

Marketing on metaverse : An emerging trend in digital marketing

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Abstract

The contemporary global market has experienced a lot of innovations recently in the context of Digital Market and the business activities therein such as buying, selling, promoting the products etc. The same is manifested in the emergence of virtual worlds where number of users from different places can connect with each other in real time and do their job effectively. The virtual worlds may be described as a persistent online computer-generated environment that facilitates people's interactions, working, playing games, hanging out in a park etc. These virtual worlds are created by using a technology known as virtual reality (VR). Initially, the concept of 'Virtual Reality' (Lanier, 1988) was used by airlines, car manufacturers and military. Later on, this technology was used in movies, computer games also. In the recent past one such virtual world was launched by Mr. Mark Zuckerberg and its name is 'Metaverse'. This term was first used by (Stephenson, 1992) in a sci-fi novel Snow Crash which later on influenced The Matrix Series and Ready Player One – a Steven Spielberg film. Metaverse is a much wider conceptualization which not only includes virtual worlds but also mirror world, augmented reality and internet (Smart, Cascio, Paffendorf 2007). The present paper is an effort towards understanding the emergence of Metaverse as a digital platform and its influence on the marketing activities.

Subject Classification: 90BXX, 90B60.

Keywords: Virtual world, Virtual reality, Augmented reality, Metaverse, Digital marketing.

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1. Introduction

The term 'Metaverse' has become a widely talked about word in 2022. It can be described as the concept of a highly immersive virtual world wherein people gather to socialize, play and work (Merriam-Webster Dictionary 2022). The businesses world over are always looking for new ways to reach out to their targeted customers. The technical advancements in information, communication and technology (ICT) have enabled them to reach millions of targeted customers. Furthermore, the emergence of social media has facilitated wider reach in the given market via different digital platforms available for the organizations. Metaverse is an online platform which is slowly picking up in terms of marketing activities carried out by the businesses. It is a new and emerging technology that facilitates users' interactions in a 3D environment. This particular technology offers an opportunity to individuals and businesses to enhance their reach and connect with others and target audiences respectively (Riva and Wiederhold 2022).

In case of doing marketing on Metaverse, it is incumbent on the companies to know its advantages and disadvantages. The most important benefit offered by this technology is its widest reach in terms of reaching the targeted customers across geographical locations. In other words, Metaverse can be described as an online platform that enables the business houses to reach out to the consumers all over the world as it is not limited by geographic boundaries (Snider and Molina, 2021). Metaverse a unique and interactive environment can be of great help to the companies in respect of customer engagement practices which is not possible in a physical world (Kozinets, 2022). For example, creating virtual storefronts, hosting events, product launches etc. In addition to this, it also offers following benefits:

- a) Collection of customers' information
- b) Develop better understanding of consumers' behaviour which in turn will help in formulating marketing strategies and making changes therein.

2. Review of Literature:

In case of Metaverse, wearables and captivating experiences are referred as the two major technological breakthroughs achieved in the recent past. An immersive experience is an unceasing digital environment

that sustains even when a person is not actively involved in the game. In others words, it blends the features of digital and physical worlds (Seok, 2021).

Many companies who have created their virtual 3D environment consider it as a state of art technology driven market wherein people can create, get into an exchange of products or services. This technology also provides a risk-free virtual environment to the makers of the product. Consequently, it may lead to an increased innovations, creativity and effectiveness in the marketplace. The Metaverse facilitates organizing digital activities such as events, trade exhibitions and conferences etc. As on today, it is not yet possible to understand the extent of influence Metaverse will have on the manner in which we work and live. (Kevins, 2022).

In Metaverse, marketers need to think on the ways to engage the users of this virtual environment. The advertising should focus more on providing a memorable and enjoyable experience to the target audience rather than talking more about a product's sales. One of the major challenges faced by the marketers is to create an advert that provides sufficient information required for making an informed purchase decision and does not intrude too much into someone's life (Kraus et. al. 2022).

In today's era, digitization of business is of critical importance as it provides wider reach in terms of number of customers, cost efficient way of promoting the products and services etc. The Government(s) is/are playing major roles in promoting the innovations by using technology. (Kumar Anuj et. al. 2023).

Many firms have adopted state of art technologies for streamlining their business operations during and after Covid -19 pandemic period. These industry 4.0 technologies have given the companies an edge over the others as it has provided effective channels of communication. (Baral Manish et.al. 2023).

Marketing in Metaverse – an innovative technology-based marketing platform has emerged as an increasingly popular avenue for carrying out marketing activities. This is because Metaverse provides an immersive and real time shopping experience to its users, facilitates effective consumer engagement, spreading brand awareness and instant feedback about the product/service etc. (Khatri 2022).

Deloitte's global report (2022) on the extended reality (XR) states that the key feature of Metaverse is the mutual generations of the real and virtual world. The same is embodied in the following: elements:

- a) Immersion
- b) Virtual identity
- c) Digital assets
- d) Real experience
- e) Virtual and real interconnection
- f) A complete social system

Jon Radoff (2022) is the one who has proposed the seven layers of metaverse and the same are 1) infrastructure/framework, 2) human interface that facilitates interactions with others, 3) decentralization, 4) spatial computing/extended reality (XR), 5) creator economy/influencer economy, 6) discovery/exploration and 7) experience. The first two levels talk about infrastructure (5G, Wi-fi6, Cloud, chip technology etc.) and equipment such as wearables and perceptible gestures. The next two levels highlight on the development tools like 3D engines, extended realities (XR), geospatial mapping, AI agents, blockchains etc. The remaining three levels sheds light on the applications (Games, E-sports, theatre, shopping) and the operation ecosystem in the form of AD network, social curations, ratings, stores etc.

3. Opportunities of Doing Marketing on the Metaverse:

Metaverse is an emerging technology wherein there are many unknown areas in respect of carrying out marketing activities in general and the promotions in particular. This makes it important for the marketers to adapt their promotional strategies in line with growing, evolving and ever-changing landscape of Metaverse.

Benefits of Metaverse for Marketers:

- a) Metaverse facilitates communication with prospective customers spread across the world.
- b) Metaverse provides immersive and dynamic advertising understandings which may not possible in case of real-life situations.
- c) It provides an edge over the competitors who are not on the Metaverse in terms of Marketing in general and advertising in particular.

Out of Home (OOH) Promotions:

Metaverse is of critical importance for marketers as it facilitates engaging the customers in a unique as well as creative manner. Out of Home (OOH) advertising includes promotion of products or services by using outdoor media platforms such as billboards, posters, banners etc. Metaverse also uses the digital outdoor media platforms in the smart cities of a 3D virtual environment.

Public Relations (PR) in Metaverse:

Metaverse is a technology-based universe that has replicated the real world in a 3D virtual environment. It includes PR activities such as podcasts, live streaming, Question and Answer (Q and A) sessions, workshops, conferences, seminars etc.

Marketing on Social Media Platforms:

The recent developments in the field of social media marketing includes the digitization of the contents and abilities to create applications for engaging the customers in a meaningful way. This has led to the online dissemination of the contents across the wide spectrum of the customers spread across the world. (Gadalla et al., 2013).

Branding in Metaverse:

Branding in Metaverse can be an effective strategy for getting an edge over the competitors. The important stakeholders of Metaverse who are involved in the development of immersive applications use internet, influencers, companies for showing their capabilities and services. Given to understand its nascent stage, the branding of items need the previous customers'/clients' and the influencers' feedback through blogs or websites. This will help towards the significant

Competitive Landscape of Metaverse:

Metaverse is creating a strong foothold in different industries such as gaming, Information and Technology (IT), Networking socially, Augmented Reality(AR) and Virtual Reality(VR) hardware and live entertainment. The same is depicted in the table given below:

Makers of Online Games	Vendors of Design Software	Networking Sites	Augmented Reality (AR) and Virtual Reality (VR) Hardware	Live Entertainment
Roblox	Unity	Meta-Facebook	Meta-Facebook	Live Nation
Epic Games	Epic Games	Tencent	Lenovo	Theme Parks
Microsoft	Adobe		HP	Sports Teams
Activision Blizzard	Autodesk		Logitech	
Take-Two	Ansys		Acer	
Tencent			Valve	
Net-Ease			Razor	
Nexon				
Valve				

Source: Metaverse Competitive Landscape (Mileva, 2022)

4. Examples of Marketing in Metaverse

Cadbury Silk is one of the most popular confectionary brands in India had come up with an interesting marketing campaign on metaverse. In this campaign, it has tried to enable the consumers to send messages to their dear ones through a real-time personalization of augmented reality (AR) experience and view it on any advertisement of the said confectionary brand. In addition to this, the first of its kind in India- the Cadbury has come up with a surprise for its customers in the form of a romantic outing followed by a dinner in the Metaverse.

Tanishq has launched Rivaah , a collection of wedding jewelry on the Metaverse through a virtual press conference that created an immersive and personalized 3D experience for its viewers. The guests who had joined this virtual event were able to create their own 3D avatars and see the jewelry from different angles. The Rivaahverse- the metaverse experience allowed the participants to converse, socialize with other viewers and be a part of the live launch of signature pieces from the 'Romance of Polki' collection.

5. Challenges for Marketing in Metaverse:

Every innovative technology has two sides in terms opportunities and challenges. In Metaverse, the marketers and the users can face challenges while using it for mutual interests.

a) Accessibility:

Due to the limited required infrastructure such as 5G services and the wearables this technology may be limited to those who have access to the above things. As a result of this, it may limit the mass marketing efforts on the metaverse.

b) Integration of Marketing Efforts:

Considering the requirements of the real world and the computer-generated world, marketers should seamlessly integrate their marketing efforts so as to avoid the alienation of its consumers.

c) Data Privacy and Security:

Every new technology comes up with a need for enhanced digital security measures. It includes the measures related to data privacy and protection. Metaverse may require more personal information for verifying the users thereby increasing data privacy risks.

Therefore, the brands must follow the best practices in terms of protecting data privacy and in turn will instill confidence in it.

d) Absence of laws related to Metaverse:

Metaverse provides an open environment to its users wherein they can create their 3D avatars, create contents etc. This makes it important for the brands to take precautionary measures for protecting their images from any offensive, malicious contents. At this point in time, the only thing the brands can do is the enhancement the data security. In case of such eventualities there is absence of laws related to Metaverse the activities therein.

Conclusion:

Marketing on Metaverse is an emerging trend in Digital Marketing which is used for creating an immersive experience for the consumers. In addition to this, it facilitates buying and selling of products, hosting of events such as press conference, seminars, product launch, advertising campaigns and socializing etc. World renowned brands like Nike, Balenciaga and Meta led by Mark Zuckerberg have joined the bandwagon of marketing on metaverse as it provides wider reach and higher profits to them.

Therefore, it can be inferred that in the near future Metaverse will be used extensively for carrying out marketing activities. However, the absence of legal recourse in case of online bullying, offensive and malicious

campaign and the contents therein invites the urgent attention of the policy makers in this context.

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