

THE METAVERSE AND TRAVEL

THE FUTURE OF TRAVEL

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Introduction

For many people, the first time they heard of the metaverse may well have been when a certain social media organization linked the emerging technology to its adoption of Meta as the new name for its holding company.

What is the metaverse? In simple terms, it's a three dimensional (3D) immersive version of the internet. It's the next step in the development of the internet. It's a parallel digital world, which can exist in virtual (taking on a life of its own) or augmented (where aspects of the digital and physical worlds are combined) reality. In the metaverse, it's possible to interact with people, buy land, build properties, sell things. Everything that's possible in the real world and potentially much, much more.

The metaverse is widely regarded to be the next big thing in technology.¹ This makes it something that travel simply cannot ignore. While it may still be some time before the metaverse becomes mainstream and the real benefits are realized, travel companies are already beginning to engage with it.

In this report, we tell you what you need to know about the metaverse.

Metaverse, the basics

Origins

Metaverse: *A virtual reality space in which users can interact with a computer-generated environment and other users.*²

Originally attributed to the author of *Snow Crash*, Neal Stephenson, as a portmanteau of “meta” and “universe”, the term was given greater exposure by Ernie Cline in his 2011 science fiction bestselling novel *Ready Player One*. But its popularity really gained momentum in 2021, as celebrities and global brands started to embrace NFTs (non-fungible tokens) and virtual real estate stored on the blockchain.

The metaverse is a much bigger concept than a virtual reality (VR) experience. It’s an immersive technology being enabled by the convergence of blockchain, NFTs and Web 3.0, the next iteration of the world wide web.

The basics

- Users won’t have to have a VR headset to engage with the metaverse. **It can work on smartphones and laptops**, but the experience won’t be as immersive using these devices. As it’ll be some time before there’s mass adoption of headsets, metaverse platforms are being designed to be device-agnostic, so everyone can access them using their mobile phones.
- The metaverse is not being driven forward solely by Facebook/Meta, but it recognizes where things are going. Other leading brands, such as Amazon, Apple, McDonald’s, Pepsi and Coca Cola are all investigating the metaverse.
- There is a risk of the metaverse being dismissed as the latest fad. Controversy surrounding the speculative nature of NFTs doesn’t help, particularly when Jack Dorsey’s first tweet was sold for \$2.9 million and then saw its value drop by 99% when its new owner tried to sell it on.³ But the metaverse is not a speculative bubble about to burst – unlike NFTs possibly. **It makes sense for us to engage with content in 3D**, and in enabling this, the metaverse marks the next phase in the evolution of computing, heralding a new era of digital communication and social interaction.

The metaverse is essentially a new immersive version of the internet. Instead of viewing content on a computer, users will wear virtual reality headsets to move around 3D digital environments.



²[Travelport](#), The Future of Retailing: The Metaverse

3 ³[Forbes](#), Apr. 14, 2022



The metaverse is coming

What seems clear is that the metaverse is an unstoppable force; it's coming, and momentum is gathering pace. While it offers businesses a tremendous opportunity, a lot of work will be needed first, so don't expect a rush of deliverables that will quickly make the metaverse as indispensable as the internet is today. This is because the metaverse will require a redesign of the internet from a "disparate collection of sites and apps" to a continuous 3D universe.⁴

That said, a number of well-known companies have already rushed in to seize first mover advantages. The likes of BMW, Disney, Gucci and Warner Bros are already operating in the metaverse to make this virtual world a virtual reality. **By 2026, 30% of the world's organizations are expected to have products and services ready for the metaverse.**⁵ At that point, one quarter of all people could already be spending at least one hour a day in the metaverse, shopping, studying, working, or simply having fun.

The metaverse will be a collective virtual shared space, as enhanced physical and digital realities come together. It will provide enhanced immersive experiences, be device independent and accessible through any type of device, from computers through mobile phones to head-mounted displays.

As no single company will own the metaverse, it will operate through a virtual economy enabled by digital cryptocurrencies and nonfungible tokens (NFTs). Gartner predicts that the metaverse will impact every business that consumers interact with every day.

And there may not even be a single metaverse. There's likely to be multiple metaverses, all interconnected, much in the same way as websites co-exist on the internet today.⁶

⁴[World Economic Forum](#), Apr. 14, 2022

⁵[Gartner](#), Feb. 7, 2022

⁶[Verizon](#), Dec. 5, 2022

Is it now time to act?

It seems like a good idea

There are three very good reasons for businesses to get involved with the metaverse now:

- Building inside virtual worlds takes time – in fact significantly more time than would be required to create a website. Brands are extracting marketing value by making announcements about their metaverse intentions now, but they will then need to spend a long time actually creating metaverse content, assuming there are sufficient people with the required IT skills.
- There are clear first mover advantages. Securing plots inside virtual worlds is becoming more expensive, especially prime locations near a major brand. As these plots expect much bigger visitor volumes, they'll be more valuable. The cost of "land" has risen 20-30 times over the last 12 months alone.
- A whole generation has grown up in virtual worlds like Fortnite and Minecraft, so they're in this environment already. The metaverse is natural for them and they're waiting for it to happen.

But the technology is still in its early stage of development and has a long way to go.



More needs to be done for mass adoption

Getting the hardware right

To accelerate the adoption of the metaverse, platform operators must **deliver the right user experience**. The history of the smartphone shows how important this can be. Apple may have lacked the first mover advantage, but it was the arrival of the user-friendly iPhone that promoted mass smartphone adoption.⁷ This is something that Meta might achieve in the metaverse, with its Oculus Quest 2 regarded to be the first mainstream virtual reality (VR) headset offering a significantly improved user experience. Unlike previous headsets, which cost in the order of \$1,500 and tended to be integrated with gaming consoles, Quest 2 is standalone, lighter weight, offers better graphics, and perhaps most importantly, is a lot cheaper at \$299.

Accessible hardware is only half the story.

The platforms have much to do

While there's clearly some encouraging developments on the hardware side, metaverse platforms (and there are already quite a few of them including Cryptovoxels, Decentraland, Horizon Worlds, Mona, Rec Room, Roblox, Somnium Space, Spatial, The Sandbox and VRChat, with many more ultimately on the way) must now convince mainstream users to try out the metaverse. Many users currently can't see a reason beyond gaming to use the metaverse or don't know how to access the relevant platforms. And once in them, they might be asked to use a cryptocurrency and reconfigure their browsers or operating systems. Most of us would be lost as soon as cryptocurrency is mentioned.

Business leaders need convincing

One of the most important requirements for promoting the adoption of an emerging technology like the metaverse is securing the buy-in from the business leaders who'll be investing in it.

According to the *Annual Gartner 2022 CEO and Senior Business Executive Survey*, **business leaders have yet to be convinced** about the value of the metaverse.⁸ Almost two-thirds of the 278 respondents regard the metaverse as not applicable or unlikely to be a key technology for their business.

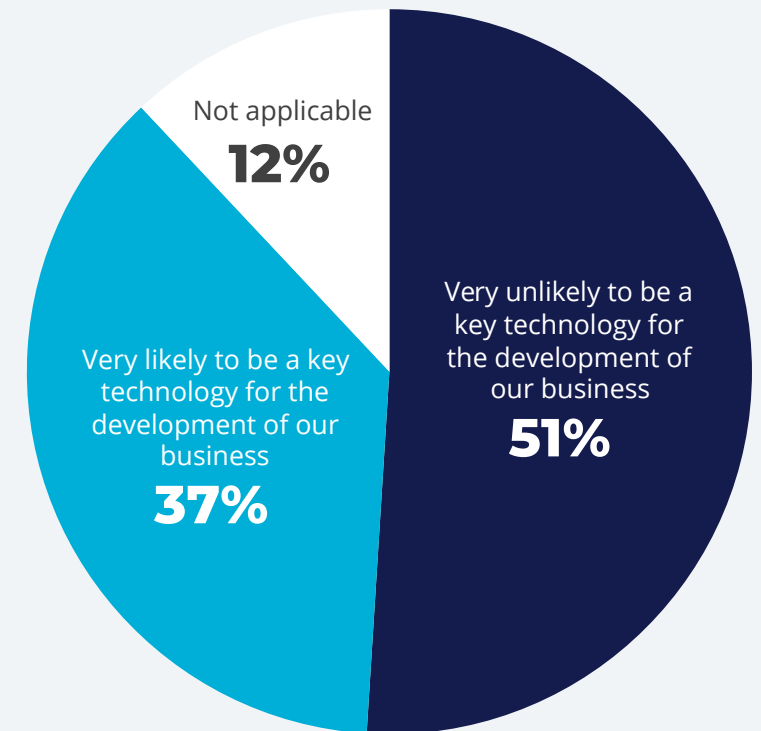
Of course, it's possible that this simply reflects a lack of understanding of the metaverse's true potential, and until this is addressed, businesses may regard the metaverse as a solution in search of problems. In the past, some businesses have moved too quickly to invest in the latest technological development, and many have regretted rushing in too soon. So, **it may be too soon for them to start thinking about the metaverse.**

What is clear is that there's still **a lot of confusion and even hype** about the metaverse. And it will still be many years before the metaverse fully delivers on its potential.⁹ But travel companies are already deploying some aspects of the metaverse's capabilities. You can be the judge on the value they add later in this report.

⁸[Gartner](#), May 18, 2022

6 ⁹[PhocusWire](#), Nov. 2, 2021

What senior executives think of the metaverse





Leveraging the metaverse in travel

Broadly speaking, the metaverse has two core uses within travel: **inspiration** and **demonstration**. Compared to other media, the metaverse offers an emotive, immersive experience; a sense of being there.

The inspiration comes from helping travelers **familiarize** themselves with a destination. But **travel managers can also benefit** by using the metaverse to inspect and experience the products they're offering their travelers. This could involve a virtual visit to a hotel or getting on board a virtual aircraft to check out the differences between an airline's premium economy and business class products. And it can help meetings planners too, as they immerse themselves in a **selection of venues** being considered for an event.

Experiencing the product in 3D will be a big advance on the traditional image carousel that travel suppliers use today on their websites to display their wares.

The other use is demonstration. By putting travelers in the exact location they're planning to visit, it not only inspires them by creating the emotive drive to see it for real, but they can also learn how to navigate the local area before they arrive, **relieving some of the stress of travel**. They can also use the metaverse to take an immersive look at specific hotel, to ensure it meets their needs and they make the most of its facilities during their stay.

There are a number of apps already offering a 3D experience to inspire and demonstrate. Wander is an Oculus app that lets users explore many locations of the world using Google's Street View images.¹⁰ Brink Traveler takes users on a virtual trip to explore a selection of natural locations. And then there are the city tours, such as those offered by Sygic Travel, which can help travelers familiarize themselves with a destination pre-trip and ensure that they have a productive visit.

To get people engaged, whilst also appealing to typical early adopters (gamers) of the metaverse, some apps, such as National Geographic Explore VR, are using **gamification**, rewarding users for completing certain tasks or finding certain objects. This is a technique travel managers might want to consider when trying to engage them with metaverse-based travel tools (at some point in the future).

Travel managers should remember that the metaverse might one day help **save money** (by reducing the risk of bad choices), **reduce stress** (through better information and preparation) and contribute to **greater value** being derived from a business trip.





Travel agencies in the metaverse

Brands including Adidas, McDonald's, Nike and HSBC are buying virtual land plots on metaverse platforms like The Sandbox and Decentraland with a view to creating virtual venues, stores, malls. They're creating virtual spaces, where people can walk in and enquire about their products.

There's nothing to stop travel management companies and travel agencies establishing a presence in the metaverse, where virtual travel agents can have face-to-face conversations with customers and use 360° media to engage with them. Together, the agent and customer could review a destination, service or product, virtually, before booking a trip.

Holidays inside the metaverse

Holidaying in the metaverse is probably 5-10 years away, but it will become a reality sooner than people think. These holidays are likely to complement, rather than replace real-world trips. And their virtual nature opens up the possibility of experiencing the impossible. Imagine taking a virtual trip to Ancient Rome.



Can the metaverse replace travel?

Virtual tourism **exponentially increases the range of destinations** that are within a traveler's reach and the experiences they can enjoy there, without actually being there. Does this mean the metaverse will eliminate the need to travel, when it can take you in an instant, virtually anywhere? Perhaps not, if you look at how destinations are using the technology.

Destinations are buying into the concept. Seoul, South Korea, has become one of the first major cities to announce plans to go "meta" by 2023. Metaverse Seoul will feature some of the city's top tourist attractions in a Virtual Tourist Zone and allow visitors to virtually attend some of its biggest festivals. But virtual tourism is intended to act not as a replacement for physical visits, but as a **springboard** for it and can help travelers make more **informed travel choices.**¹¹ In 2022, Madrid launched a free, 360 degree virtual tour of the city to help visitors make informed decisions about the attractions to visit **when visiting the city in person.**

The metaverse could actually create a new sub-sector for travel companies to exploit – immersive trip research before booking an in-person experience. From a business traveler perspective, this could reduce stress (during search and booking) and improve trip satisfaction.

Inevitably the metaverse will be promoted as the ideal location to hold virtual meetings. By creating immersive workplaces in virtual offices in the metaverse, companies will be able to **improve employee engagement and collaboration.** And such an offering would be the logical extension of the shift towards hybrid and homeworking. But virtual meetings, through 2D or 3D technologies, have their drawbacks and aren't universally popular.





Weaknesses of virtual meetings

Lacking human contact

66%

Limited interaction

58%

Easy to get distracted

54%

"Zoom fatigue"

49%

Technology issues

49%

Unsuitable for some meetings

51%

Less effective

38%

Meetings out of working hours

28%

Demotivating

15%

Inconvenient

8%

Our own research shows business travelers recognize **virtual is not the only way** and they're increasingly raising concerns about the prospect of relying on screen-based (or headset-based) interaction as their primary meeting method. Travelers identified a number of virtual meeting weaknesses, admittedly using 2D technology, but many of the same issues may persist in the metaverse.¹²

Virtual communication is particularly ineffective for relationship building, lacking true human contact and providing opportunities for only limited interaction. Fatigue with the virtual experience and technology issues have contributed to poor user experiences, making virtual meetings **less effective** than in-person communication.

What the metaverse means for travel

In action, today

Like the technology itself, travel's engagement with the metaverse is still very much **in its infancy**. What's available today and in the works for tomorrow provides a feel for some of the possibilities travel managers and travelers can expect from the metaverse. Airlines, in particular, are taking a keen interest in the metaverse, with Emirates planning to invest \$10 million to build its brand in the metaverse. Lufthansa, Qantas, Qatar Airways and Singapore Airlines are among the other carriers looking to get involved in the metaverse. Some have made more progress than others. And in the travel industry, it's not just the airlines getting involved. Here's some examples to show how travel companies are getting involved with the metaverse.





QVERSE

Finding out before you fly

Qatar Airways has already stepped into the metaverse, launching QVerse, which offers a virtual reality experience for visitors to its website.¹³ It's now possible to take a **virtual tour** of the Premium check-in area at Doha airport and aircraft cabin interiors. In a world first among airlines, Qatar Airways has created Sama (Sky), a digital 3D MetaHuman cabin crew member, who guides Qverse visitors through the Business and Economy class cabins using a narrated script.

At this stage, what's on offer is fairly basic, with an avatar talking visitors through simple images of the aircraft cabins. But it can be used through any device; no 3D headsets are required; and it shows what might be possible in the future. Through Qverse, the airline can now offer travelers an immersive experience of its products and services before they use them, and more content is in the pipeline, according to Sama.¹⁴

You can find out more about the QVerse on the next page, where Qatar Airways answers a number of frequently asked questions.

Meet Sama (Sky)

A digital 3D MetaHuman cabin crew member, who guides Qverse visitors.

¹³Qatar Airways, Apr. 22, 2022

¹⁴Qatar Airways Qverse

QVERSE

QVerse's vision is to shape the future of virtual experiences and virtual travel in the metaverse by targeting all aspects of the customer's booking journey. Through QVerse, Qatar Airways is preparing the world for an end-to-end virtual journey of the experience it offers customers.

FAQs

Q: From this initiative by Qatar AIRWAYS to launch a metaverse experience, can we expect other launches focused on VR? Are there plans, like other companies, to take action in metaverses like Decentraland or The Sandbox?

A: Point 1: Certainly yes. We plan to add more features, places and interactions to QVerse, and make the experience sociable and accessible via Oculus Quest App to all the VR enthusiasts. We believe that this will integrate with a whole shopping experience in the near future. Passengers, for example, might be able to book their ticket on QVerse and choose their seat from a live, 3D environment.

Point 2: Currently, we are focusing on creating our metaverse rather than investing in Decentraland or the Sandbox. But this is not off the table.

Q: How does Qatar Airways see the potential of the metaverse not only in the aviation sector but in providing new experiences for human beings and, why not, for passengers during their travels?

A: We believe that the future is social. The metaverse aligns with the travel and aviation industry in its basic method since it will empower human beings and blur the boundaries and borders further. Travellers are thrusting for more immersive content that can empower their decision-making process during pre-booking, post-booking and everything in between.

Q: As part of the crypto-asset ecosystem, NFTs gained power over the last few years. Several companies have been launching new experiences aligning NFTs and the physical world. Does Qatar intend to do something like this? Does the company have plans for NFTs?

A: Of course, NFTs are part of our near-future plans. Qatar Airways as a brand appreciates art, and we are looking into how we can positively impact this area.

Q: What does this innovation mean in terms of improving the customer experience? Is it a kind of "preview" of what the trip will be like?

A: QVerse vision is to shape the future of virtual experiences and virtual travel in the metaverse by hitting all the chords of the customer's booking journey.

Q: Where did the idea/motivation to create a virtual travel experience come from?

A: Innovation is at the core of the Qatar Airways brand. Building the QVerse following customer-centric methodologies is our drive to create the best experiences for our customers, and listening to them is the key to QVerse's success. Travellers are thrusting for more immersive content that can empower their decision-making process during pre-booking, post-booking and everything in between. We believe that the future of content marketing is immersive. It will change how we consume content, where content can elevate the user experience and change how we use and interact with our devices, powered by Web 3.0.

Q: Are there already plans for future technological innovations of this type?

A: We attentively monitor innovations and new trends such as AR and NFT. Qatar Airways is planning to further leverage Virtual Reality to give users/passengers the possibility to indulge with our brand further. The QVerse is in its initial phase, and more will come in the following months.





Virtual hotels

Hotel chain CitizenM is building a hotel in The Sandbox, a metaverse where users can create and monetize their own worlds and gaming experiences on LANDs, which are NFTs (Non Fungible Tokens) representing the virtual real estate.¹⁵ CitizenM will fund the hotel by selling an exclusive collection of NFTs, which will feature real world rewards, such as discounts and free drinks. It will use any profits to fund a real-life physical property, where token holders will vote on the location. While this is clearly primarily a promotional move by CitizenM, it does show engagement with metaverse technology by the hotel chain and its guests.

Singapore-based Millennium Hotels & Resorts launched M Social Decentraland in May 2022, becoming the first hotel chain to **operate a hotel in the metaverse**. The virtual hotel is located in Decentraland, a metaverse platform where Coca Cola, Nike and Samsung have already set up virtual stores.¹⁶ The company is looking to engage with customers through new immersive experiences. Using avatars, visitors can explore the hotel and can accumulate rewards in the real world.

¹⁵Hotels Mag, Apr. 6, 2022

¹⁶Phocuswire, Apr. 28, 2022



Promoting sustainable accommodation

Hong Kong-based Regal Hotels Group is developing MetaGreen, an ESG (environmental, social and governance) themed plot of land in The Sandbox. Aiming for completion in October 2022, MetaGreen aims to **promote eco-friendly choices** and support a sustainable community, which inspires decarbonization and sustainable behavioral changes among consumers and businesses.¹⁷

What Regal Hotels is planning seems to have more to do with promoting its green credentials rather than presenting a new business model. Developing an ecosystem that promotes sustainability but relies on blockchain and NFTs comes with an environmental price – both financial and public relations. MetaGreen believes it has addressed this contradiction by purchasing more than double the verified carbon credits necessary to offset the emissions from MetaGreen’s use of the Ethereum blockchain.

Rewarding customer loyalty

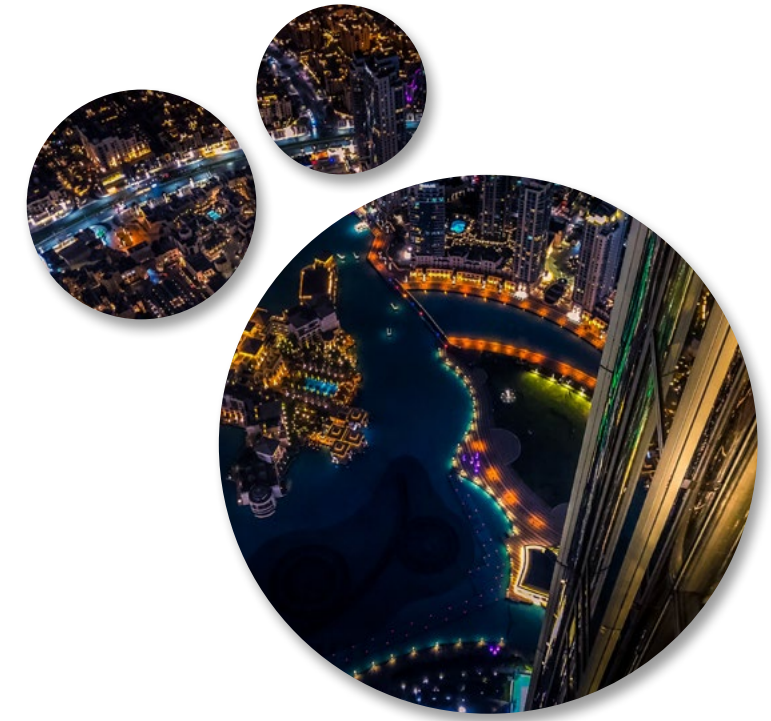
Frequent flyer programs are vitally important to airlines, as they can be used to offer benefits to strengthen customer loyalty and derive additional income from program partners. **Points accumulation and redemption can now be done in the virtual world.** Airlines and program partners win even when people aren’t traveling as much, i.e. during a pandemic. And even when they’re traveling as normal, the metaverse will offer new ways for members to experience many of the benefits in a digital environment.

For members of its airBaltic Club loyalty program, Latvian carrier airBaltic offers **loyalty points, vouchers and other “surprising privileges”** to travelers who invest in its *Planies* NFTs.¹⁸ *Planies* are a limited edition of 10,000 one-of-a-kind collectible cartoon aircraft NFTs stored on the Ethereum blockchain. However, to join the *allowlist* to purchase *Planies*, you’ll need a crypto wallet (Metamask, Coinbase or others via WalletConnect) containing at least 0.05 of the Ether cryptocurrency, as well as both Twitter and Discord social platform accounts.

Emirates is believed to be planning something similar to airBaltic to boost its frequent flyer program.¹⁹ Some airlines are exploring offering special edition NFTs, trading traveler loyalty for the first flight on a new aircraft type, the first departure to a new destination, or access to specially themed flights.

Promoting destinations

To promote tourism in Latvia, local carrier airBaltic has launched the City collection – limited edition collectible NFTs – a digital art piece showcasing one of its Airbus A220-300 aircraft and a Latvian city to promote tourism. The NFTs can be purchased for 0.05 Ether on the OpenSeas marketplace and can be viewed in the metaverse [here](#).



¹⁷[PR Newswire](#), Apr. 25, 2022

¹⁸[airBaltic](#), May 5, 2022

¹⁹[Finshots](#), Apr. 25, 2022



A new way to book sustainable travel

Spanish low-cost carrier Vueling aims to be the world's first airline to offer customers the chance to visualize and book trips in the metaverse.²⁰ By working with the sustainability-focused Next Earth platform and blockchain mobility marketplace Iomob, it aims to be selling emission-calculated airline tickets in the virtual world by the end of 2022. A sales channel in the metaverse, where air travelers can visualize real-world journeys and their carbon footprint, and then select and book the least environmentally impactful trip, cleverly combines new technology and sustainable travel. Naturally, flights booked on the Next Earth metaverse platform will be flown in the real world.

Taking the remote out of remote working

KLM has launched a trial of a 3D virtual space, called Glue, where remote participants using VR can collaborate using features like whiteboards, share videos, we pages and presentations, much as they would in the physical world.²¹ Glue is a collaboration platform for remote workers and is not necessarily a replacement for travel. But the alternative it offers is consistent with the trend of traveling with purpose, which we explored in our recent report, [Business Travel Trends for 2022](#).

²⁰Simple Flying, May 10, 2022

²¹ETE, Jan. 2022

Summary

The metaverse is still in its infancy, but it's worth following to see how it develops, particularly since it is regarded to be the next big thing in technology and will ultimately touch on many aspects of travel. As companies rush to establish a presence in the metaverse, it will be tempting to dismiss some of the early deliverables for the gimmicks that they are. Travel managers need to look beyond these developments and think about the possibilities that will make their jobs easier and more effective, while leading to enhanced traveler satisfaction.

It may take some time before the first fully-developed and genuinely virtual offerings begin to emerge that add real value to the travel experience (or offer alternatives to the way travel is delivered today). Patience is needed, but at some point in the future, the metaverse will take on a life of its own, and we may soon wonder how we coped without it.

Share your thoughts

Do you have questions or comments regarding this report?
Please email [Mike Eggleton](#) to share your thoughts.



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