

Metaverse Marketing – Redefining marketing strategies in the Digital Era

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Published Date: 24-September-2022

Abstract: With the incorporation of virtual reality and augmented reality, Metaverse is revolutionising traditional marketing and advertising techniques. In order to successfully and economically generate significant profit, it is helpful to look beyond the traditional methods of attracting new consumers. For a variety of target audiences, Metaverse is committed to developing a seamless brand experience with increased consumer interaction. Marketers and businesspeople have understood that the next generation of consumers will be more interested in the Metaverse. In this new digital world, virtual reality, 3D, and artificial intelligence can create engaging and impactful commercials for the younger generation. Several companies have begun collaborating strategically to launch their products in the Metaverse. This paper throws light on metaverse it's application and the merits associated with it.

Keywords: Metaverse, virtual connectivity, advertising.

1. INTRODUCTION TO THE METAVERSE CULTURE

Asia's Gen Z consumers and their millennial counterparts have embraced digital consumption in a way that is unmatched by their global peers, consuming content, making purchases, interacting with friends, and playing games, thanks to the introduction of affordable mobile devices and quickly advancing connectivity speeds. Today, 3 billion people self-identify as gamers, and more than 55% of them reside in Asia. In the last two years, the global pandemic has caused an increase of over 40 mn in first-time internet users in Southeast Asia, bringing the total number of internet users in the region to 400 mn. This has doubled the impact of the rise and dominance of games, e-sports, interactive technology, and the broader creator economy in Asia.

The Metaverse has gained a lot of attention recently because of the advancement of associated technology. The Metaverse is anticipated to be a more realistic society that minimises ideas of race, gender, and even handicap while allowing for more direct and physical relationships (Gartner, 2022).

The society has indeed and will greatly benefit from this advancement. But there is still a lot of work to be done because the Metaverse is still in its early stages of development. The sector has already distinguished itself for its aggressive planning and passionate investment given the tremendous potential of Metaverse since they are built on both Augmented Reality and Virtual Reality (Investera, 2022).

Metaverse defined

The phrase "Metaverse" is used to express the idea of a future iteration of the internet, made up of persistent, shared, 3D virtual spaces linked into a perceived virtual world. The prefix "meta" (meaning beyond) and the stem "verse" (from "universe") make up the word. Although these worlds are virtual, there is a very real chance that brands might succeed there in terms of commerce. It has never been more crucial to acquire the cultural, business, and creative knowledge necessary to thrive in them as brands forge an authentic virtual identity and improve the lives of consumers.

Engaging Gen Z, who typically does not differentiate between online and offline encounters, is a case in point for this. According to a recent Facebook survey, 77% of worldwide customers now think that the most significant online community to which they belong.

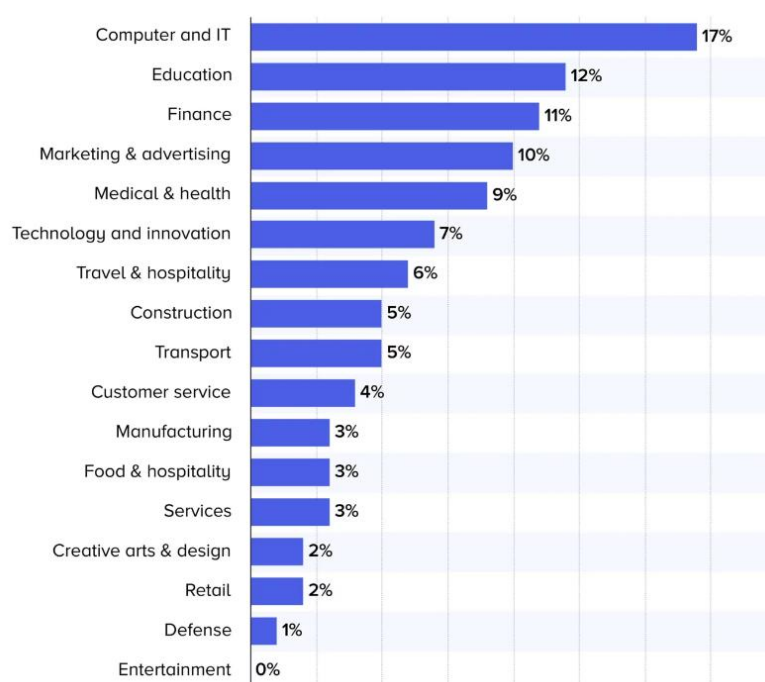
The metaverse confines immersive dimensions with the use of virtual and augmented reality. The metaverse encompasses not just many platforms but also real and virtual realms. According to Mckinsey and Company, the metaverse offers marketers a variety of opportunities to engage consumers through extending brand innovation and capabilities.

The surge in influencer marketing by more than 50% over the previous five years on platforms like WeChat and Pinduoduo in China and YouTube and Instagram in the west is indicative of the trend toward independent content providers. This transition is crucial to the development of the metaverse; many of the original and interesting experiences will likely originate from these creator-users.

Businesses gain from metaverse in a variety of ways. It is acknowledged that each company will use Metaverse apps in accordance with its unique business model and customer requirements. According to a recent survey conducted in March 2022, the Metaverse has received investments from more than 17% of all IT companies worldwide. Meanwhile, between 9 and 12% of other business sectors, including those in education, finance, healthcare, and marketing, are implementing Metaverse.

The term "Metaverse" describes a three-dimensional virtual experience where development is made possible by avatars or holograms. We are able to communicate with others, learn, work, or play in this alternate reality. A communal universe is created by Metaverse using augmented reality (AR) and virtual reality (VR) (Zarantonello& Schmitt, 2022). These contemporary methods allow the Metaverse to adopt the same verbal and nonverbal communication norms as reality, including voice tone, gestures, and mimicry. From a historical perspective, Neal Stephenson's book "The Virtual Samurai" published the phrase "metaverse" for the first time in 1992. The depicted world takes us to a science fiction cosmos that is perhaps more like our foreseeable future.

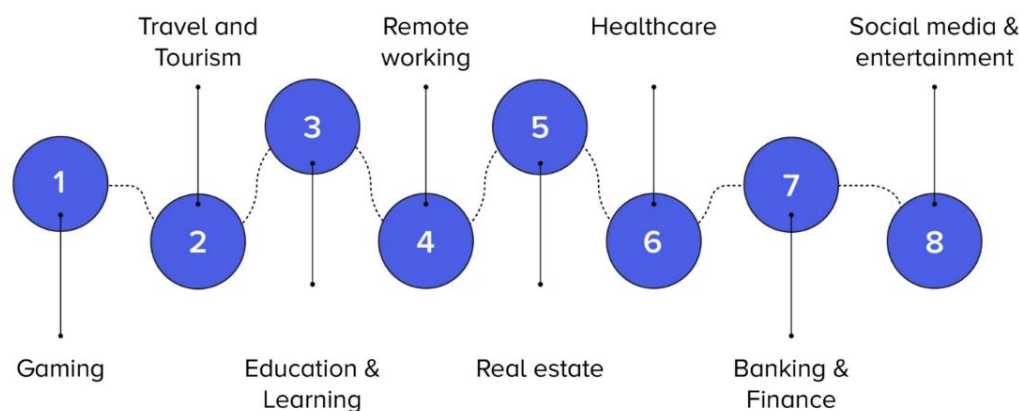
Leading business sectors worldwide that have already invested in the Metaverse as of March 2022



Applications of Metaverse

The idea of the metaverse is vast. Applications of the metaverse are used in all significant fields, such as education, gaming, tourism, healthcare, etc. The Metaverse methodology already forms the basis of more than 40% of the AR and VR trends.

Metaverse Applications in Various Sectors



Gaming

One of the main and fundamental backers of the Metaverse technology is reportedly the gaming industry. Through the use of this technology, people can communicate with one another inside a single, interoperable environment. Axie Infinity, Sorare, and The Sandbox are a few of the successful Metaverse examples that are present in the online gaming industry. Additionally, Axie Infinity now has over 3 million monthly users and over 350,000 average active daily users. In addition, Metaverse games contain unique characteristics that add to the uniqueness of the player experience.

Travel and Tourism

One of the Metaverse's most cutting-edge use cases is virtual tourism. Here, the technology enables virtual travel, which is a plus for individuals who are unable to travel over large distances. The largest innovation in the travel sector, according to experts, is the Metaverse's development of immersive digital experiences using AR and VR. With the 360° virtual tour, you may virtually visit the selected destination with lifelike effects in addition to watching the location as it was captured. A particularly well-known example is Thomas Cook's introduction of the Virtual Reality Holiday "Try before you Fly," which enables potential visitors to virtually travel to their favourite places.

Education and Learning

The Metaverse's potential for education and learning is as exciting as its other uses. Learning has reached a new level of quality because to VR and the effects of Metaverse. Enhanced and superior information materials are now available for students to use while watching live experiments.

In a new New York video, pupils are shown studying astronomy in a virtual spaceship as opposed to a classroom. A new era in education is just getting started. The Metaverse also breaks down language barriers by allowing students from different countries to learn in the same digital space without running into social or linguistic barriers. Virtual reality training, where employees can be trained utilising a simulated experience, is another Metaverse use case for remote work. One of the main advantages of the Metaverse is VR training, which combines formal corporate training with hands-on learning by giving employees access to films, manuals, audios, and other digital settings.

Real estate

Offering customers the best virtual reality experience possible is one of Metaverse's key benefits. It should come as no surprise that the Metaverse can make a real estate market niche profitable.

With the help of the Metaverse property tour choices, neither the realtors nor the clients need to waste time travelling to numerous houses. In fact, potential buyers can visit the properties in the Metaverse and consider all of their possibilities in real time.

Additionally, the scale, taste, and design of the client's virtual tour can be customised in Metaverse. The real estate industry is eager to invest in the creation of Metaverse applications tailored to the wants and needs of realtors.

Healthcare

Healthcare applications of the metaverse have created new avenues for providing therapies with better results at lower costs. Patients and doctors can communicate in virtual 3D clinics under the umbrella of telemedicine and telehealth, a notion made popular by the Metaverse after the pandemic.

Another Metaverse use for patients to escape to a calm virtual setting in times of stress and anxiety is therapy. Through digital workouts and exercises, new Metaverse applications are also helping the audience become healthier. Another example is the Metaverse-powered Digital Twin technology, which enables the creation of a patient's digital representation for the purpose of testing therapies and medications.

Banking and Finance

Although underappreciated, metaverse use cases in banking are thriving and reaching new heights. From any place, the banking metaverse provides a 360-degree picture of actual banks. You can still use your laptop or mobile device to access Metaverse banking even if you don't own a VR headset. From the standpoint of blockchain, NFT marketplace development, and other DeFi cryptocurrency assets, Metaverse is also banking's biggest benefit. According to experts, Metaverse banking is a step up from net banking because it offers the same services with a more individualised user experience and data visualisation.

Social media and entertainment

A long-standing idea called the metaverse for social media has completely changed how people enjoy internet entertainment. Avatars and virtual clones are now being used by users to communicate. Another example is the fact that Facebook has already changed its name to Meta, which is a clear indication of the significant commercial potential in the digital media sector. The fashion and eCommerce industries, the sports industry, and, ideally, the manufacturing IoT and supply chain industries are all using Metaverse applications.

2. MERITS OF METAVERSE MARKETING**Ongoing technological advances**

Mobile devices may now access these vast worlds with less latency because to the quick introduction of 5G. In addition, gear for augmented and virtual reality is becoming less expensive to produce. In addition to the ten million Oculus Quest 2 headsets that Meta distributed in 2021, additional products like haptic bodysuits and gloves are also appearing on the market more often. The maximum number of users for each session in The Sandbox and Meta's Horizon Worlds is imposed by technical limitations.

A wider set of use cases

Metaverse gaming has already gained widespread popularity. Immersive retail experiences for entertainment, sports, and education are now expanding as consumer use cases. The metaverse is being tested by the government. The virtual Mayor's Office and Seoul campus town will be established first as part of the city of Seoul's five-year fundamental metaverse Seoul plan, which was recently unveiled in South Korea.

Online commerce is the mainstream

Most metaverse users are accustomed to omnichannel commerce, where their gadgets and software frequently include payment credentials. More than 40% of the \$1 billion in gaming revenue generated worldwide comes from the virtual goods industry. Future criteria to create crypto-currency wallet accounts on metaverse platforms will become less of a barrier as a result of the long-term growth of crypto-currencies.

Demographic advantages

The eldest members of Gen Z are adults in their mid-20s. These customers are increasingly accustomed to virtual environments, exchanges, and products. The fact that 67 percent of Roblox's 50 million daily users are under the age of 16 may herald the birth of a brand-new generation of people who were born into the metaverse.

Artificial Intelligence

AI will enable, support, and fill the metaverse in addition to running artificial copies of ourselves, while also drastically cutting power consumption and enhancing the performance of 5G networks. Huge data quantities may be quickly sorted through by AI algorithms to produce insights and motivate action. These algorithms are already widely used in both consumer and business settings. AI could be used for "digital humans" (such as 3D chatbots), creative writing, language processing, and interface optimization throughout the metaverse. Regarding the final point, AI may be crucial to ensuring that the metaverse is accessible to all, for example, by providing image recognition for those with visual impairments, automatic translation, smart exoskeletons for interacting with the digital world, and brain computer interfaces for the most vulnerable.

Gaming

Gaming is anticipated to be a key use case for the metaverse due to its immersive nature. According to research, gaming—including AR/VR gear, software, services, and advertisements—will contribute more than half of the market value of the metaverse in 2024. 40 Investor interest in businesses that can create such experiences has increased as a result of this expectation. Popular video games like Animal Crossing, Fortnite, and Roblox, the latter of which reported over 49 million daily active users in November 2021, many of whom played on mobile devices, have already included metaverse aspects. Platforms and production tools that let players create, own, and monetize (via NFTs) their online game environments.

Live entertainment and performances

The future digital universe could be used for practically anything, including work, play, movie trips, or even just socialising, in contrast to current VR, which is primarily used for gaming. One opportunity is the organisation of real-time virtual events, like concerts, where millions of people can interact. In addition to video games, Epic Games now offers social events where users may pay to dress up their avatars, like dance parties and online gigs. Platforms that allow musicians to build a sense of presence and a closer bond with their fans—metaverse platforms—could herald a paradigm shift for the industry.

Retail sector

The metaverse, an open, interconnected ecosystem of platforms, goods, and tools, may someday house all the companies and services that customers deal with on a daily basis. Users might view products in 3D before selecting whether or not to buy them, as opposed to browsing 2D copies of them on a website. Customers might "try on" clothing using their avatars in immersive virtual shopping experiences, which could have a positive environmental impact by lowering the amount of trash and returns from online orders. Virtual clothing, which people's avatars can wear in digital settings, has been a research area for several fashion brands. Nike has developed Nikeland, a game-playing and game-designing platform based on its corporate headquarters.

Education industry

While Covid-19 and the accompanying mobility restrictions restricted in-person schooling, technology has made it possible for people to complete their education remotely. The metaverse has the potential to improve socioeconomic conditions through expanding options for digital education, such as by providing rich, immersive experiences that could improve learning settings in classrooms. In order to encourage the creation of online education applications in its virtual environment, Roblox has established a \$10 million fund. 42 Additionally, mobile providers like AT&T are working together to create learning platforms and programmes that take advantage of the metaverse.

3. CONCLUSION

The advent of immersive digital experiences may portend a huge change in the future, much to how the internet changed how businesses market to their customers. Regardless of how the metaverse evolves, innovation and market adoption will undoubtedly speed these up. The platforms' quick evolution and the appearance of new use cases make it clear that the businesses will keep experimenting and learning. That trend is clearly made possible by metaverse.

The metaverse confines immersive dimensions with the use of virtual and augmented reality. The metaverse encompasses not just many platforms but also real and virtual realms. According to McKinsey and Company, the metaverse offers marketers a variety of opportunities to engage consumers through extending brand innovation and capabilities. The Covid-

19 epidemic in 2020 sped up the digital revolution for many people, businesses, and sectors. The increased use of the word "metaverse" in 2021 is therefore not surprising. It is unclear exactly what the metaverse will develop into. It might be a fully realised virtual reality and avatar universe, or it might just be a more advanced, immersive version of the current online networks and platforms. In any case, as the metaverse opens doors to new creative, social, and economic prospects, a wide range of potential use cases are anticipated.

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