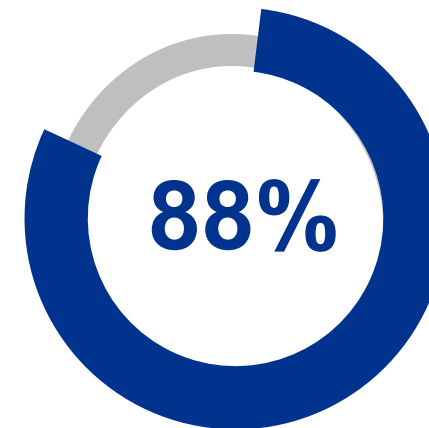
**Factors impacting confidence in investing**  
 (% Much more/Somewhat more confident; n=405)



**Improved interoperability across metaverse platforms**



**Broader workplace adoption**



**More affordable hardware options**

<b>VC</b>	90%	91%	86%
<b>Comm Inv.</b>	90%	86%	88%

Q15A. How would the following impact your confidence in investing in the metaverse?



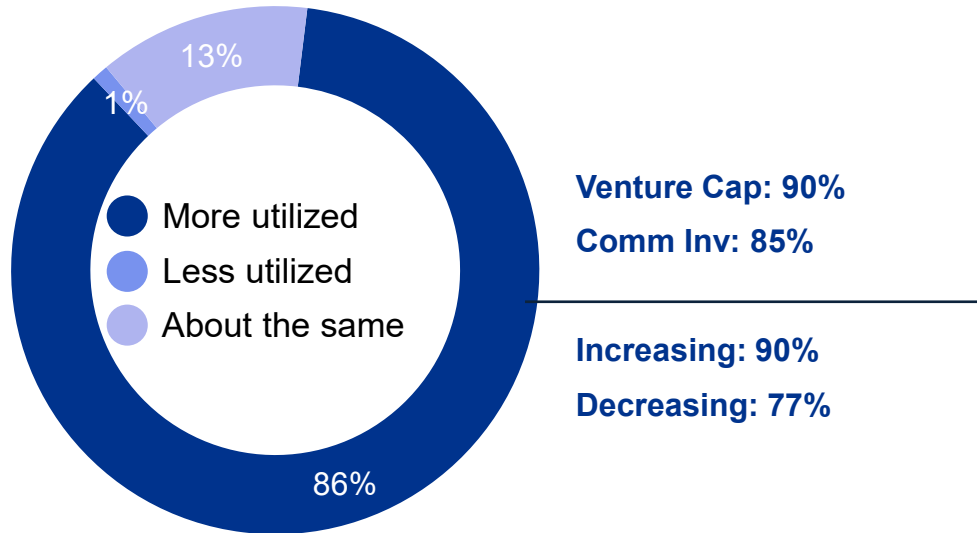
**04**

# **Metaverse considerations**

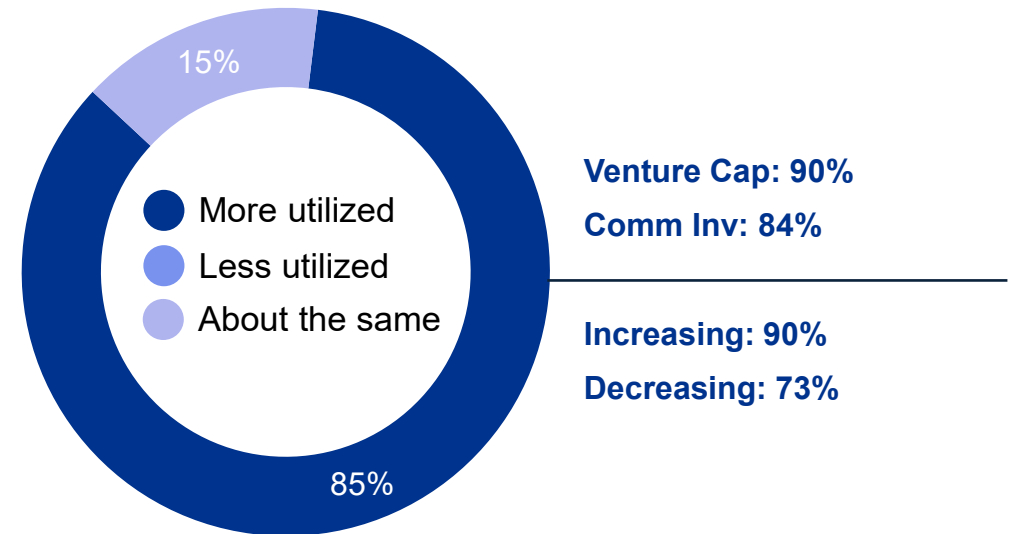
# Investors imagine a future in which the metaverse is utilized more for work meetings, trainings and learning experiences

This is especially true among venture capitalists (VCs)

**Metaverse use for work meetings and trainings**  
(n=405)



**Metaverse use for learning experiences**  
(n=405)



Q15B. To what extent do you expect the metaverse to become more utilized for work meetings and trainings in the future?

Q15C. To what extent do you expect the metaverse to become more utilized for learning experiences in the future?

# Stronger regulations would increase confidence about investing in the metaverse

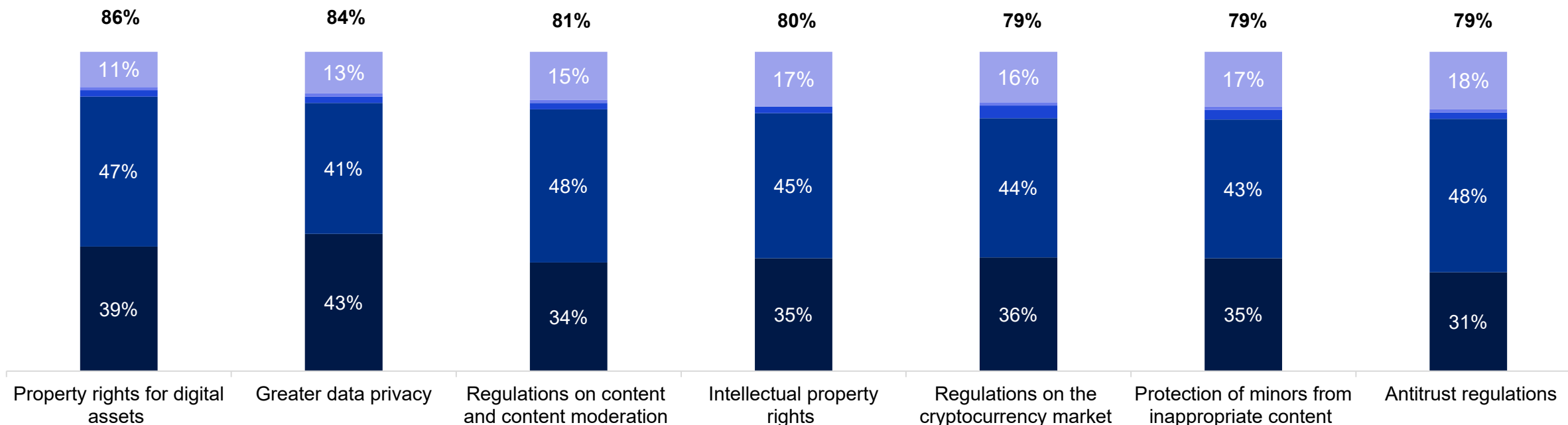
Only about one-fifth of investors say stronger regulations would not have much impact on their confidence

## Impact of Stronger Regulations on Confidence

(n=405)

Very/  
Somewhat:

■ Much more confident ■ Somewhat more confident ■ Somewhat less confident ■ Much less confident ■ No impact



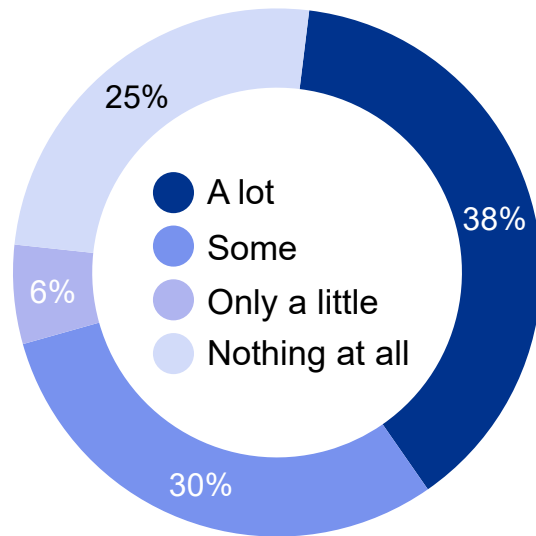
Q16. How would stronger regulations in the following areas impact your confidence about investing in the metaverse?



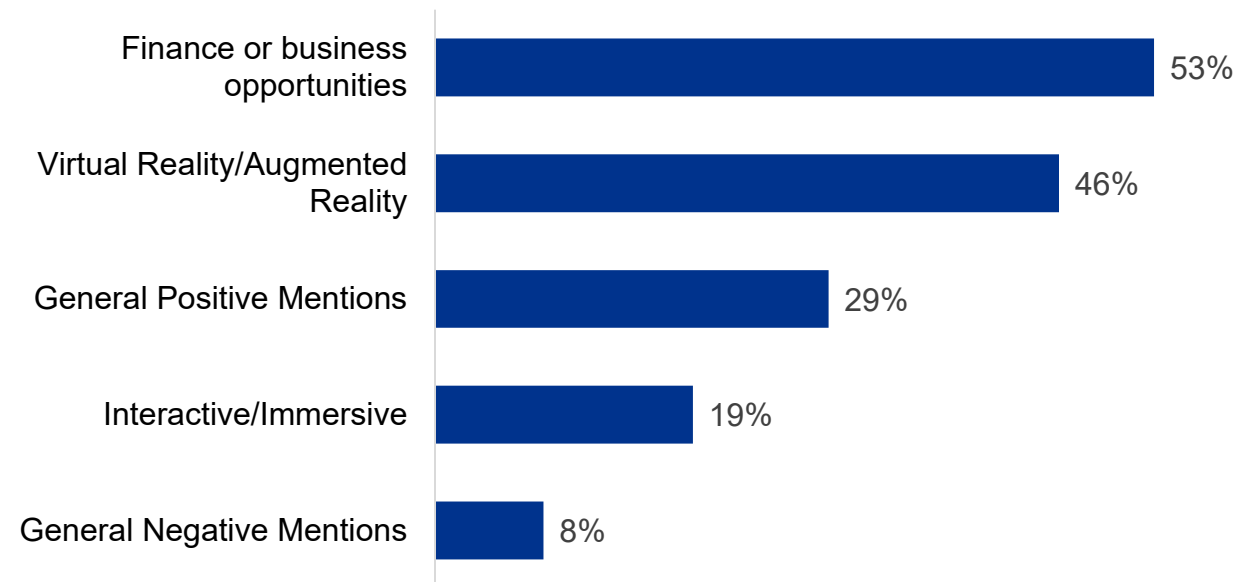
# 7 in 10 (69%) investors are consuming at least some information about the metaverse regularly

Information about business opportunities and virtual/augmented reality are the most common types of metaverse news consumed by investors

Information consumed on metaverse in past six months (n=405)



Content of metaverse news consumed (Among those who received metaverse news; n=303)



Q17. How much have you seen, read or heard in the news about the metaverse in the past six months?

Q18. What did you see, read, or hear about the metaverse? Please be as specific as possible.

# Most investors have heard about the metaverse in the context of finance or business opportunities

% Mentioned (multiple response)	Total
<b>Finance or Business Opportunities</b>	<b>29%</b>
Financial services	15%
Business opportunities	11%
Company usage/can be implemented in companies/business opportunities (non-specific)	8%
Investing/invest in the metaverse/popular with investors	7%
Economic benefits/ metaverse will contribute trillions to the economy	4%
Virtual currency/virtual network currency	4%
Blockchain/financial services (nonspecific)	4%
Retail services/buy products through metaverse	2%
Real estate/buy and sell real estate in the metaverse	2%
<b>VR/AI</b>	<b>22%</b>
Virtual experiences	22%
3D virtual world/digital experiences/realistic VR technology	10%
Single shared virtual space/integration of other virtual services/virtual ecosystem	8%
Artificial intelligence/ advanced AI systems	3%
Combines the virtual with the real world/virtual world mirroring the real world (nonspecific)	3%

% Mentioned (multiple response)	Total
<b>General Positive Mentions</b>	<b>23%</b>
General positive mentions/nonspecific	23%
Good/heard something positive about metaverse (general)	6%
<b>Interactive/Immersive</b>	<b>9%</b>
Interactive/immersive	9%
Social connections/ ability to socialize with others	6%
Interactive experiences/ immersive (nonspecific)	2%
Create yourself/create an avatar	1%
Gaming/entertainment	1%
<b>General Negative Mentions</b>	<b>4%</b>
General negative mentions/non-specific	4%
Unprofitable/not making a profit like they thought	2%
Safety concerns/privacy issues	1%
Bad/heard something negative about metaverse (general)	1%
<b>Other/none/nothing/refused</b>	<b>28%</b>
Heard about it/seen advertisements (nonspecific)	9%
Associated with Facebook/ Facebook renamed metaverse	3%
Decentralization importance/will be decentralized	2%
Other	4%
None/nothing	1%
Refused	5%

Q18. What did you see, read, or hear about the metaverse? Please be as specific as possible.





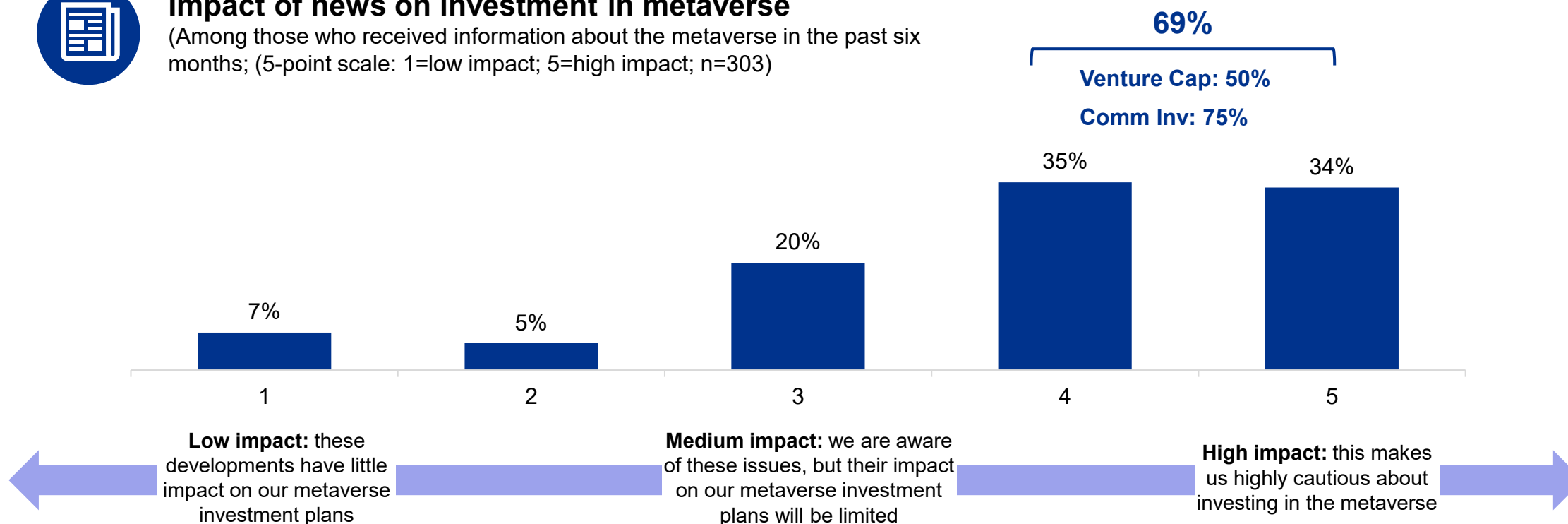
# Recent news about the metaverse has had a high impact on eagerness to invest in the metaverse

Commercial investors are particularly cautious due to recent metaverse news



## Impact of news on investment in metaverse

(Among those who received information about the metaverse in the past six months; (5-point scale: 1=low impact; 5=high impact; n=303)



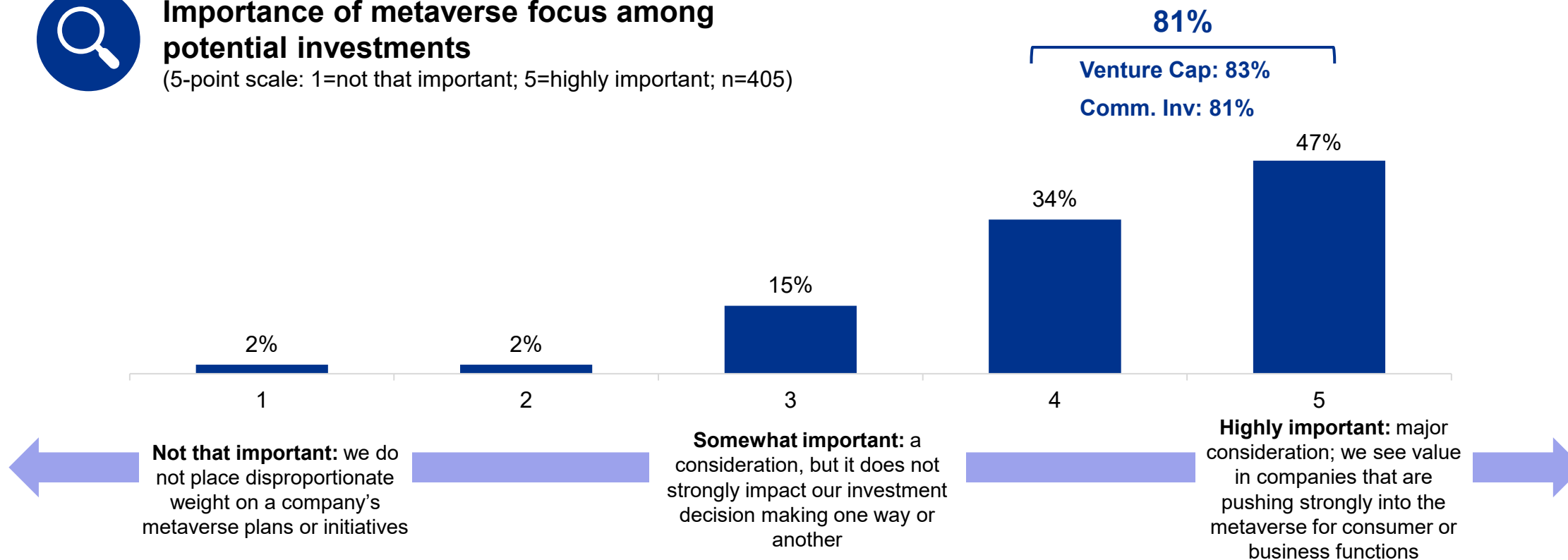
Q19. What impact does recent news about the metaverse have on your willingness or eagerness to invest in the space?

# The majority of investors think it is important that companies are using the metaverse to support business operations and new revenue opportunities



## Importance of metaverse focus among potential investments

(5-point scale: 1=not that important; 5=highly important; n=405)



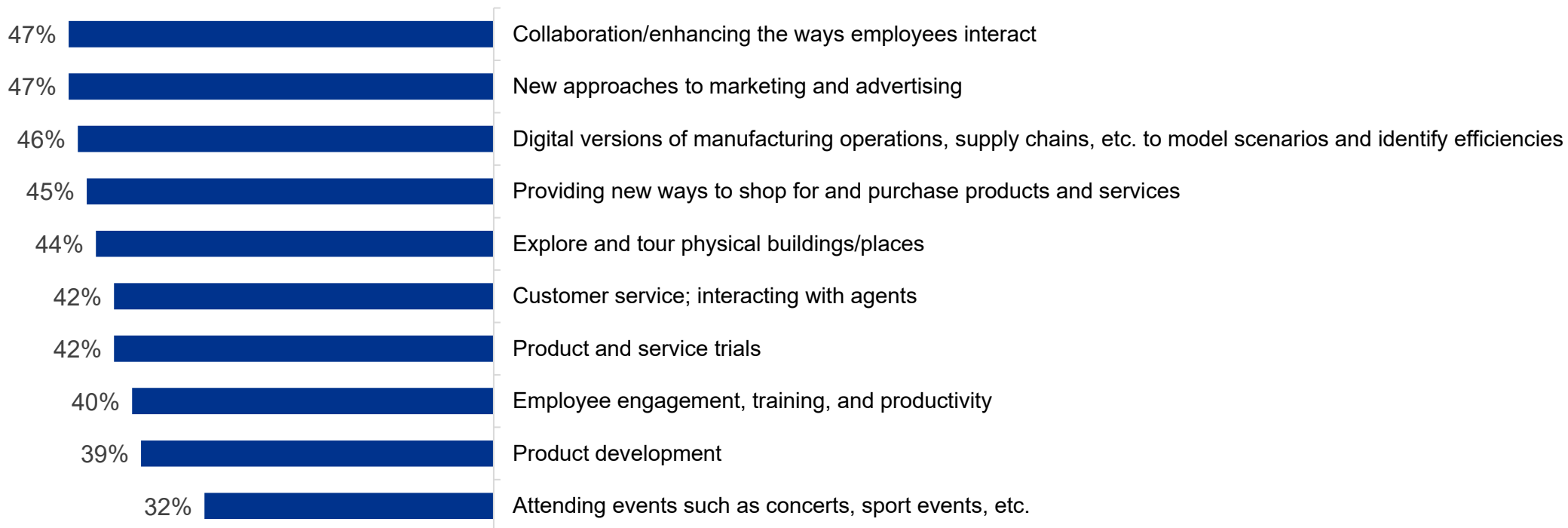
Q20. When evaluating potential investments in companies not directly related to the metaverse (e.g., financial services, retail, gaming, food and beverage, etc.) how important is it that they are focusing on metaverse initiatives related to customer experience, creating new revenue streams, etc.?

# Investors see a range of opportunities for businesses in the metaverse, including collaboration, marketing and advertising, and digital modelling

Fewer see business opportunity for hosting events in the metaverse

## Biggest opportunities for businesses in the metaverse

(Select all that apply; n=405)



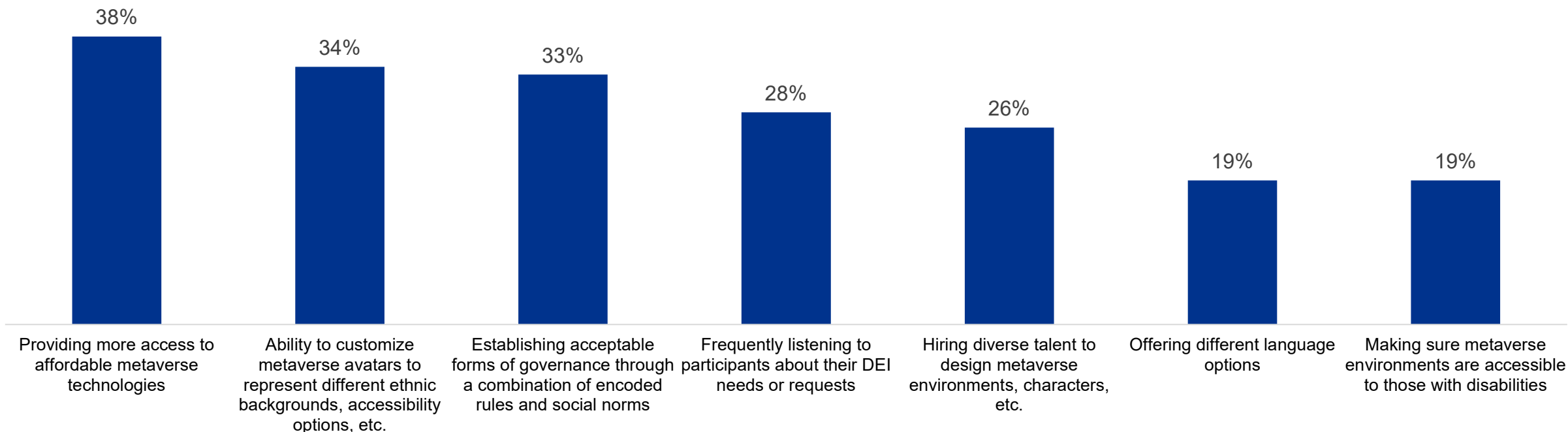
VCs (54%) are more likely than commercial investors (43%) to see opportunity

Q21. Where do you see the biggest opportunities for businesses that want to be in the metaverse? Select all that apply



# Access to affordable metaverse technologies, customizable avatars, and governance are important for creating DEI experiences in the metaverse

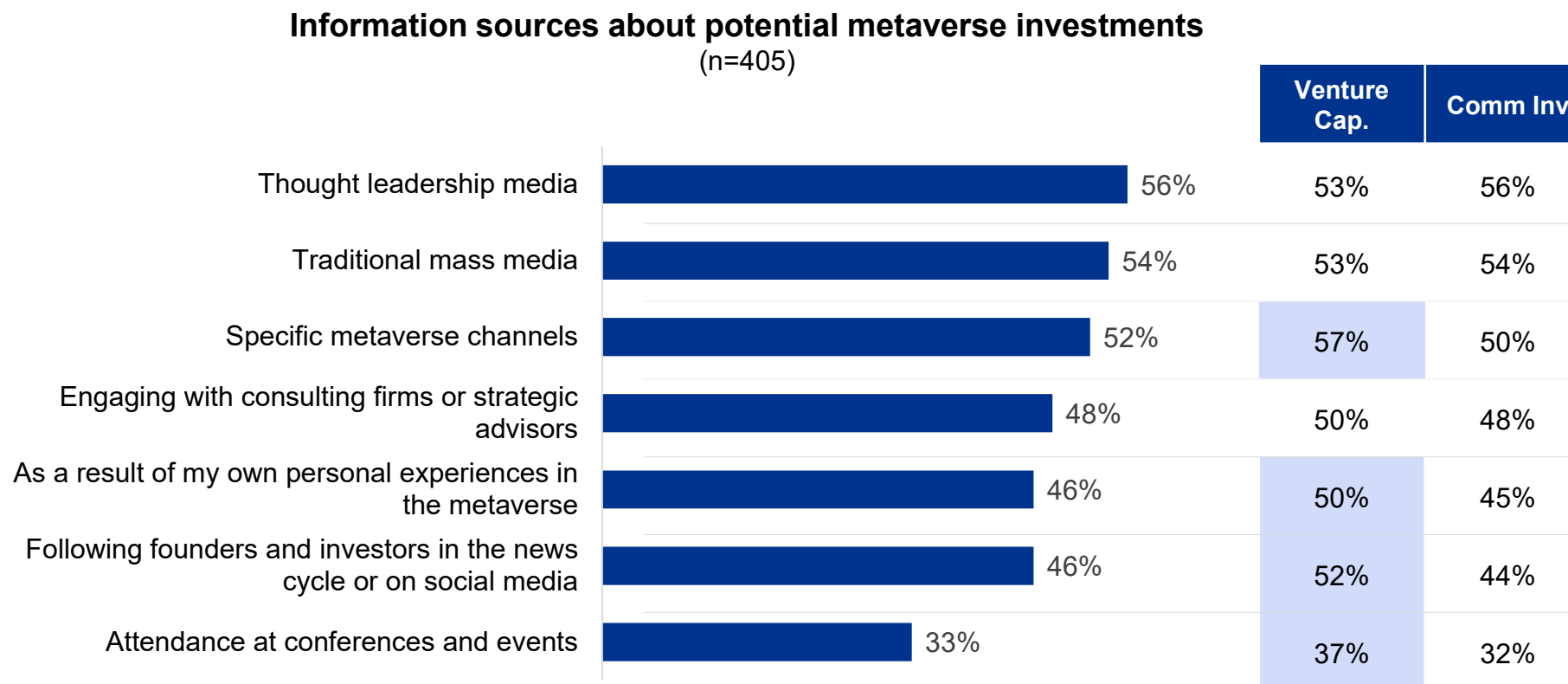
**Creating a DEI metaverse experience**  
(Select up to 2; n=405)



Q22. Which 1 or 2 of the following do you think are MOST important to creating a diverse, equitable and inclusive (DEI) metaverse experience? Please select up to 2.

# Investors are using thought leadership, mass media, and metaverse-specific channels to learn about potential metaverse investments

VCs are more likely to be relying on multiple resources



Q24. How do you find information about potential metaverse investments? Select all that apply.



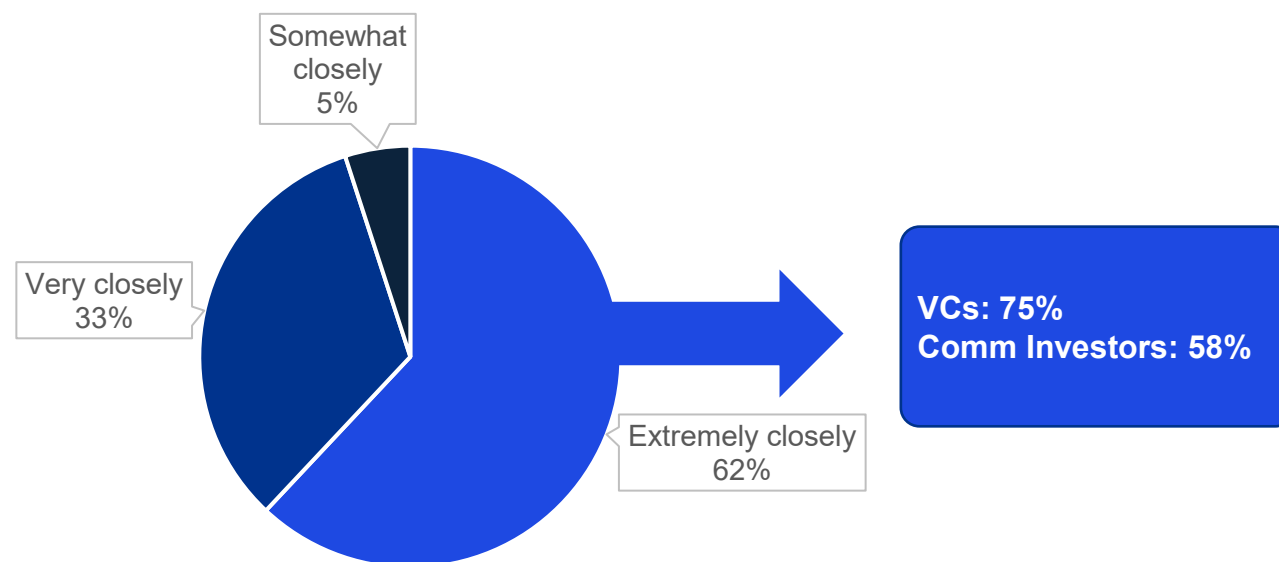
**05**

# **Respondent demographics**

# Most investors are closely following news and trends related to emerging technologies, including metaverse-related ones

VCs are particularly attuned to emerging technology news and trends

How closely do you follow news and trends related to emerging technologies such as AI, cloud computing, machine learning, data analytics, the metaverse, cryptocurrency, blockchain, and similar technologies?



QS13: How closely do you follow news and trends related to emerging technologies such as AI, cloud computing, machine learning, data analytics, the metaverse, cryptocurrency, blockchain, and similar technologies? (n=405)



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