

Fintechs will play a key role in the metaverse

Article

What we've been thinking: Facebook's [rebranding](#) as a metaverse innovator opens up opportunities for firms looking to embed fintech solutions into this next iteration of the digital realm.

What does the metaverse have to do with fintech? The ability to manage finances and transactions in this new environment will be key to making it as immersive and comparable to real life as Facebook hopes.

- Over the past decade, a key driver of fintech innovation has been easing access to financial services online, as **Google** has done with information and as **Amazon** has with consumer goods.
- The pandemic encouraged people to interact digitally more than ever before, and fintech adoption boomed: **88% of US consumers now use fintech solutions**. The internet is impacting the way consumers use finance in surprising ways, as seen with **meme stocks**.
- Following this trend, adoption of the metaverse—which is “**a new phase of interconnected virtual experiences using technologies like virtual and augmented reality,**” per Facebook Vice President of Global Affairs Nick Clegg—will come with consumer expectation for access to financial services.

What would fintech solutions look like in the metaverse? Facebook recently launched its digital wallet app **Novi** in the US and Guatemala. **Coinbase** is supporting the pilot by serving as the custody partner. This suggests Facebook will look to blockchain to power transactions in its metaverse.

We’re already seeing the technology being used in emerging metaverses:

- **Cryptocurrencies in video games.** Long before the term “metaverse” became popular, video games were at its forefront. Games make digital worlds engaging through fun gameplay that keeps users coming back for more. Developers are now increasingly looking at **cryptos** to transact in-game because they can boost sales via a play-to-earn model and function cross-border much more easily than fiat currencies.
- **NFTs.** **Twitter** plans to let creators share their NFTs on its platform by connecting their crypto wallets. NFTs could let creators sell their content without intermediaries and build online communities—a key feature in a metaverse.

How can fintechs take advantage of this? This space is still very nascent and it’s unclear what a metaverse will look like.

- As Facebook is positioning itself as the gatekeeper to its own metaverse, fintech startups could benefit from integrating their solutions into the big tech’s ecosystem.
- Alternatively, larger fintech players may explore creating their own metaverses: **Coinbase’s** upcoming NFT marketplace, for example, will include personal feeds based on each users’ interests to help connect them with like-minded users and creators.

Attitudes Toward the Digital Metaverse Among UK & US Internet Users, Aug 2021

% of respondents

Think brands should advertise in the metaverse



Think brands should build more branded experiences in the metaverse



Would like to spend some time exploring the metaverse



Have no need for the metaverse in (real or virtual) life



Still don't understand what the metaverse is



■ UK ■ US

Note: ages 18+; respondents were given a description of the metaverse, a persistent digital world that users experience via avatar, navigating from one virtual world to another like websites

Source: Forrester Research as cited in company blog, Sep 21, 2021

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