

Marketing in the Era of Metaverse

Megha S^{1*}, Anju P², Aryamol³

¹Student, Department of Business Administration, SNIT Adoor

²Faculty guide Assistant Professor Department of Business Administration SNIT Adoor

³Student, Department of Business Administration, SNIT Adoor

*Corresponding author's e-mail: megmaskurup15@gmail.com

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ABSTRACT

In the last ten years, especially since the COVID-19 pandemic, growth of digital socialization has dramatically increased. The concept of the metaverse, a virtual parallel world where people's lives might be digitally copied, is emerging quickly as a result of Meta's expanding digital revolution. Users in the metaverse have their virtual personas represented by avatars in assimilated online community. Based on user choices and interactions, these virtual worlds continue to develop and expand. The metaverse is yet another venue for people who enjoy collecting stuff to display their passions. Despite the fact that there are guiding principles that might guide the kinds of techniques used, the metaverse is still a relatively unexplored platform that offers lots of opportunity for experimentation. The purpose of Metaverse is to increase consumer engagement while delivering a seamless brand experience. Virtual reality, 3D, and artificial intelligence may be used to provide captivating and successful advertising for the younger generation in this new digital environment. A number of businesses have started working together strategically to introduce their products in the Metaverse. Metaverse has become a main goal for major corporations like Facebook, Microsoft, and Google in order to be at the forefront of creating this ground-breaking creation. With the intention of "bringing the metaverse to life," Facebook even changed its name to Meta. The prospect of the metaverse is currently more real than hypothetical. This study is carried out to throw light on how Metaverse is transforming marketing scenario.

Keywords: Digitalization, Marketing, Metaverse.

1 Introduction

In the past two years, the phrase "Metaverse" has gained significant industry traction. The word & quot; metaverse & quot; is used to describe a distributed virtual world in which human avatars interact in a shared permanent space. Similar to how Facebook is today, it would eventually turn into a place where we could all "hang out" online. The word & quot; metaverse & quot; was coined by Neal Stephenson in his science fiction book Snow Crash. He defined it as a network of virtual worlds where we could do tasks identical to those we performed in the actual world. A metaverse is a virtual environment. These networked, real-time venues enable interpersonal connection where people may conduct regular, everyday tasks. People can collaborate, plan, conduct business, create, and communicate digitally, for instance. The popularity of Metaverse soared once Facebook changed its name to Meta. The CEO of Meta, Mark Zuckerberg, thinks the "metaverse" will usher in a new era of online communication and has referred to it as the "embodied internet". These days, the phrase is used by organizations to refer to a wide range of enhanced virtual spaces. These include anything from online video games like Fortnite to cutting-edge virtual workspaces like Microsoft & Mesh or Meta Horizon Workrooms. In addition, they have digital changing rooms and operation theatres. As businesses vie for market share, the next generation of the metaverse is adopting the shape of a multiversity rather than a single worldwide virtual environment; with a proliferation of separate metaverse that is only partially compatible with one another. The metaverse is like a three-dimensional internet. If you look at the user interface, it was mostly text-based and used for SMS-style text message transmission. It gradually changed to a media-based system where we may share media items like



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photos, movies, and audios. In the upcoming UI iteration, which is called the metaverse, we will be able to communicate and interact with one another using 3D contents.

2 Literature Review

In order to effectively promote in the Metaverse, businesses must be aware of both the possible benefits and drawbacks of this cutting-edge technology. One of the primary benefits of marketing in the Metaverse is the ability for companies to reach a larger audience than ever before. Since there are no geographical restrictions, businesses can communicate with clients everywhere in the metaverse (Molina, 2021). Customers can be interacted with in ways that aren't conceivable in the real world thanks to the intriguing and distinctive environment of the Metaverse (Kozinets, 2022). While advertising in the Metaverse, businesses must be cautious of a number of possible downsides. The fact that the Metaverse is still a relatively young technology and is developing quickly is one of the key worries. This implies that the Metaverse lacks consistency and norms, which may make it challenging for businesses to plan and carry out marketing initiatives. Businesses must also be cautious of the possibility of bad news because the Metaverse is a highly competitive market (Dhelim *et al.*, 2022). The technologies of the metaverse can be used by businesses to build digital twins of their infrastructure and goods. These models may be used in a wide range of different industries, such as marketing, instruction, research, and development. It has been hypothesized that workers would be more innovative and efficient if they were allowed to try out novel ideas and techniques in a safe online setting before implementing them in the real world. In the same way, occasions like conferences, trade shows, and other events that are regularly occurring in the actual world are being imitated in the metaverse.

3 Marketing and Metaverse

Marketing in virtual worlds broadens brand recognition and makes products more applicable to their nature. The idea of a virtual world being natural can seem far-fetched, but as consumer culture and habits change, keeping relevant means remaining active on marketing platforms.

The way we reach clients has significantly changed in the digital age. Reaching out to your target audience through conventional channels like publications, news sources, and websites is simply one aspect of marketing. A novel method of internet marketing is called metaverse marketing. You can use it to build virtual reality environments that flow naturally into the current internet experiences your customers are having. It's simpler than ever to give your customers an immersive experience so they can engage with your business in a completely new way as the world gets more digital. With fewer limitations, metaverse marketing may be used to a wide range of businesses and assist accomplish a variety of objectives, all while boosting client involvement and being more affordable.

Here are some ways marketers can work in the metaverse to reach their audience.

Make collectibles available- People love creating collections, and Metaverse offers a new setting to do just that. Users can exchange digital collections. Nike, for one, is leveraging block chain technology to create NFTs for digital objects that are both unique and secure, proving ownership at all times.

Engage with already- Existing communities- Businesses shouldn't just show up in a neighborhood and start hammering its residents with marketing messages. Instead, consider the layout of the platform. Engage current users in user-generated content creation to produce audio, video, text, and other types of user-generated material, and they will inevitably help you with your marketing efforts.

Create a specific metaverse platform- The most costly and significant approach to invest in the metaverse is to create a dedicated metaverse platform. Businesses may create a game or world that is unique to their product or service in order to learn more about the people who will be most interested in it. Shopify, for

one, has just introduced an augmented reality (AR) and three-dimensional (3D) shopping platform that enables businesses to create virtual versions of their items, and it is also creating its own NFT marketplace. Allow customers to try things- With the use of VR and AR, companies may preview products in three dimensions before making a final purchase decision. Online showrooms and events have been set up by automakers like Porsche and Hyundai so that clients may take a virtual tour of the vehicle. Because companies may utilize augmented reality to let customers try on clothing and view furniture in their homes, customers don't need to leave their houses to learn more about new products.

Participate in current communities- An already-established community shouldn't be invaded by businesses looking to sell their goods to the locals. Consider the platform's layout as an alternative. Engage current users in conversation to create user-generated material, such as writing, audio, video, and images, and they will inevitably help you execute a marketing campaign.

Create engaging live events- After the pandemic, a lot of events went online, but the metaverse may give them a boost. For certain events, there are interactive 3D equivalents. Remote employees will also physically interact with their colleagues in the metaverse, reducing their sense of isolation. The ability to collaborate and engage with one another is made possible by the metaverse's increased flexibility and cost-effectiveness. In place of the 2D constraints of current virtual meetings, this is accomplished by visualizing and addressing issues in 3D.

4 Opportunities of the Metaverse

Virtual concerts: The metaverse is poised to replace a large amount of current internet use. Virtual platforms like Wave, Fortnite, and Roblox have surpassed and even supplanted traditional forms of entertainment like live events and concerts, with artists like Marshmello, Arana Grande, Justin Bieber, Lil Nas X, and Gelatins performing on them.

1. Improved customer engagement: The concept of the "digital twin" where users may build, test, and model processes in virtual worlds to improve current circumstances, was born as a result of metaverse platforms, which have offered companies the opportunity to alter how, when and where they connect with clients.

2. Better cooperation and remote working: The Covid-19 pandemic, which made everyone switch from in-person meetings to online Zoom meetings, altered the nature of work in the future and ironically sped up the adoption of remote working and "virtual meetings. Virtual meetings, which have traditionally taken place in 2D camera image grids, are expected to migrate en masse to the 3D Metaverse with virtual avatars in the next two to three years, as predicted by Bill Gates.

3. Enhanced training and learning: Effective digital training methods are more important than ever because of the predominance of remote employment, and the metaverse can help with that. A person may learn more rapidly, recall information better, concentrate on the work at hand, and enjoy the process with the aid of augmented reality (AR) and virtual reality (VR) training. Students may gain from training in a distant, risk-free setting without having to worry about security by immersing themselves in various virtual worlds.

4. Branding and marketing Opportunities: Companies like Nike, Chipotle, Vans, and Hyundai have jumped on the metaverse bandwagon quickly in order to appeal to millennials who avoid traditional media. It's enjoyable, captivating, and interactive, with scheduled virtual events that everyone and everyone can attend from anywhere.

5 Metaverse Application

The metaverse is a big concept. All key industries, including education, gambling, tourism, healthcare, etc., use metaverse applications.

1. Gaming- Reports suggest that the gaming sector is one of the Metaverse's most fundamental and consequential end users. Individuals may communicate with one another using this technology within a unified, interoperable setting. The axie infinity have several successful Metaverse instances in the online gaming sector, like Sorare and The Sandbox. Three million unique people visit Axie Infinity every month, with an additional 350,000 visiting the site every day. The particular characteristics of Metaverse games further improve the uniqueness of the player experience.

2. Learning and Education- Metaverse's teaching and learning capabilities are as interesting as its many uses. Learning has advanced to a new level as a result of VR and the influence of Metaverse. There are now better and more advanced information resources available for. This is something that students may use when viewing live experiments. In a recent New York City video, students are depicted learning about astronomy not in a traditional classroom setting, but rather aboard a virtual spacecraft. There has begun a whole new era of learning. Metaverse also helps break down language barriers by bringing students from all over the world into the same virtual classroom without having to worry about cultural or linguistic differences. Virtual reality training is another potential use of the Metaverse in the workplace, since it may provide workers with teaching via a simulated environment.

3. Healthcare- Metaverse applications in healthcare have created new opportunities to deliver treatments with better outcomes at lower costs. Under the rubric of telemedicine and telehealth, it is possible for patients and doctors to communicate in virtual 3D clinics, a concept made popular by after the epidemic, it became well-known in the Metaverse. In times of tension or anxiety, patients may relax in a serene digital setting with the help of therapy, another Metaverse application. New Metaverse applications assist the audience in improving their health by providing them with digital exercises and activities. Another example is the development of a digital analogue of a patient using digital twin technology, which is supported by Metaverse and used to test out treatments and pharmaceuticals.

4. Entertainment and social media- Due to a long-standing idea known as the social media metaverse, how people get internet entertainment has completely altered. The use of avatars and virtual copies for communication between users has increased. Another illustration is the existence of Facebook, which is already renamed itself to Meta, demonstrating the vast financial potential of the digital media industry. Applications for the Metaverse are used by the fashion, ecommerce, sports, and, ideally, manufacturing, IoT, and supply chain industries.

6 Future of Marketing in Metaverse

The metaverse will have links that can be clicked to teleport to different locations. Interoperability is necessary, as are portable and buyable digital goods, in order to fully realize the potential of the metaverse. You won't be tied to a single universe or platform if you buy something or make something that can be used in a variety of circumstances, according to Mark Zuckerberg.

Zuckerberg is ferociously pursuing this metaverse vision. Although it's yet unclear, it's possible that avatars, the money in your metaverse wallets, and other goods will soon move between platforms. The future of virtual commerce will be shaped by those who create first due to the decentralized structure of the metaverse. If you wait for your rivals to realize Zuckerberg's dream, you'll be far behind. Instead, grab the chance to link your brand's online presence with the metaverse right away.

1. The future of retail- Small to medium consumer brands now have the chance to shine, whereas Gucci and Nike dominated the early metaverse. One of the largest trade shows to take place in the metaverse, Decentland's Fashion Week 2022 featured 57 smaller houses and independent fashion designers in addition to Etro, Tommy Hilfiger, Perry Ellis, Dolce & Gabbana, and Estée Lauder. The metaverse equalizes

the playing field, just like the internet did before it. An unknown brand with clever marketing techniques can go far!

2. The future of NFTs- NFTs are the temporary fix for many businesses embracing the metaverse. Because of the growth of NFTs, companies may now produce digital goods that customers can buy. These digital assets may also have a code or coupon that the owner can use to exchange for a tangible good. NFTs are frequently linked to exclusive communities and membership in games and virtual worlds.

3. The Future of Experiences and Events- Slice recommends using events to let customers know who your brand is. A large number of users can congregate in the metaverse for a single encounter. The admission threshold is far lower than for an NFT project or creating your own corporate metaverse. Instead, you host events in virtual environments on websites like AltSpace VR, Horizon environments, Decentraland, and Sandbox. Even renting space from artists or using public worlds are options. The most common activities in the metaverse are events like concerts, games, parties, business mixers, and get-togethers.

4. Future of Advertising- Billboards, signage, bus ads, wall ads, murals, and road banners are examples of high-end advertising places that can be built in your own metaverse worlds or rented from other artists. Your ability to precisely target and disseminate your adverts to displays across metaverse platforms should soon be possible. The only distinction is that this placement has ten times greater power.

5. Future of Products Placement- You can make digital representations of your products and display them in metaverse settings like advertising displays. It is possible to pick up and move objects, put on clothes, and go to different places. Find a setting that fits your brand and where you'd like to see your product, then get in touch with the developer to ask if they'll accept it in exchange for a fee.

7 Metaverse marketing's drawbacks for marketers

1. Security Concerns- The privacy and security of their data has always been a worry for users of any online environment, despite the fact that businesses and organizations are constantly reinventing their IT security systems. In order to stay up with the metaverse's ever-growing space, immersion into it will require security mechanisms to evolve to a completely new level. New strategies for managing private information must be devised to ensure the security of one's identity and property in the virtual world. You must be aware of this because your clients will want to make sure their information is secure.

2. Identity & Reputation- Personal identity and representation is a very straightforward problem in the actual world. What exactly determines a person's identity, however, might be questioned when talking about virtual worlds or the Metaverse. How to prove your identity in the case that a human impersonator or even a computer attempts to impersonate you may be the most important thing to know. Here, reputation may be essential for verification and be used as proof of the validity and dependability of the party one works with. In the near future, new verification approaches will surely be developed since the main challenge is the potential to fabricate facial features, videos, and voices.

3. Integration with the Metaverse- Everyone should theoretically be able to enter the metaverse, but not everyone will have access to the necessary equipment or fast internet. The very real risk of wealth disparity in the physical world leaking into the digital realm might rise as a result of this. The cost of acquiring virtual property on the metaverse may be high, as seen by the millions of dollars that businesses and celebrities like Paris Hilton and Snoop Dogg have already spent on it.

4. Differences in Generations among Your Customers- Although the metaverse is an intriguing technological development, not everyone in your target market will be interested in it. A difference in how consumers use the metaverse will start to emerge as older generations learn to adjust to it and younger generations grow up with it. It will be crucial for your business to determine how to use the metaverse efficiently while still being able to serve your target market.

8 Discussion

The number of “metaverse” searches on Google has skyrocketed recently (EuPortal, 2022) The metaverse is currently merely a notion, thus creating it will take a lot of work. For the time being, it is sufficient to characterize the metaverse in terms like to those used to describe the Internet: as a vast system of interconnected networks utilizing established communication protocols that link virtual worlds providing a wide range of information and communication services. In as much as the metaverse is still in its infancy, there is a paucity of academic research that may push researchers in the right direction. Kim (2021) suggests a twelve-point research agenda for academics looking at marketing and advertising in the metaverse. In order to bring definition and limitations to the concept of the metaverse in regard to advertising and marketing, it is first necessary to conceptualize it. Second, because of a technical issue. Methodological constraints must be taken into account while producing stimuli in the metaverse-like setting. Additionally, a measurement framework that uses both explicit and implicit measurements should be created to account for the effects of marketing and advertising in the metaverse environment. Third, it would be wise to look into a structuralism approach to defining and categorizing message and embodied user and object qualities. The metaverse will continue to expand gradually over time as long as it is seen as a step of technical advancement meant to bring us closer to a hyper-connected world.

9 Conclusion

New opportunities and business models are emerging as a result of the metaverse’s introduction of a fresh and exciting degree of interaction between the real and virtual worlds (Chayka, 2021) Many issues related to governance, ethics, safety and security, acceptable conduct, privacy, and potential liberation arise when mass adoption occurs. For communities that do not have access to the means necessary to enter the Metaverse (Fernandez). Digital marketers need to stay current with emerging technology. Realizing the metaverse’s full potential is one aspect of this. The metaverse doesn’t seem to be a fleeting trend; rather, it’s on its way to being the next big thing, and marketers need to realize this. Additionally, brands must use prudence when navigating metaverses. Seamless integration is essential to prevent players from becoming disenchanted with the brand. Because the technology is still developing, brands might be having a hard time establishing their true identity in the metaverse and may come off as being extremely direct in their messaging. Brands must be cautious in maintaining their reputation because the metaverse is accessible to everyone. The likelihood that the brand may display next to dubious content increases with the amount of control individuals have in a metaverse. And last, the future of computing and the internet looks bright thanks to metaverses. They also provide marketers and advertising lots of room to experiment. Despite these challenges, the chance to be novel, immersive, and experimental succeeds.

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