

METAVATION RESEARCH IN BRIEF

How can firms successfully use extended-reality (XR) technologies to innovate, engage customers, and develop their brands?

What is the background for this study?

With 3D digital events exciting e-gamers, brands experimenting with non-fungible tokens (NFTs) and AI-powered chatbots, and the medical industry investigating remote surgery, firms are increasingly exploring extended reality (XR)¹ applications for innovation and growth. XR technologies allow immersive, real-time interactions among users in virtual and real surroundings. The most conservative estimates given by various market research firms (Bloomberg; Fortune Business Insights; Statista)² have valued the global XR market at USD 47 billion in 2022 and project it will grow to USD 678 billion (or as high as 1,500 billion) by 2030.

XR applications, like new markets in general, are characterized by blurred boundaries with no common understanding regarding which technologies, goods, services, rules, and market players define the market (Casprini, Di Minin, and Paraboschi 2019; McDonald and Eisenhardt 2019). Blurred boundaries put markets in a state of flux (Santos and Eisenhardt 2009; Nenonen and Storbacka 2020) in which the potential of business models and the value propositions they incorporate co-evolve with changes in market legitimacy and market structure. How companies navigate such nascent markets and develop and scale-up successful use cases for innovating, engaging with customers, and building their brands is still poorly understood.

What is the goal of the study and how will we reach it?

This ANR-funded, three-year, two-university, multi-project collaboration aims at identifying strategies and tactics firms employ in nascent XR markets to create value for customers and wider stakeholder groups, capture value, and develop innovative business models that help them gain competitive advantage.

In the initial stage of this research, we conduct qualitative interviews; we investigate projects that leading companies have conducted on XR. Later, we conduct experiments and a quantitative longitudinal study in three time periods (t, t+6, t+12) to investigate the performance outcome of different strategies and activities on XR markets. Our theoretical perspective is rooted in the academic literature on market-driving, institutional entrepreneurship, and nascent market work.

Why should you participate?

As a study participant, you would receive an exclusive summary of study results, including a rubric to measure your own nascent market projects against best practices, which will help you:

- Gain insights on best practices of value creation and capture in XR markets
- Have exposure to different industry perspectives
- Stay abreast of academic developments on new technologies' application for innovation, customer engagement, and brand development

To [sign up now](#) or for more information, please contact our principal investigator, Prof. Fiona Schweitzer, at fiona.schweitzer@grenoble-em.com

¹ XR = the X stands for all forms of reality, be it virtual, augmented, or mixed reality (VR, AR, MR)

² See Fortune Business Insights: <https://www.fortunebusinessinsights.com/metaverse-market-106574>; Bloomberg: <https://www.bloomberg.com/press-releases/2022-07-13/metaverse-market-size-worth-824-53-billion-globally-by-2030-at-39-1-cagr-verified-market-research>; and Statista <https://www.statista.com/statistics/1295784/metaverse-market-size/>