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TRANSCRIPT
Customer Survey Panel Podcast

Welcome to Accenture.

Moderator

Hello and thank you for joining. According to the Accenture Technology Vision 2022. 55% of consumers agree that more of their lives and livelihoods are moving into digital spaces. And Accenture's recent survey of more than 11,000 consumers across 16 countries highlights the same. We are joined by Jill Standish, Global lead for retail, Emily Weiss, global lead for travel and Oliver Wright, Global lead for consumer goods, at Accenture, to discuss how consumers are engaging with the concept of virtual living and the opportunities this presents for consumer facing companies in today's marketplace. Together they discuss the strategies they are exploring to build digital environments that are increasingly realistic and create a greater connection to the physical world. Jill Standish will lead us in today's conversation.

Jill Standish

We're all here talking about the Metaverse and it just seems like that word is everywhere. We're hearing, I'm seeing it on the news and hearing it with clients. And you know one of the things that I hear a lot about is: Is it ready now? Like where are we in this journey of the Metaverse? And so, I think

we're going to have a great dialogue today. And so, without further ado, let's kind of get into some detail about really, some stats behind the Metaverse. Because I know we do a lot of research. We do this every year. We've been tracking consumer behaviour and sentiment since March of 2020 and we did ask really cool questions about where people are with this virtual physical blending of worlds. So, Oliver, can you maybe share some of the stats that we've had? From our latest research.

Oliver Wright

I think it's been really interesting for us as we track the changes in consumer behaviour. One of the things that's become very clear from the research as we look across demographics, is the degree to which the public perception of Metaverse something that's already here is clearly already emerging. I mean this just a couple of very simple numbers. The fact that four in five Gen Z shoppers have already bought a virtual good or experience in a virtual platform like Roblox? That's almost 3 Quarters of Gen Z consumers have purchased a virtual good in the past year. Now, there is still a bit of a fall off of a huge start to deal with populations that are bit older, so you get down to sort of 13 or so percent of baby boomers. But most of the adult population is still very clearly and already assuming that this is something that they're going to engage with very readily. So, I think it's already clear that consumers are signaling that this is already here and here to stay.

Jill Standish

And we're really kind of talking about 3 industries here. Because we're all coming kind of at it from a different lens. And I know that because retail consumer goods in travel are all represented here. Emily, you're kind of seeing some things in travel too. This is kind of an interesting space for travel, especially coming after the pandemic.

Emily Weiss

Yeah, absolutely, Jill. You know, it's been very interesting. During the pandemic many people were locked down, as we know, from travel. And many were looking for, sort of, this virtual travel or virtual experiences as an escape because they weren't being able to take field trips. They weren't able to explore the world. And our research showed that actually 50% of consumers said that they are buying already or interested in buying a virtual or some augmented travel experience. And that can be anything from, you know, a sightseeing tour or it could be a hotel stay, but it goes even broader than not just the actual trip, but preparation for the trips. All the pre trip activity. Which is you know if I want to know where to pick my room or if I want to check out what the the layout and the configuration of a plane is. And so we're seeing consumers really leveraging the Metaverse and any kind of virtual experience to help them in terms of getting back into the travel experience right now.

Jill Standish

And if we could get into some of these myth busters because I think there's just an awful lot of confusion out there. You know, whenever we go from something, you know, we're talking about the Internet, and now we're in Internet 3.0 or Web 3.0 and you hear this word, the Metaverse. It seems like we are depending upon who you're talking to, they come at it from a different lens, and they have these perceptions of what it is and maybe what it isn't. So, I thought maybe this mythbuster idea could be fun for us to talk through, and maybe the first one. We just talked about some consumer trends and even consumers travelling. Is this immersive environment just for consumer facing or could it be really used for corporations? And so, the myth is that it's just for consumers.

Oliver Wright

I think that the industries are examining this

as I think they're starting to recognize that this is going to impact every single part of the value chain. That we're expecting to see people reinventing consumer engagement, absolutely, but also questions around things like R&D and questions around how they'll think about visualizing data and making leadership decisions. Obviously, things around how our folks will train and how they'll build relationships with both consumers and customers, and so on. So, literally we see every single part of the value chain being reimagined through this process. So, I think that while a lot of the stuff that's quoted in the media is still very much around and that consumer piece it is a lot of you know, obviously really interesting examples. Our sense is that a lot of the, where the real value is going to going to be derived, is actually in thinking about how do we fundamentally reimagine a lot of the interactions within organizations and across the value chain or between organizations as well. I think it's an exciting thing to start to see how you're going to evolve.

Emily Weiss

Yeah and I would share Oliver to that point also. Many times when people think about travel as an industry really is, you know, the consumer facing the traveler experience, the guest, the passenger, or there are sort of two elements in the travel industry where the Metaverse is going to come into play. We talk about employees, right? And it's a sort of a general thing that you can use. This technology you can use, this new world and new reality for training. But it gets beyond it. If you think about hotels. A hotel company often has, you know, hundreds or thousands of properties. And there's a big difference between on property versus above property and that mentality. And so, we can leverage Metaverse and different types of technology to think about a digital twin for in, you know, focusing on air conditioning in the room or focusing on any of the kind of maintenance

activity in a plane. That's one. The other pieces we forget often, you know, again, we're talking consumers here, but we talk about the B2B element of let me take hospitality. Meetings and events and conferences, right. And coming out of the pandemic there's so much focus on getting back out there, well, to be able to plan, one, is to have the ability to see the setup, the configuration, what works or to conduct hybrid events, and they're able to actually have some people on property, on location and others more in a virtual world and you have that hybrid. So, those are two examples of non-consumer facing. I'd love to talk as we continue this, you know, about some of the consumer examples, but those are two areas where we're seeing in travel that are not consumer that are still going to be very affected and benefited from.

Oliver Wright

Yeah, and I think one, I've seen a comment on it, in terms of the signs of huge, from the sort of organizational world to the consumer world is: What will happen with R&D? Because I think it's very clear that this is an opportunity to massively reinvent the way in which products and experiences are being created. Or the fact that you, you know, we've obviously had issues where we can sort of render what and what a particular experience might look like to place the product within it. But it's clear also that this will give us the ability to engage with consumers at scale to think about the look and feel of a product and what people's eyes are naturally drawn to and so on. And to drive a massive acceleration in the speed with which R&D can be created. An interesting when we when we launched the social commerce research at the Consumer Electronics Show in January, one of the points that was made there was the degree to which people are now starting to see the idea of ideas and certain products and services that are being created in the virtual world, actually starting to be imagined in the physical world. I think everybody's thought about rendering experiences from the physical world into virtual, but there's clearly a view that the reverse of that is going to also start to happen. And I think that idea of starting to really imagine what the range of things are that consumers can actually combine an experience is going to be fundamentally different. I think it's gonna be a really fascinating thing to see how that evolves over the next few years.

Jill Standish

You know this the 2nd myth for me anyway is that you have to have a headset. And honestly, you know, I've, like you guys, I've tried the metaverse. I have an avatar. I picked my hair and my eyes and, you know, I walked around and, you know, I didn't have arms and legs and that was fine. But, you know, and I was feeling, you know what it's like to be in kind of this virtual space. But that's only part of the Metaverse. And, you know, I think that the myth is, let's bust that myth because you don't have to have a headset to be in the Metaverse and what I'm seeing, which I think is super exciting in the consumer and retail space is: Could this be an extension of what we've seen with immersive commerce? And, you know, we've all seen, I'll bring up a really easy example, which is in real estate. If you want to see a virtual tour of a house, you pull up the house and you see those white circles and you can move and see in a room and look around. We'll take that to the next level and have virtual stores. And the virtual store is not just the white circles where you can move from room to room and see a product, but you're actually interacting with a sales associate. So, it's a two way dialogue. You're both in the Metaverse. Your voices are being heard and actually AI and ML are now changing the experience for you as a consumer and for the sales associate. So, this virtual selling, virtual consultation in retail, and you're feeling like you're actually in a

store and you're seeing product, that, to me, is phenomenal. And more importantly. Could it also be linked to the website, so you can purchase? Because the commercial viability sometimes when I'm talking to executives is: How I'm gonna make money on this? And can I link it to my inventory? Can I actually have physical products being sold as well as digital products? But can it? Can I have physical products being sold as well? So, that to me is exciting. It's headset-less Metaverse and I think that might be how a lot of brands enter the Metaverse, which is an extension of another commerce.

Oliver Wright

Yeah, and I think what it's going to be interesting is the fact that, again, in the research that we've done, it's already clear that a large number of consumers are expecting to engage in shop in this way. So, from the survey we had 56% of consumers were saying that they were expecting to buy real life products in the virtual world. And interestingly, this is fairly broadly split included demographically. So, you've got 61% of millennials, 58% of Gen Z's and 53% of Gen X's and then it does drop down a bit too. But even one in three baby boomers are expecting to buy in this way. So, they clearly, as these sort of experiences, that you're describing, Jill, are emerging, it's clear that consumers are clearly looking to want to work into, to actually shop and so on and this way. And as we think about the huge proliferation of channels and ways in which consumers can understand and experience products. Clearly the Metaverse is now going to add another whole level of overlay to that. Which is going to create, I think, an even faster acceleration in the channel changes that we've seen across the industry over the last few years. Really exciting.

Emily Weiss

And I think just to add onto that, I think you know, in travel we talk a lot about the

utilization of travel right now. And exactly what you were saying, Jill, right? This is going to enable it. So, think about all the ancillary revenue that could be gathered, you know pre trip. So, you want to go and check out the configuration of a first class suite, right? And do you upgrade before you go to the hotel and see the rooms and then you see that there's again a suite that you know a different part of the property. Do you look at the lounges? If you're travelling and you're going to take a red eye? Do you want to know what the shower configuration there is when you land. And there's just so many opportunities there. And again, you know, we're speaking specifically for the consumer here. But I think the other part is airports, right? You want to familiarize yourself with the airport. So, that when you land you know what you're doing. So, if you now have actually opened up and enabled travelers to be able to take advantage of things that, may be: I wouldn't go on this trip because I'm not comfortable landing in a foreign location without familiarity. Well, now I've actually become familiar before I actually even arrived. And then I go on and on about that. But those opportunities to upsell to generate, you know, ancillary revenue in advance or in the moment. And that's something that's very very exciting.

Jill Standish

I think, you know, the other piece of another myth to kind of bust here, is that this is just for gaming.

Emily Weiss

Well, and I would say, Jill, absolutely, because there's this whole other element that we haven't spoken about yet. But, and again, I say this for travel, but I would say it's probably relevant everywhere is: We think about even the IND element of this and the economic viability. There are people who cannot travel. Whether it be for health and physical reasons and they've never had the

opportunity to experience one of these resorts or properties, or a location or a tourist, you know, a destination. But now are actually being given an opportunity and that travel companies have the opportunity to actually target them. There are people of economic situations where they really don't have the ability or they can't for some reason leave their country, but they've always wanted. We could go back in time and I wonder what it's like to visit the pyramids back, you know, in time versus current. And so, it just it creates an opportunity that is, as you said, way beyond gaming and actually for demographics that would never game as a matter of fact. And so, I think that's a whole other sort of segments of potential, you know, consumers that they can tap into and just the opportunity is endless.

Oliver Wright

Yeah, no, and I think it's interesting because clearly one of the things again that's emerging from the research is the degree to which consumers are starting to see this as a way for them to be able to make much more rich, much more informed decisions and understand the sorts of experience and choices they can make. I mean, you've got if you look at the fact that, you know, over half of consumers are saying that they want to engage with virtual consultations, whether that's on topics like health or DIY, but basically understanding at a richer level the potential range of things that they can experience. Whether that's, you know, something and whether that's an experience like travel or a product, they might want to put into the home. And that is, again, it's broadly across all of that, across all of the demographics. This idea of using this to give yourself a much richer level of information because if you think about how most consumers are making decisions, you've got a relatively limited amount of space on the, you know, on the physical presentation of a product or what's rendered on labeling in

store. This gives you a whole different level of dimension when you could potentially, you know, be able to drill all the way through into, you know, what the provenance of the product is or exactly where it was sourced or the social impact of it etc. We can render a much more rich array of information about our products and services through this in a way that, frankly, consumers I think will be willing to engage with. So, this idea of using this to create much richer consumer choices, much really low level of consumer understanding about things, I think really offers a really interesting future for how consumption is going to revolve over the next four or five years.

Jill Standish

Another myth bust which is purchasing a virtual, and let's get into NFT's. Let's talk a little bit about NFT's. And the myth that I want to bust here is that owning and ownership of virtual goods is just as cool as owning physical. And so, is ownership, the myth here is, is ownership only for physical? And what I'm seeing is that, you know, even some of the research here more than half, 53%, are interested, especially for low income of consumers, are buying or interested in buying real life products in virtual worlds. But they're also looking at owning virtual things as well. And so, this idea of NFT is kind of an interesting one. And I guess the other myth I want to bust on this one is that the goods that you're buying in virtual is the same as a digital replica of actually the physical goods. And one learning for me was that these virtual goods that you're buying could actually unlock an experience. So, instead of just a pair of boots from a retailer, that is a digital pair of boots, maybe those boots make you run fast or jump high in a game. Or, you know, buying a certain hat allows you to disappear. Whatever, it unlocks experiences and abilities that, I think, is super creative and interesting and so I think brands

can really leverage that creativity because in the virtual world, really, it's all about creativity.

Oliver Wright

And I think it's really interesting that if you think about the way in which a lot of technological trends have started, if they started with people who, you know, are higher income, and then it's gradually spreads but down, it's become more widely available. To what you were saying, Jill, I think this one is interesting because the distribution from an income perspective is not very broad. You've got 63% of high-income consumers are saying that they want to do this. It only falls by 10% when you get down to people on relatively low incomes. So, the idea of this becoming something that, you know, that goes across society through all different socioeconomic ranges is: It does suggest that this is going to grow and change very very rapidly and have quite a broad societal impact. And I think, again, that it does suggest that the, you know, the idea that this is something that is going to be a relatively confined group or won't spread very quickly. That's not what the data suggests. The data does suggest that this is going to be something that is part of people's consumption vocabularies pretty quickly and broadly as well and it's not going to be restricted to people on middle or higher incomes. So, it is going to clearly, you know, have a broader, a much broader, societal startle impact.

Jill Standish

I guess one more myth for me is that this augmented or virtual world is only for beauty and fashion. Tons of brands, not just from beauty and from fashion, we're actually seeing a ton of brands experiment with the Metaverse to really rethink.

Oliver Wright

Yeah, and I think it's going to be interesting because as we think about the way in which where people are choosing to buy is moving

from, you know, traditional physical outlet through traditional e-commerce through to social commerce through to Metaverse based commerce. It's clear that you know people are expecting to see a higher level of their purchasing go through in this way, and to have the ability, to have that end-to-end experience now take place through through the Metaverse as well. So, I think , again, this is going to drive this enormous shift in where people are actually spending their money, whether they're buying a digital product or buying a physical product in the digital world. There's a huge interest reinvention of how people are thinking about, you know, those decisions around what they buy and where they buy it.

Emily Weiss

And I think Oliver you talked a lot about you know the product but I think also only say the experience. For me, I believe it's really, it's not a replacement, and for me maybe that would be a myth, Jill, that, you know, we could have talked about as well. Is that the Metaverse isn't a replacement for the real world clearly. Similarly, it's not a replacement for actual travel. It's a compliment. Right? So, it allows you to enhance that experience, and when I mentioned earlier about maybe there's a new traveler segment that didn't exist before, that may be in the Metaverse only because they could not be. Whether it be for economic reasons or physical, you know, disability reasons. But the actual experience is being complemented. You have your pre trip, you have your during trip, you have your post trip and that experience can be enhanced based on different opportunities and I think it's the same thing with the products. And I would say that's probably for me one of the biggest myths to bust that it's not an either or, but it's truly, you know, an enhancement of an overarching experience and what a wonderful thing to, you know, to offer to consumers.

Jill Standish

It's not to decide if you're going to go in, it's at deciding how. So, I mean everyone is going to be, I think, most brands and most people are going to be experiencing the Metaverse. So, let's not debate if you're going to participate, but how? And the fact that it's new and getting started is, you know, part of that journey is it's all about experimentation right now. And it is a little bit about the wild west and your ecosystem partners are super different because you're going to be interfacing with not your traditional partners. So, it is about experimentation and being cavaliering. And figure out what your brand wants to stand for in the Metaverse.

Oliver Wright

And, I think you know, the comment you made about this coming together, I think we know that this is about, a lot of this is about creating new experiences and new ways in which people are engaging with each other. And that is going to be brands in new settings or brands with experiences etc. And I think that is, that is going to drive a view certainly across the consumer industry, consumer goods industry around people needing to really engage with platform players around bringing that to life. And I think one of the really interesting things is to create that level of fusion between CPG leaders and software and platform folks as well as they're thinking about how these two pieces will come together. It's only through the connection in that way that I think some of these really exciting things will actually come to imagine, and I know that's true in the other industries as well.

Emily Weiss

In closing from illicit travel perspective, I think, it's really important to recognize that the Metaverse is, it's not intended to replace physical travel. It's really about being a compliment. It's a big compliment. It's going to come over time. It's going to impact the travelers during the pre-days during the actual in-trip as well as the post day. And there's just so many different opportunities to leverage it to make the traveler experience more robust. And I think that it's really something that we should be watching for and observing how it becomes part of the overarching ecosystem of travel over time.

Jill Standish

Yeah, absolutely. Well listen, this was a fantastic dialogue with the with the three of us. It was really fun to see you and I think we've all proven that that Metaverse is here. Well, all I know is that I would much prefer to have the three of you in person and we could go out to dinner and enjoy some real food and some real drinks.

Emily Weiss

We could order it now in the Metaverse and then meet wherever it gets delivered to, right?

Jill Standish

Absolutely absolutely. But you know, it maybe we put on our headsets and we can meet at a Chipotle. One of these days, how about that?

Emily Weiss

So, in another country, after being on a plane and then stay in their hotel. How about that?

Moderator

This is it for today's conversation. Thanks very much to Jill, Emily and Oliver for providing their latest insights on the opportunities in the Metaverse. And thank you for listening.