TECH BREW

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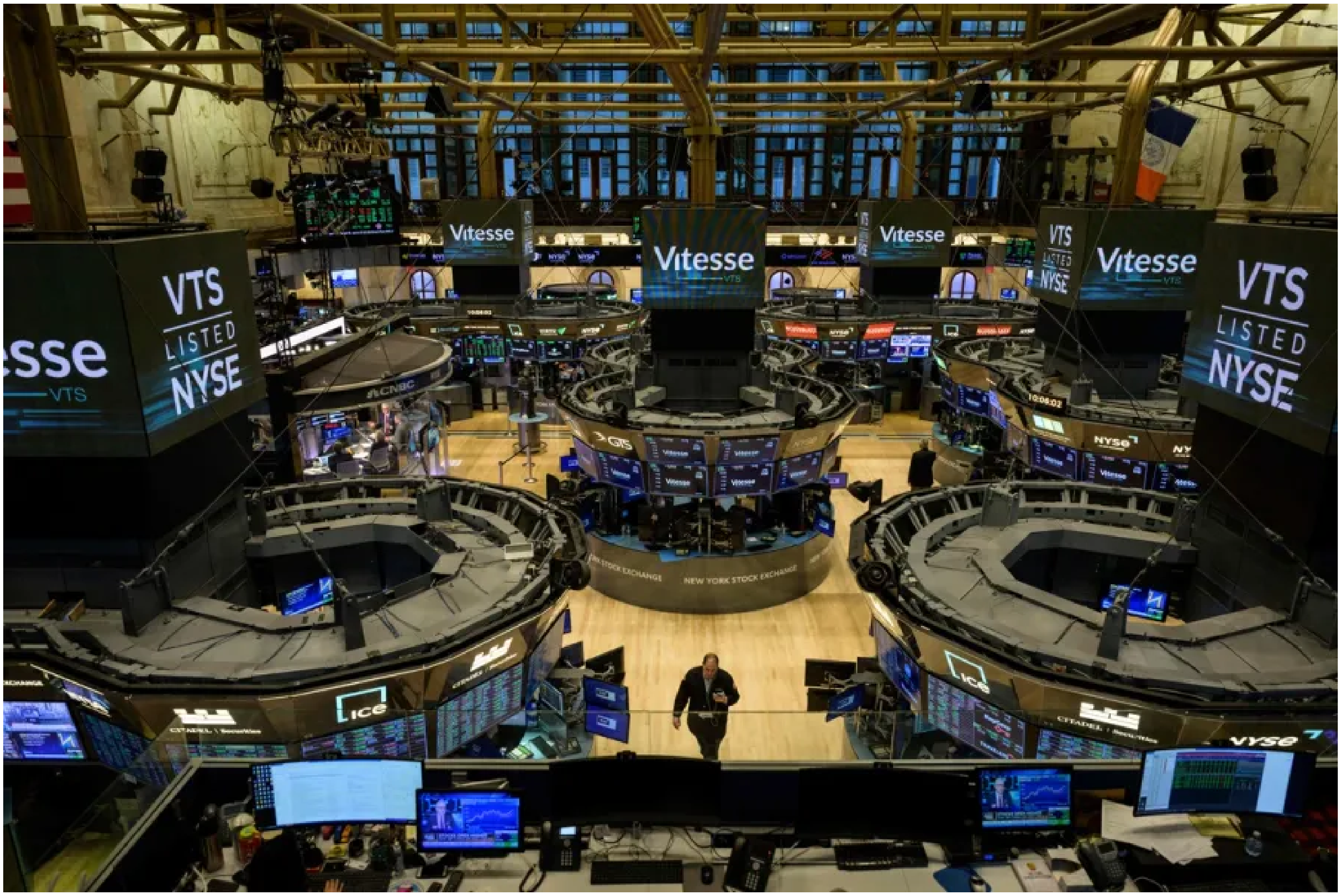
Why the NYSE built a virtual replica of its trading floor for IPO events

The Wall Street institution worked with video game development and tools provider Unity.



Angela Weiss/Getty Images

By **Patrick Kulp**

June 2, 2023 · 4 min read

When electric-motorcycle company LiveWire celebrated its stock-market debut last year, employees across the world were able to take part in the ceremonial bell-ringing through a virtual replica of the iconic New York Stock Exchange trading floor.

LGBTQ dating app Grindr decked out the same digital space with a rainbow flag and flying ribbons when it went public last November.

The NYSE is working with video game development and tools provider Unity to make virtual elements like these a more common component of the splashy events it hosts for companies going public. Sarah Murphy, head of marketing at the NYSE, billed the metaverse-like tool as a way for remote workforces to participate in events that were previously limited in attendance by room capacity.

"What I think happened, actually, is that after the pandemic, this became an expectation," she said. "So it doesn't really matter that people are back in the office now; they still expected to be able to see the experience in this way."

Murphy said it could ultimately mark a big shift in the way companies commemorate their entrance onto the stock market. "In terms of really fundamentally changing the way someone experiences an IPO, I would say there's not been any other technology that's led to that," Murphy told Tech Brew.

When asked if the lull of late in the IPO market has provided the Intercontinental Exchange-owned NYSE with a chance to retool the platform and add new features, Murphy said it had, though she noted that the tech has also seen steady usage in the past several months.

> "We've had pretty regular utility on the platform, despite the lack of IPOs," Murphy said, "because there have been enough spin deals and different types of transactions to continue to use it. So it hasn't quite been the volume of what we were seeing when we were [seeing] IPO after IPO, when we were doing four or five IPOs a day."

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Murphy said the stock exchange works with companies to plan the events within the digital twin of the landmark NYC room in conjunction with the real-life fanfare. Branded decorations will adorn both the towering cubes of the physical floor as well as their digital counterparts.

The developers recently added the ability to "stand" in a 3D environment of the trading floor and look around, and participants can react with emoji during the virtual programming.

Simplicity is key: If that sounds like a fairly straightforward experience, that's by design, according to Ryan Peterson, VP of Accelerate Solutions at Unity Technologies. Peterson said part of the key to ensuring immersive streaming works for the average person is trying to make it as intuitive as possible.

"People try to make very complex experiences and then lose the user. And what the magic is, is that simplicity," Peterson said. "Like ringing the bell—all it is, is pressing the spacebar. But people envision themselves being there…Simple mechanics allow people to transport themselves into being part of a cultural event."

While the metaverse—or a shared set of video-game-like virtual worlds—has largely fallen out of favor since the initial pandemic-driven heyday of hype around the tech, Murphy claimed that hasn't dampened demand for the tool, which the NYSE does not use the term "metaverse" to describe. (Murphy said they refer to it as a "bespoke virtual environment.")

But Murphy said it has been difficult at times to articulate to companies what exactly the platform is. "I think that the only thing that has limited us in terms of getting more adoption on the platform, is the challenge of describing the platform," Murphy said. "It's very hard to explain to someone."

Peterson said the IPO platform is an example of a metaverse-like product with a clear use case, something that he said sets it apart from broader trends in the space.

"The reason the metaverse kind of died off is that people chased the hype cycle—they released things too fast without enough investment, and really created a bad product," Peterson said. "But this is an example of when you have a great product that solves a real user problem, you get traction. And it's only getting used more, not less."

Correction, June 2, 2023: A previous version of this story misidentified the nature of Unity's work. It is a video game development and tools provider.

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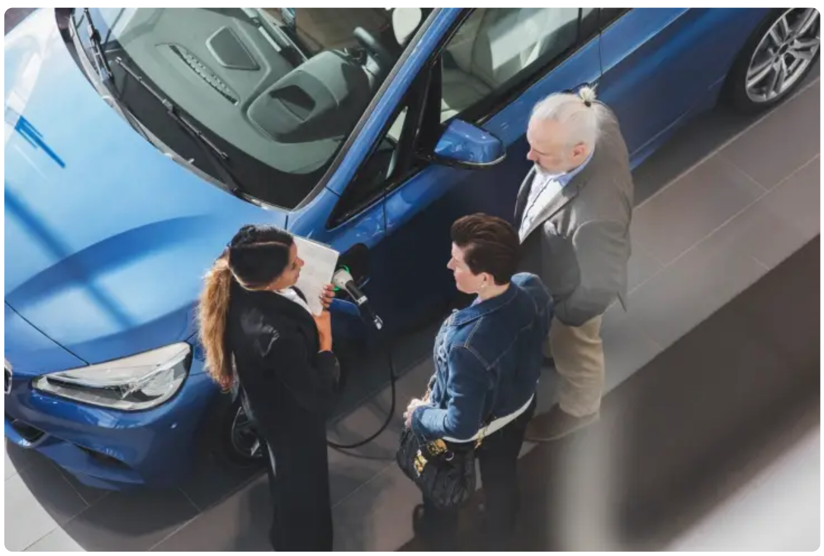

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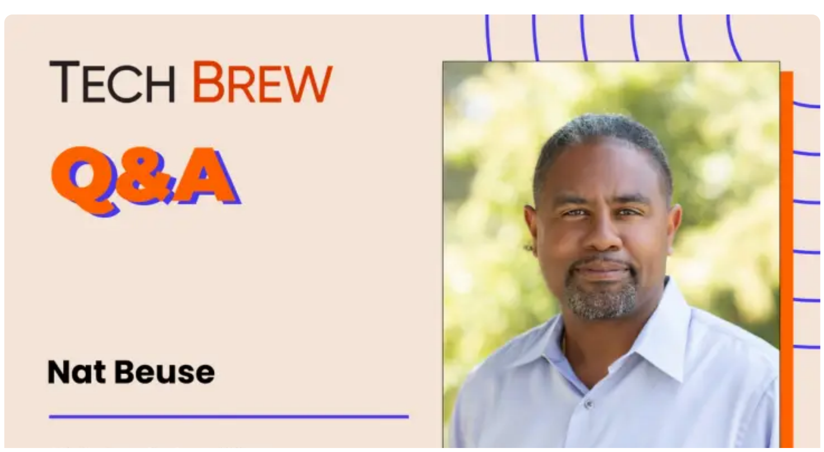

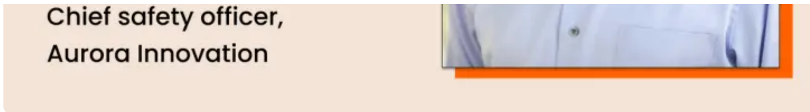

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