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Holidaying in the Metaverse

In the future, it may be more expensive, time-consuming, and risky to travel halfway around the world for a holiday getaway. What if we could experience a convincing virtual version of the real thing? The Metaverse – a parallel digital realm blending real and fantasy worlds – has been tipped as the next disruptive technology, on track to completely alter reality as we know it, and tourism and hospitality businesses should be preparing for the switch. The SHTM's Michael Lin and Daniel Leung and their co-author's new paper describe the Metaverse's potential to transform the hospitality customer experience and management.

Defining the Metaverse

The Metaverse is seen by some as our virtual future, the alternate reality where humans can work, communicate, and play. Today's virtual and augmented reality innovations will, in time, be considered as merely the tools by which to access and experience the Metaverse. There, users will be able to interact with avatars, virtual environments, objects, and other users in a way that transcends "simple" virtual reality experiences. Users will be free to discover countless new environments and astounding near-realistic sensorial experiences that could one day become indistinguishable from the real thing. "Metaverse will have considerable impacts on hospitality and tourism", state the authors, "bringing major opportunities and challenges for all stakeholders in

the ecosystem".

The feasibility of inhabiting such a space has become ever more obvious since the COVID-19 pandemic. The imposed lockdowns meant more video conferencing, tele-working, tele-studying, and online communication with loved ones. These activities have since become entrenched in our everyday lives as part of the "social norm". The move towards increasingly immersive experiences comes with huge benefits, including savings on resources, time, and travel cost. "Increasingly, people expect to be interoperable in both physical and virtual environments", say the authors.

The Metaverse is the next stage in our digital evolution. In the Metaverse's 3D space, users will co-create virtual experiences that overlap with the physical world, and organisations will be able to engage with customers and stakeholders both virtually and physically. This will enable them "to provide a range of immersive experiences using multisensory content as well as to scale their operations in terms of location, space, time zone, and expert capabilities", explain the researchers. In their remarkable publication, the authors explore these untapped possibilities in full.

Virtual and Physical Worlds Colliding

The Metaverse may be in its infancy, but it already has clear potential in hospitality and tourism. It will enable customised and co-created experiences that will

offer the same – if not a greater – selection of restaurant, events, and recreation options. In place of exhausting international travel to attend meetings, conferences, cultural events, and destinations, and tours, users will be able to slip on a virtual reality headset. Using virtual experiences before, during, and after trips, the Metaverse will transform the hospitality ecosystem and completely reinvent business processes and management. "Hospitality and tourism stakeholders need to gain a better understanding of how Metaverse can help co-create transformational experiences", explain the researchers.

The most attractive selling point of the Metaverse is the "seamless connections between physical and virtual worlds in the experience enhancement", say the authors. This is key, because hospitality provides both tangible and non-tangible elements. For example, guests must of course sleep in a real bed and eat real food, but atmosphere, ambience, feelings, service, connections, kindness, and emotional engagement can be provided virtually. This capacity to offer engaging experiences could prove particularly relevant in the context of social upheavals or restrictive personal circumstances.

Another huge advantage of integrating real travel experiences with virtual ones is space. In real life, investors need to buy land and build physical hotels, ideally with a good geographic positioning. "With the support of the Metaverse, people can stay at home or in other places but experience some of the intangible elements of hospitality

virtually”, say the authors. This means that hospitality investors, designers, builders, and managers can instead invest more effort in developing their digital presence to offer far cheaper simulations of the “real thing” in an unlimited geographical virtual space that is completely customisable.

Stepping into the Future

This ground-breaking paper outlines a roadmap to Metaverse use that leads us from reality to complete illusion via an increasing reliance on technology. This path includes conventional real-world experience, technology-assisted experience, technology-enhanced experience, technology-empowered experience, and, most crucially, technology-illusory experience that “empowers users to step from the physical world to virtuality and vice versa”, explain the authors. For instance, couples could choose a “global wedding” theme that allows them to experience their special day in multiple locations from the convenience of their headsets.

According to the researchers, integrating the real and digital worlds will require multiple layers of innovation. Virtual world hospitality managers will need to design digital hotel facilities, aesthetics, and atmosphere. Designers and builders will be tasked with mapping out the virtual territory and conceptualising design concepts. Managers will need to find new ways to operate the hotel property, combine tangible and intangible experiences, and develop brand new marketing strategies. “Designing intuitive user experiences should also ensure functionality, findability, trust, value, accessibility and ultimately delight”, underline the authors.

A Taste of the Metaverse

In their vivid account of things to come, the researchers describe some of the transformative virtual experiences already out there. These have successfully blended

the physical and virtual worlds to create unique experiences. For instance, prospective travellers to Nova Scotia in Canada can already experience 360° online virtual reality videos before their visit. “These enable prospective travellers to immerse themselves in Nova Scotia attractions”, conclude the researchers, “such as a ride on the tides of the Bay of Fundy for exploring Nova Scotia’s wine country”.

For nearly 10 years, Marriott Hotels have also been experimenting with “teleportation”, whereby destinations and hotel facilities can be experienced via virtual reality headsets. In 2014, the hotel chain set up a “Get Teleported” booth outside New York’s City Hall to offer newlyweds a virtual experience of hospitality properties in Maui (Hawaii) and London. Moreover, Inamo restaurants in London use interactive table projections that allow customers to select dishes, order through a virtual menu, and watch chefs cooking in real-time. “They also allow users to set different moods and table cloths, discover the local neighbourhood, play games, and interact with others”, say the researchers.

Best Practices

In preparation for this incredible future, the authors put forward some best-practice suggestions. First, firms will need to have an active Metaverse presence. “Hospitality businesses can promote their business to consumers in a more immersive way, while facilitating co-creation to enhance experience formation”, state the authors. This means that consumers will be able to try out products and services before actually visiting, co-create with co-travellers, and share experiences with other users, similarly to “Destinations Experts” on TripAdvisor forums.

We may only be at the dawn of the Metaverse, but hotels, restaurants, and event planners will soon need to re-evaluate their relationship and engagement with consumers. To create this hybrid world, hospitality businesses must also collaborate with technology companies, and

could learn much from the gaming industry in this regard. “Different types of hospitality businesses”, add the authors, “should tailor specific business strategies to their strategic needs and requirements and plan accordingly”. A Metaverse future will also need to be fully supported by the government, which means that ethical and legal issues must be thoroughly probed and discussed.

Next-Generation Tourism

This impressive work offers a first-ever glimpse into how the Metaverse will transform the human experience. While the Metaverse will not replace in-person travel, it has golden potential to fuse physical and virtual environments. Successful introduction of the Metaverse into hospitality and tourism experiences will require businesses to consider a range of brand new organisational, regulatory, and creative possibilities. “Metaverse is an innovative concept,” conclude the authors, “and the characteristics may therefore need a long time to adjust to the needs of different stakeholders”.

POINTS TO NOTE

- The Metaverse will revolutionise hospitality and tourism as much as the Internet has done.
- Early adopters are already providing virtual experiences and these will become more immersive.
- The Metaverse will increase our reliance on immersive technology and reduce the need for physical space.
- Hospitality and tourism firms must prepare for a future of co-creating value via the Metaverse.

Buhalis, Dimitrios, Lin, Michael S., and Leung, Daniel (2023). Metaverse as a Driver for Customer Experience and Value Co-creation: Implications for Hospitality and Tourism Management and Marketing. *International Journal of Contemporary Hospitality Management*, Vol. 35, Issue 2, 701-716.