

METaverse MARKETING

The metaverse is a term used to describe an immersive virtual universe that extends the physical world.



DIGITAL ASSETS

The emergence of Blockchain technology has birthed digital financial assets such as Cryptocurrency and Tokens that may be Fungible or Non-Fungible (NFT) and are widely used by internet users as a medium of exchange for investment purposes or to render services. These assets are unique, designed to prohibit replication, and are stored in decentralized digital ledgers.

Literature Review

The verification process to authenticate NFTs offers new opportunities and hurdles for modern marketers. The novelty lies in the entire ownership history, accessible to the public. Although unique, most NFTs are often similar; for example, CryptoPunks features 10,000 unique NFTs with many similarities. The rarest features have the highest resale value, offering exclusivity and conformity. Social media giants like Twitter allow users to authenticate their NFTs, increasing interaction on the platform. Studies suggest high innovation levels in individuals contribute to their purchase intention, enhancing status consumption orientation.

Fashion brands such as Gucci, Rolex, and Balenciaga have ventured into the metaverse, selling NFTs on Decentraland and positioning themselves as early adopters. By offering digital goods, these brands boost consumer engagement as products are showcased in virtual spaces. The metaverse allows identity expression with anonymity, reducing discrimination. Despite being crowd-sourced, NFT marketing is budding, opening doors for innovative techniques to flourish.

Research Topic: The Impact of the Metaverse on Digital Assets.

Research Question: How are digital assets marketed to symbolize an individual's status in the metaverse?

Methodology: Qualitative and Quantitative Research: Online Questionnaire to measure status consumption orientation concerning digital assets among Millennials and Gen Z.



GAMING

The metaverse is built on characteristics already existing in video gaming platforms. These include the creation of avatars, building and purchasing virtual real estate and creating virtual social spaces. Some popular metaverse platforms include gaming platforms like Fortnite and Roblox. Fortnite has had 30 million+ active users since 2017. Minecraft is now categorized as a metaverse gaming platform and has had 40 million+ active players since 2016.

Therefore, gamers have been early adopters of the metaverse.

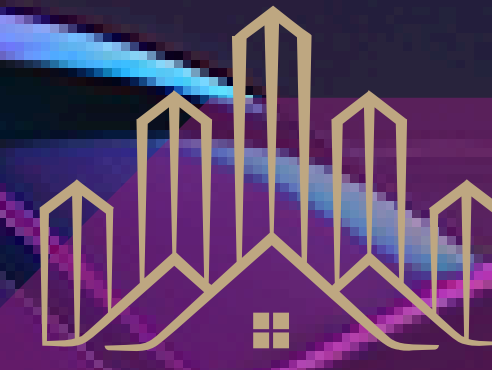
Literature Review

Professional gaming tournaments and events are famous in the gaming community. The competitive gaming market is forecasted to reach a value of 5.48 billion US dollars by 2029, with a CAGR of 21%. Brand sponsorships are the highest revenue source for e-sports. There are currently multiple metaverse gaming platforms like Fortnite and Roblox. Fortnite had 350 million active players as of 2020, and Roblox has 58.8 million daily active players as of 2022. There are metaverse platforms that allow competitive gaming. However, there is little information on professional gaming and large-scale gaming tournaments on the metaverse. Further, there is a gap in understanding the adoption of professional gaming on the metaverse from the perspective of participants and an e-sport audience.

Aim: To understand the inclination of consumers towards e-sports events in the metaverse and its scope for advertisers.

Research Question: Is the gaming community likely to engage in e-sports events hosted in the metaverse?

Methodology: Qualitative: A survey will be conducted on a group of professional gamers who have participated in large-scale e-sport tournaments and e-sports audiences who have attended these tournaments.



REAL ESTATE

Metaverse is a concept of mixed reality that blends the physical and virtual world with cutting-edge technology and knocks down barriers of distance, space and reality, creating infinite possibilities for 3D sensory experiences. The Metaverse market is estimated at approximately US \$12.5tr, whereby 33% of the digital economy shifts to the metaverse and a 25% market expansion is expected in the post-pandemic world.

Literature Review

Virtual advertising is expected to be a big industry in the metaverse. Investors can buy virtual billboards, posters, or other advertising space and rent them to businesses or individuals. Brands may consider opening virtual stores or advertising on virtual islands or in museums. For example, a sports brand can advertise with digital billboards around a virtual football game arena, allowing players to enter and access the brand's virtual stores to try on newly launched products. There is significant opportunity for luxury retail brands, as a study found a positive relationship between personal self-congruence and luxury brand attachment, which influence attitudes and purchase intentions in the metaverse.

Luxury brands like Balenciaga, Gucci, and Burberry have launched campaigns to build brand awareness among Gen Z and Millennials. Currently, the metaverse is an affordable destination for advertising, with relatively low prices, making it a profitable opportunity to target new audiences. The digital twin market is expected to grow from \$3.1 billion in 2021 to \$48.2 billion by 2026. As predicted by Zuckerberg, advertising will be a meaningful part of the metaverse.

Research Topic: The adoption of the Metaverse in Luxury Retail.

Research Question: How likely are luxury retail companies to invest in advertising in Metaverse real estate projects?

Methodology: Quantitative Research and Web-based Content Analysis: To explore conceptual developments on the metaverse supported by an online survey on 50 Gen-Z and Millennials.



RETAIL

The metaverse is believed to be best characterized as an evolution in today's digital world. Although it is in its infancy, retailers are trying to occupy some space in the metaverse to set up their shops. They believe they can capitalize on the opportunity if internet users adopt a test-and-learn mindset and are open to experiments at the right time. These experiences will enable growth in sales and reduce friction among the target customers. It will also help consumers fully immerse themselves in virtual shopping while saving time and energy.

Literature Review

Hennig and Thorsten (2022) believe that the metaverse comprises a computer-mediated environment where users engage in social activities with others via avatars in the virtual world.

Augmented reality shopping tools can leverage synthetic data to improve operational efficiency and make purchasing seamless and more accessible. Retail brands can use newly available immersive technologies, simulation modelling, predictive analytics, and data-driven decisions in live e-commerce shopping across virtual and retail environments.

Nike and Gucci are two examples of successful metaverse marketing in the retail and virtual space. Both companies partnered with games such as Fortnite and Roblox. The idea was for users to try on products on their online avatars. 'Nikeland' has received over 21 million visitors, and digital results account for 26% of the total revenue. Part of this success is due to their metaverse marketing. The growing metaverse impact will only open new avenues for brands: "[It is] a significant extension of the traditional retail business environment that already affects many retail business operations for forward-looking companies" (Bourlakis, Papagiannidis, and Li, 2009).

Research Question: How can the metaverse positively influence retail and virtual store marketing in today's digital world?

Methodology: Quantitative analysis based on pre-existing efforts taken by brands in the metaverse space. Qualitative analysis based on surveys to check customer attitudes about this approach going into the future.



ETHICS

Metaverse marketing has many benefits; however, as with any emerging technology, ethical considerations must be considered. Moral frameworks and guidelines for marketing activities in the metaverse must be established to protect consumers. Ethics in marketing is a comprehensive issue; many of the same principles, such as transparency and truthful dissemination of information, will also apply to the metaverse space.

Literature Review

Being online is a huge part of almost everyone's life today. However, there are undesirable aspects, such as trolls, bots, cyberbullying, and scams. While promising for marketers, the metaverse is not exempt from these challenges. Considerable efforts are needed to reduce these effects; intense market research and promotion can help.

Marketers must develop strong, transparent relationships with consumers, including highlighting the negatives of a brand or service. Privacy issues have arisen in the metaverse as gadgets used to access it can track biometrics and predict emotional behaviour based on usage.

Another role for marketers is to keep users updated on trends and ensure accurate information. The metaverse is in its infancy and will grow, so brands must follow ethical conduct and regulatory policies. With much information stored and used, marketers must ensure data is handled ethically while creating value. It's imperative that technological advances are not misused and users are not misinformed as the metaverse becomes mainstream.

Aim: To understand the ethical challenges of metaverse marketing and how marketers must tread carefully in emerging technologies.

Research Question: How can marketers ensure ethical practices in advertising and branding within the metaverse while balancing the need to create successful, immersive user experiences?

Methodology: Qualitative analysis based on surveys to check customer attitudes towards ethics in the metaverse.