AMBER MEIJERS

BENCHMARKING THE METAVERSE:
GOOD, BAD & BEST PRACTICES

Greenhouse Labs

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INTRODUCTION

While it is unlikely that we will design an entire 'metaversal world', it does not hurt to see if there are existing solutions out in the world that employ commerce in the metaverse. Whether it is selling a service, auctioning off virtual property or employing digital to physical, we can find the highs and the lows of competitors to see where our unique selling points lie, and how we can improve where they failed.

DEFINITIONS

Metaverse

A version of the internet that consists of virtual spaces where people can interact with one another, wherein all spaces are connected with one another, allowing seamless transition from one into the other using the same profile.

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Web3.0

The next iteration of the internet that comes after the internet we know today. Many people believe that this iteration will be decentralized.

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Blockchain Technology

A blockchain is a type of database wherein transactions of all types are stored. Once both parties approve of a transaction, it is turned into blocks of information which is verified by an independent third party - a process called mining.

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Decentralization

The act of moving the activities of an organization away from a central authority or group of authorities. In the context of web3.0, you will often see this word relate to Cryptocurrency and how it moves the power away from banks.

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Smart Contract

A coded agreement that is automatically put into motion when a certain condition is met. You can think of Marktplaats' 'Gelijk Oversteken' feature, but without the involvement of a third party. It is another example of decentralization.

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Meta Horizons

Facebook or 'Meta's' new 3D virtual platform. Users can meet each other here and play or hang out together. it is similar to platforms such as Microsoft Mesh and games such as Roblox.

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EXISTING VIRTUAL ENVIROMENTS

GOOD, BAD & BEST PRACTICES

SECOND LIFE

Nearly two decades ago, in 2003, the internet saw the launch of Second Life. Here players could make their own custom avatar - a virtual representation of themselves - called a 'resident'.

This massive multiplayer virtual world had no set objectives or goals; players were instead encouraged to explore the world, meet with other avatars, build, socialize and trade virtual property with one another. (Kalning, 2007)

In many ways, Second Life (SL) is exactly what the metaverse intends to become; a massive virtual online experience that incorporates different worlds that people can travel in between with the same avatar. In 2022, SL has a daily average of 200,000 users from 200 countries, and creators on the platform cashed out 80 million dollars in the 2021 fiscal year. (Galov, 2022)

So what is it that Second Life does well? And what are the downsides - why did Second Life not become the frontrunner of the metaverse craze?

THE GOOD

- Many aspects of Second Life are completely free to use and play. Users can attain a number of items without ever having to make an investment of money.

- Second Life is built on the idea that players make the experience. It is a blank canvas that can be filled in however the residents see fit - this mindset allows for a lot of creativity and autonomy.

- Users retain the rights to their creation and can thus distribute and resell their creations on the online marketplace.

THE BAD

- Second Life required users to download a desk-top application - not only was this application rather large, it was also not possible for users on lower end machines to properly enjoy the experi-ence due to performance issues. These high thresholds made it so that of 1.5 million people who signed in at least once, only 16% returned after 30 days. (The Browser: Truth and rumors from the tech world, z.d.)

- Many of the features available in Second Life were not explained and understood properly, leading to confusion among users.

- Second Life had no mobile options - back in the 00's, mobile phones were on the rise, and their popularity has only increased over the years. On top of not offering a mobile option to SL, Linden Labs actively discouraged third parties from trying to create applications to access SL from a mobile device. (G. Wisniewski, 2011)

- The software architecture is not scalable and decisions made very early in the development of the product have made it so that some bugs are near impossible to reverse. Users would often find themselves missing items, losing connection or the victim of virtual attacks.

GOOD, BAD & BEST PRACTICES

THE UGLY

- Users can rent land from Linden Lab (At roughly 195$ a month) - this land is essentially 'server space' and you will lose access to it if you fail to uphold monthly payments. If you fail to meet the payments, your items will be removed and the land and all of its landscaping will be cleared. In the metaverse, the intention is that the land or items that you buy are yours to keep forever - nobody will take it away from you even if you can't log in for several months.

- Second Life often found itself in the spotlight for all of the wrong reasons - poor PR caused many to associate the virtual experience with adult content and shady financial practices. These poor PR practices would continue to cause Linden Labs to stumble around in the dark as they often found themselves leaning into short-term hype and trends, rather than maintaining a strict vision for the future of their product.

DECENTRALAND

Decentraland is a 3D virtual world that can be accessed via browsers. Users can buy virtual property or 'plots' as NFTs via Decentraland's own crypto, MANA. When decentraland first launched back in 2017, plots of land could be bought for as little as 20 dollars (Marquez, 2021), a price that skyrocketed to upwards of 6,000 dollars. Decentraland's features are much the same as those of Second Life - users can interact with one another using their custom avatars, build houses, participate in concerts and shows, and simply hang out and relax.

THE GOOD

- Items and land ownership are transcribed onto the blockchain, ensuring that ownership is forever.

- No one is 'in charge' of decentraland, nor can anyone pull the plug on the project. This means that things that people buy are there to stay forever. Whether or not this project will be included into the metaverse - and people can thus take their items everywhere - is to be seen.

THE BAD

- The platform is plagued by technical issues, which are likely rooted in bugs and latency issues to do with its hosting. The service is currently hosted on a handful of servers, half of which are under the control of the 'Decentraland Foundation' (a nonprofit), while the other half are hosted by people who receive a small bonus for doing so ⬚ This means it is not exactly decentralized.

- One of the core founding members of Decentraland stepped away from the company to found their own competing metaverse named 'Big Time'. Even with its decentralized nature, the project requires a solid team to provide structure to the project.

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- Under its DOA, the user base has voted on some matters that would be considered despicable by many, such as the addition of the username 'Hitler'. While decisions like these might be considered with sincerity in the future, the platform seems to be occupied by many trolls right now.

THE SANDBOX

The sandbox is a voxel-style gaming platform fuelled by user-generated content, which is based on the Ethereum blockchain. It was originally a desktop and mobile game released in 2015, and acquired in 2018 by Animoca Brands who created a blockchain-based game based on the same name.

- Users can actually create their own 'worlds' or minigames that others can visit at this point in time.

- Users can create and 'mint' their own content and sell it to other users.

- The game can be played for free, but the land is rather expensive.

- The Alpha Pass is something akin to a battle pass that allows users to make some money (play to earn?) and also gain access to more experiences.

MICROSOFT MESH

- Employs mixed reality to create interconnected worlds that allow for holographic experiences.

META'S HORIZON WORLDS

- Will be a VR experience that allows people to build, explore and create together. Not currently available in most of the world, making it hard to make a judgement of the enviroment.

NOWHERE

- An online event space that allows people to meet strangers. Extensive research revealed that there is very little to this virtual environment, making it rather uninteresting for our research.

- https://now.urnowhere.com/station/aXPCIFQph-sufaWLKnJM9

METAVERSE STANDARDS

- The metaverse will require a set of standards to ensure that all of the different worlds work together. The Metaverse Standards group aims to work together to ensure that these standards are forged and upheld.

- https://metaverse-standards.org/news/

CONCLUSION

Many companies are currently making their move on the metaverse, and while there are similarities to be found, one can also find unique differences between them. From the two-decade old Second Life to in-progress Meta Horizon Worlds, examples of good, bad and best practices for building and maintaining a metaverse space can be seen throughout.

Evident by the lack of success in getting their user base to go beyond account creation and into playing, creating a large scale application that requires high system specifications was not the right angle for Second Life.On top of this, its lack of accessibility outside of these requirements (such as the absence of mobile options) ensured that little people
actually made it into the experience itself.

In more recent virtual worlds, one can often access the experience through their browser.

many employ NFTs to sell items and property which users get to keep forever. The usage of exceedingly high monetary investments in platforms such as De-centraland and the Sandbox is what keeps many who are interested in gaming from involving themselves into these platforms as well.

So this question remains to me: is it possible to create an experience that ticks all of the boxes?

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