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The Evolving Metaverse

Space in India

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The increasing popularity and the frequent appearance of the word 'metaverse' in the mainstream discourse begs the question of what exactly it means. The term, which is a combination of the prefix 'meta' implying transcending or beyond with the word 'universe', is used to describe a hypothetical synthetic environment linked to the physical world which is created to increase user engagements through immersive experiences. In simple words, metaverse can be defined as an advanced version of the internet, made possible through advancements in technologies such as augmented reality (AR)/virtual reality (VR), artificial intelligence (AI), and blockchains, that you're inside of rather than just viewing through a two-dimensional screen. Some of the ideas or nascent versions of metaverse are already found in online social games, like Fortnite, Minecraft, Animal Crossing: New Horizons, and user-created online worlds like Roblox.¹

Metaverse's surge in prominence from a term once used in speculative science fiction to a modern buzzword can be attributed to a large extent to recent commentaries by renowned tech CEOs recognizing its potential for the future. The CEOs of the tech giants Microsoft and Facebook stoked the hype by speaking about their companies' plans and investment in the metaverse space. Facebook CEO Mark Zuckerberg has even changed his company's corporate name to Meta stating that the metaverse is going to be the next chapter for the company², while Microsoft is working on a platform to incorporate virtual experiences directly into Microsoft Teams. The metaverse has also garnered the interest of multiple other tech behemoths and startups around the world, with the global metaverse market size touching \$47.69 billion in 2020. It is expected to expand at a CAGR of 43.3% to \$828.95 billion by 2028.³

In India, however, the metaverse is still at a niche stage. Large corporate houses and startups have begun to mushroom into the space to create interactive, immersive, and collaborative experiences for their users and customers. Reliance Industries Ltd. (RIL) is running its metaverse pilot wherein it is using VR, AR, mixed reality (MR) and other software and hardware to create a digital twin to replicate the performance of sub-sea environments on a virtual platform. These technologies help create 3D walk-throughs of real-world locations and allow employees to learn and train from each other. Several Indian startups are also investing and working in the metaverse space, such as Loka, XR Central and Zippy, backed by large private equity and venture capital funds. The segment is replete with opportunities for exploration, and India is well-positioned to make the most of them.



- <https://analyticsindiamag.com/top-8-indian-startups-working-on-metaverse/>
- <https://about.fb.com/news/2021/10/facebook-company-is-now-meta/>
- https://www.wfmz.com/news/pr_newswire/pr_newswire_entertainment/technology-explosion-causing-super-ripples-in-metaverse-market---emergen-research/article_3cad6d73-44fa-5178-9b56-54c27f4d4ded.html

India: A promising landscape for metaverse

According to a report by DappRadar, India has been ranked fifth only behind the US, Indonesia, Japan, and the Philippines in terms of interest in metaverse projects.⁴ With the presence of unique vantage points and promising signs such as a rising young population, growing domestic markets, vibrant startup ecosystem, and a huge talent pool, India is expected to play a massive role in the metaverse space. Some of the key factors that could drive acceptance include:

- **Growing Domestic Market:** India has the world's third-largest startup ecosystem and robust domestic markets which have been a vital testing ground for several new products and features that could play a huge role in shaping the future of metaverse.
- **Skilled Talent Pool:** With a huge talent pool of developers, creators, and entrepreneurs, India could play a significant role in shaping its efforts in building the metaverse.

Potential challenges along the way

As the metaverse continues to develop, it is also necessary to be cognizant of the challenges it might pose. Metaverse infrastructure, privacy concerns, and regulations & governance are just a few of the issues that businesses and governments are already deliberating.

- **Data Security and Privacy Concerns:** Submerging into the metaverse will require evolving security methods to a completely new level, on par with the ever-expanding space. Personal verification might come to the point where users will have to provide more potentially sensitive personal information than what is expected today. User privacy would be another important concern because an augmented reality device would be like a surveillance device with camera facilities.
- **Lack of Capital and Infrastructure:** Startups and tech firms require huge capital for backbone infrastructure and tools, spanning computing, storage, connectivity, networking, and the user interface and virtual environment, to build the metaverse ecosystem. There is a lack of patient capital from investors since the metaverse is still in the budding phase and it may take 5-10 years for the actual product to reach the market.

While the metaverse is still in the early stages of development, the enthusiasm it has generated among leaders around the world have cleared the clouds obstructing its immense potential and impact in the real world. There is, of course, still a huge amount of work that needs to be done before we get to the point where the metaverse will completely redefine the consumption of information by offering interactive experiences. With a huge talent base and robust market, India teems with the capability to actively participate, develop, and create metaverses. By promoting the use, adoption and adaptation of frontier technologies, India can harness and make the most of the metaverse, thus paving the way for futuristic innovation.

4. <https://www.livemint.com/technology/tech-news/india-ranks-third-in-terms-of-interest-in-metaverse-projects-11637847044719.html>

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