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# Sports Betting, Competitive Entertainment, and "The Metaverse"

What happens when the world of sports betting, entertainment and virtual reality become one completely immersive experience?

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## Intro to the Metaverse

The Metaverse is a hypothesized digital shared space in which everyone on Earth can seamlessly interact and engage in a fully immersive, simulated experience. Often conceived as a successor to Virtual Reality (VR), the term "Metaverse" was initially coined in Neal Stephenson's 1992 science fiction novel, *Snow Crash*, in which humans interact with each other (as well as software agents) via avatars rendered in three-dimensional virtual space. Other works, such as *Ready Player One* and *The Matrix*, have attracted further awareness of the general concept of a simulated environment built on top of the physical world.

## Metaverse Characteristics

There are a number of essential characteristics that a true Metaverse is expected to possess:

## The Hitchhiker's Guide To... THE METAVERSE

The Metaverse is a hypothesized virtual shared space that represents the ultimate convergence of digital and physical reality. While debate persists on many of the particulars, a number of consensus projections have percolated into the discourse.

### Expected Characteristics:

Source: <https://www.matthewball.vc/allthemetaverse>

#### Persistent

The Metaverse will always be running and never reset

#### Synchronous

Everyone will experience the Metaverse simultaneously in real time

#### Interoperable

The Metaverse will allow information to move seamlessly across platforms

#### Commercialized

The Metaverse will feature a fully functioning economy

#### Unlimited

There will be no limit on concurrent users in the Metaverse

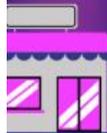
#### Customizable

Metaverse participants will design their own content and experiences

## What will we do in the Metaverse?

### SOCIALIZE

Customizable avatars and dynamic group experiences will facilitate a new age of social interaction in the Metaverse.



### SHOP

Virtual shopping malls will allow Metaverse participants to interact with and purchase both digital and real-world clothing, sporting goods, and more.

### WORK

Particularly in the context of a post-pandemic world, the Metaverse will present a revolutionary opportunity to leverage distributed teams and remote work.



### GAME

The Metaverse will offer fully immersive gaming experiences that, when combined with next-gen hardware, far exceed current Virtual Reality product offerings

### WATCH

In the Metaverse, content consumption will give way to robust, immersive experiences and entirely new dimensions of engagement.



## HARDWARE

Hardware that exists in development and circulation today offers a glimpse into the future. Current research into technologies such as Brain-Machine Interfaces (BMIs) will catalyze the next generation of connected products.



VR Goggles

Haptic Body Suit

Omnidirectional Treadmill

- **Persistent** - The Metaverse will always be running and never reset. This will require infrastructure that far exceeds current industry standards.
- **Synchronous** - Everyone will experience the Metaverse simultaneously in real time. Of course, scheduled events will occur, but they will unfold spontaneously and according to environmental factors that include the observer, just as they do in the physical world.
- **Interoperable** - The Metaverse will allow information, digital assets, and content to move seamlessly across platforms. A user who purchases a new outfit for their Grand Theft Auto character will not only be able to similarly decorate themselves when playing Call of Duty, but also order one tailored to their body measurements to be delivered in real life. That same user could design a car they are thinking of purchasing on the BMW website and take it for a test drive in Los Santos. They could easily share videos of their avatars driving with friends or even challenge them to races with money on the line. Two friends could define a race course and set an amount of digital currency to be transferred between wallets based on who crosses the finish line first.
- **Commercialized** - The Metaverse will feature a fully functioning economy. This will require mechanisms to facilitate the exchange of traditional fiat currency for digital, perhaps cryptocurrency, and also to convey and track payments made in virtual space. Users will be able to purchase digital goods that enhance their experience in the Metaverse, as well as physical goods to be delivered to them at their homes.
- **Unlimited** - There will be no limit on concurrent users in the Metaverse. At the very least, it will need to support the number of humans on our planet (7.8 billion, as of the time of writing). However, the upper bound for the population of the Metaverse is significantly larger. Specifically, and especially in the context of the current ubiquity of chatbots, avatars powered by Artificial Intelligence and Machine Learning are expected to potentially outnumber those controlled by human minds. Some researchers suppose that the Metaverse may function as a catalyst toward the achievement of super-intelligent AI systems.
- **Customizable** - Metaverse participants will design their own content and experiences. A user will be able to express their personality and individuality through photorealistic avatars and other modular aspects of the environment. Recommendation engines will help curate each user journey and optimize overall satisfaction.

## Activities in the Metaverse

There is no limit to the types of activities that will take place in the Metaverse, nor are the lines between them exceedingly clear. That said, there are core capabilities that users can look forward to.

- **Socializing** - Customizable avatars and dynamic group experiences will facilitate a new age of social interaction in the Metaverse. Particularly in the wake of COVID-19, events such as weddings, happy hours, and religious services are increasingly taking place digitally, with users participating regardless of their geographic location. Video games and gamified experiences have taken on an unprecedentedly social component, a trend that is expected to continue into the new era of engagement apparatuses.
- **Shopping** - Virtual shopping malls will allow Metaverse participants to interact with and purchase both digital and real-world clothing, sporting goods, and more. Virtual try-on software and augmented reality (AR) tools that otherwise assist shoppers provide an intuitive on-ramp to this use case. As the Metaverse is expected to seamlessly span the physical and digital worlds, the growth of digital and tokenized assets will dovetail with its value proposition.
- **Working** - Especially in the context of a post-pandemic world, the Metaverse will present a revolutionary opportunity to leverage remote work. Virtual conferences have already gained traction, as have a host of tools specifically designed to facilitate collaboration by distributed teams.
- **Gaming** - The Metaverse will offer fully immersive gaming experiences that, when combined with next-gen hardware, far exceed current Virtual Reality product offerings. Because video gamers own some of the strongest computational processors available, the space seems especially likely to play a role in bringing the Metaverse to fruition.
- **Watching** - In the Metaverse, content consumption will give way to robust, immersive experiences and entirely new dimensions of engagement. IMAX theaters, 4D movies, and simulator rides all represent tangible data points within this trend.

## Connecting to the Metaverse

The hardware through which users connect to the Metaverse may be utterly unrecognizable when compared to commercially available consumer products today. Still, existing technologies offer insight into the trajectory of innovation. Virtual Reality headsets are readily available in

electronics stores and often come bundled with new game consoles. Haptic bodysuits are wearable devices that provide physical, tactile responsiveness that corresponds to visual stimuli and other forms of content. Omni-directional treadmills allow for real-world physical movement in any direction that then gets translated into a virtual environment. Devices like the Brain-Machine Interfaces (BMIs) being developed by Elon Musk and Neuralink may one day enable microchips embedded inside of human brains to allow users to connect to the Metaverse simply by thinking about it.

## **Building the Metaverse**

Building the Metaverse will require an extraordinary amount of resources and ingenuity but also offer such vast economic incentives that many of the most sophisticated companies and investors in the world will attempt to stake a claim. Epic Games, creator of Fortnite and the Unreal Engine, has made no secret of its long-term plan to build toward a Metaverse. While Fortnite is a battle royale-style first-person shooter, it has morphed into more a platform than a game. For example, concerts held and attended virtually via Fortnite have drawn audiences exceeding 10 million people, and now may become regular stops for bands on tour. Online casinos are turning to VR to offer patrons a more robust experience while playing slots or blackjack from home. Connected health companies like Peloton are also seizing on themes relevant to the development of the Metaverse, such as immersive entertainment and gamified social competition. Social networks are also strong candidates to be Metaverse contributors given their established user bases and scalable infrastructure. As are eCommerce giants where users frequently store payment information and display purchasing behaviors across categories.

## **“Competitive Entertainment” and the Metaverse**

Companies that fit within the umbrella of “Competitive Entertainment” will be especially contributive to the fruition of the Metaverse. These are businesses whose offerings produce substantial non-economic benefits derived from the nearly-universal human appetite for competition and camaraderie. Example industries include Sports Betting, Fantasy Sports, Esports, iGaming, Video Gaming, Connected Health, Horse Racing, Social Casino, and more. Within these ecosystems, users:

- Are extraordinarily engaged (e.g. Sports bettors watch significantly more minutes per game than non-bettors)
- Partake in high-lift activities (e.g. Sign-up involves numerous pain points including identity verification, geolocation, payment processing)



- Typically possess or develop trust and loyalty (e.g. Users provide businesses with sensitive information and rely on safe financial transactions)
- Make decisions often driven by peer groups (e.g. Xbox users can not play Madden against Playstation users)
- Adopt digital exchanges of value (e.g. Microtransactions purchased using in-game currency)

In addition, users of Competitive Entertainment products and services are disproportionately likely to be young and tech savvy. They also own some of the most powerful, commercially-available computer processors by way of gaming consoles and PCs. On this point, experts often reference the supercomputer built by the Air Force using a cluster of 1,760 Playstation 3's.

## **Innovation & Fan Experience**

As technology continues to transform every aspect of the entertainment and leisure landscape, more engaging, immersive, and interactive mechanisms for enjoying Competitive Entertainment are flourishing. Brands are leveraging digital platforms to expand their reach across categories and fuel the coalescence of fan engagement modalities. [DraftKings](#), for example, cross-pollinates audiences between DFS, sports betting, and online casino. Jason Robins has indicated plans to not only power markets for betting on everything, but to become “*the premier brand in digital sports entertainment.*” The explosive growth of the sports betting industry in the United States, alongside rapid worldwide expansion within esports, connected health, and social gaming, has spawned a surge of intellectual and investment capital flowing to innovative startups.

## **Conclusion**

The culmination of market forces and efforts by companies at all stages is an ecosystem accelerating toward the future of entertainment. Those who can provide a path of least resistance toward something resembling the Metaverse will obtain massive economic and competitive benefits. A closer look at many cutting edge companies in the Competitive Entertainment space today reveals that potential contenders are already jockeying for position.

*Inspiration for several characteristics of the Metaverse was taken from Matthew Ball's article: [The Metaverse: What It Is, Where to Find it, Who Will Build It, and Fornite.](#)*



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