10 Understanding the metaverse and its potential for events

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Introduction

The emergence and development of new technologies such as augmented reality (AR), virtual reality (VR), mixed rReality (MR), blockchain, and artificial intelligence (AI) have been transforming both how businesses operate and the customer experience, and are evident across all sectors, including the event industry. One of the current trends in new technologies is the emergence of the metaverse. In brief, the metaverse is a collective, immersive virtual space, where physical, real-life merges with digital reality, where people can conduct their usual activities and interact with each other via the use of avatars (Buhalis & Karatay, 2022).

There are already numerous events that had been held in the metaverse, for example Metaverse Fashion Week, and the Metaverse Music Festival (Dwivedi, et al. 2022). It appears that the metaverse has a lot of potential for the event industry. As Gartner Consulting estimates, by 2026, 30% of global businesses will have metaverse-ready products and services. In addition, it is predicted that 25% of individuals will spend at least one hour per day in the metaverse for various purposes, including entertainment (Rimol, 2022).

The chapter will provide an overview of the metaverse concept and its main characteristics and will explore the differences between virtual, hybrid and metaverse events. The central focus of the chapter explores the current and future use of the metaverse in the events industry. The chapter examines a case study of the Metaverse Music Festival. This example illustrates how live events are planned and hosted in the metaverse and what benefits and challenges they bring. In the conclusions, the chapter delivers recommendations for events planners regarding the pros and cons of application of the metaverse for planned events.

Definition and characteristics of metaverse

Since late 2021, the term 'metaverse' has become the buzzword around the globe. One of the reasons of current popularity and growing awareness of the metaverse was the announcement made in October 2021 by Facebook founder Mark Zuck-

erberg, when he presented the future strategy of Facebook, which is focusing on building the metaverse. Furthermore, the company was renamed and rebranded as Meta, signaling the company's ambitious change in direction and strategy (Reuters, 2021).

However, the concept of metaverse has a longer history. The term was coined in the fiction novel *Snow Crash*, written by Neal Stephenson in 1992. In the book, the metaverse was described as a vast virtual environment parallel to the physical world, where humans, as avatars, interacted with each other and with other software agents (Joshua, 2017).

The beginning of the 21st century brought the rapid development of VR technology and computer graphics, which created the technical basis for the development of the metaverse. In 2003, the idea of the metaverse was commercialized in form of the social virtual world game Second Life. At that time, information and communication technologies were still limited. However, video games have become a new vehicle for exploring a virtual parallel world. For example, the game Roblox, which appeared on the market in 2006, and the development of Minecraft in 2009 triggered the first wave of discussions about the metaverse and its potential.

The concept of the metaverse is not a futuristic science-fiction vision but is already under development. More and more companies are trying to establish their presence by buying 'land' in the metaverse, by preparing metaverse-ready products and services, including metaverse events such as concerts, fashion shows, conferences, and hosting product launches. Companies being the first to offer metaverse-ready solutions can be described as early adopters. According to Rogers' theory of diffusion of innovations, the metaverse will only gain momentum if the early and late majority accepts and adopts them (Rogers, 1983). It is still too early to know how much time is needed for metaverse to become mainstream. However, the concept of the metaverse evokes many questions and uncertainties, including what is the metaverse and how does it differ from virtual reality experience or game worlds?

Definition of the metaverse

The word metaverse literally means a universe beyond the physical world. The prefix 'meta' means 'beyond', while the suffix 'verse' is a shortened version of 'universe'. This universe beyond refers to a computer-generated world, which enables a fully immersive 3-dimensional digital environment (Dionisio, et al. 2013).

The metaverse is a digital, immersive, and collective universe connected by computer networks and servers. According to Ball (2021) the metaverse does not mean one virtual world, but a massively scaled and interoperable network of real-time rendered 3D virtual worlds that can be experienced synchronously and persistently by an unlimited number of users with an individual sense of presence.

As the metaverse includes convergence of the real and virtual world, it can be divided into real-based and virtual-based metaverse, depending on the focus of the experiences. A real-based metaverse reinforces the experience in the real world through virtual technology. It is set in the physical world and enables one-way interaction. In contrast, a virtual-based metaverse offers an experience that