

# Revamping the Marketing World with Metaverse – The Future of Marketing

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## ABSTRACT

The contemporary world is witnessing a rapid surge in technological adaption and integration. The internet and digital innovations have paved the way for more flexible, versatile and advanced platforms capable of doing the majority of the tasks and carrying the workload for humankind. Virtual Reality and Augmented Reality are the most effective technological revolution of internet adaptation. However, the enhanced quest for seeking technological advancements has paved the way for the latest virtual platform known as Metaverse. Instead of merely relying on the internet through our screens, Metaverse has made the existence of the virtual world and transformed it into the real world. It allows people to immerse themselves in the digital world using Virtual or Augmented Reality platforms where they can interact and improvise daily decisions in a real-time environment. Over the period of time, Metaverse has enhanced its paraphernalia. Thus, the marketers and businesses are leveraging the unique and distinctive feature of the technology in which the consumers can have an immersive and real-time feeling of the product or service they want to buy. The Metaverse has allowed companies and marketers to explore technological features for increased innovation in the wake of growing marketing competition.

## General Terms

Artificial Intelligence, Virtual Reality, Augmented Reality, Mixed Reality, Advertising, Marketing

## Keywords

Metaverse, digital marketing, marketing, online marketing, metaverse marketing, metaverse future

## 1. INTRODUCTION

The Metaverse is a technological revolution that entails an immersive environment that generally relies on Virtual Reality or Augmented Reality for the users. Unlike other digital platforms, Metaverse is a ubiquitous technology that has the capability to exist in real-time without having the need to turn “on” or “off” for normal functioning or operations. The metaverse has blurred the distinction between virtual and real-time worlds by combining them through the integration of technology. Another distinctive feature of the metaverse is the dependency and reliance on the virtual economy that is driven by digital assets, Nonfungible Tokens (NFTs) and cryptocurrency (Rehm et al., 2015). This paper presents an overview of statistics and innovations in the Metaverse. Moreover, the paper provides an insight into the digital transformation and other changes that have paved the way for change in customer behaviours. In the same purview, the paper looks into the impacts and opportunities. Metaverse poses for marketing by exploring marketing prospects of social media, search engines and influencer marketing. The paper also explores a few marketing examples for brands and

local businesses. The paper culminates by defining risk factors and challenges posed by Metaverse for marketers. In the wake of unpredictable economic and global crises coupled with political and climatic disruptions, the Metaverse poses immense opportunities for people to thrive in their domestic and professional commitments through the effective use of technology.

## 2. STATISTICS ABOUT METAVERSE

Since its inception, Metaverse has gained massive popularity in terms of customers and capitalizing on the market. The market of Metaverse was initially projected at 474 billion US Dollars and had been growing since then. In the current year, the Metaverse is expected to grow at an annual compound rate of 13 percent, indicating a rise of 13 percent each year. Therefore, the market is expected to grow at a rapid pace and reach the worth of 800 billion US Dollars by 2024. The steep rise in the market value of Metaverse is the manifestation of online gamers and cryptocurrency, both of which are contributing to increased dependency on Metaverse.

The rise of Metaverse usage is widely acknowledged in the global pandemic COVID-19, wherein social distancing and remote working were mandatory in order to curb the spread of the contagious virus. The growing restrictions made the marketers rethink marketing strategies in order to reach the targeted customers. According to statistics, there is a growing tendency among marketers to utilize Metaverse for marketing, and by 2026, 30 percent of marketers and organizations will capitalize on Metaverse for offering products and services. With regards to consumers and population, more than 25 percent of the target market will utilize Metaverse, thereby increasing the prospects of global reach and acquiring services.

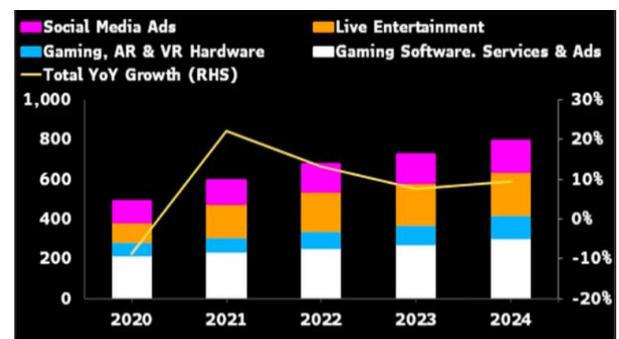


Fig 1: Stats for Metaverse – Source: (Bloomberg, 2022)

## 3. INNOVATIONS IN METAVERSE

The technological corporations and organizations are exploring the paraphernalia of Metaverse, and they have yet to reach the true potential of the new technology. In the current scenario, the Metaverse depends on Virtual Reality,

Augmented Reality and Brain-Computer interface. Metaverse has the potential to capitalize the future marketing and present versatile products and services in an immersive way to the consumers in a 3D digital environment. In digital terms, Metaverse is arbitrary to working and functioning in the real physical world. By capitalizing on the digital space, users can develop their own self-representation in the form of an avatar that will be a digital copy of their physical appearance. The companies will develop attractive and state-of-the-art avatars to grasp the attention of customers in order to have effective communication for marketing (Hollensen et al., 2022). Another innovation in marketing has been explored in the form of spatial dimension from which the retailers can operate in three different spatially connected spaces. Therefore, conventional retailers have been replaced with e-retailers.

#### 4. WEB 3.0 DIGITAL SHIFT AND CHANGE IN CUSTOMER BEHAVIOUR

Web 3.0 is the innovative and advanced form of the “World Wide Web,” which capitalizes virtual world based on blockchain technology, Artificial Intelligence (AI) and machine learning. Web 3.0 is the latest advancement in the internet that has revolutionized conventional marketing and communication among stakeholders. Web 3.0 has introduced the concept of participation of online customers wherein they can contribute and communicate the marketing content to the marketers. By using the Web 3.0 structure, marketers can gain a holistic view and a deeper insight into customers’ demands, current marketing trends and the latest customer requirements. Web 3.0 also allows marketers to have an idea of competitors’ activities and innovations. Since the customers hold the ultimate power in terms of formulating marketing strategies and policies, Web 3.0 has converted the customers from passive consumers into active customers who drive the marketing process. Therefore, Web 3.0 has blurred the distinction between consumer and content producer since the former has the power to shape the marketing trends (Valaskova&Machova, 2022).

The shifting of marketing power and underlying strategies of marketing towards customers come under the purview of crowdsourcing, an act of outsourcing the marketing activities to network users rather than relying on employees and retail marketers. The concept of crowdsourcing is that every individual in Web 3.0, particularly consumers have the potential to provide valuable information that can affect the marketing of products or services. Branding and marketing significantly depend on the relationship between the consumers, marketing content and brand awareness. When the consumers have strong brand awareness and identification, it initiates a sense of competition in online customers to willingly participate in the marketing process. The figure below shows the relationship between crowd competency and expertise in crowd engagement with respect to marketing:

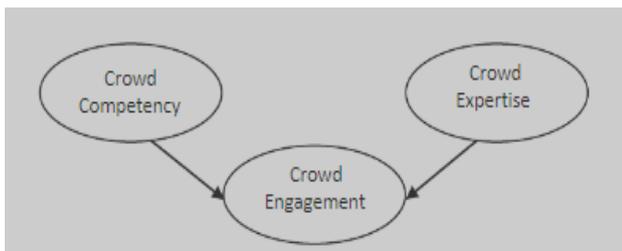


Fig 2: Source (Izzal, 2016)

#### 5. MARKETING IN METAVERSE

As the Metaverse is in its initiation phase, the business models pertaining to marketing are under the pilot testing period. The commonly used marketing practices in Metaverse entail production, sales and promotional packages (Seok, 2021). With regards to 3D digital worlds, technology has transformed into live coverage of the Metaverse environment. The Metaverse platforms are used to capture live events and transmit them on the host networks available in the digital environment. The global tech giant Facebook has introduced a new name known as Meta, and by becoming the brainchild of this innovative concept, Facebook has invested a hefty amount of 10 billion US Dollars for marketing.

Marketing in Metaverse has replaced online retailing – an innovative concept for marketers with respect to revenue and generating profits. Consumers initially liked the concept of online and e-marketing, but online or e-shopping has not kept pace with offline shopping. Consumers prefer the brick-and-mortar shopping experience since it makes room for more consumer engagement, brand awareness and instant feedback. Metaverse has provided an opportunity to replace e-commerce with m-commerce to create a more robust, immersive and real-time shopping experience for the consumers. Therefore, marketing in the Metaverse has replaced the traditional 3D e-commerce experience with a virtually connected environment and provides more versatile and innovative solutions (Swilley, 2015).

#### 6. IMPACT OF METAVERSE ON MARKETING

Metaverse has the potential to change or alter the complete lifestyle and the traditional environment in which people interact with each other. Metaverse has impacted social life as it entails a digitally immersive environment allowing people to seamlessly interact in virtual worlds. In the same context, Metaverse has a huge transformational impact pertaining to a societal viewpoint, posing challenges for marketers and consumers (Dwivedi et al., 2022). With regards to marketing, Metaverse offers a unique and emerging technology for marketers to extend their customer reach and connection with targeted customers in the virtual world. Therefore, opting for Metaverse will provide an opportunity to incorporate brand extension in a more unique and diversified manner. As the projections suggest, the shifting of the marketing paradigm towards Metaverse will clearly set the benchmark for retailers and customers for marketing and gaining a competitive advantage. However, it is also pertinent to mention that shifting towards Metaverse will require significant changes in the infrastructure and procedures of operations. The overall shifting will require financial revamping in the organizations, bearing additional costs required for installation and subsequent training and other formalities for the effective functioning of Metaverse.

#### 7. MARKETING OPPORTUNITIES IN METAVERSE

Metaverse posits significant marketing opportunities in terms of presenting all kinds of brands and products in virtual reality and a 3D environment. Unlike typical online shopping experiences, marketers can provide an immersive experience where the customers can have a real-time feeling related to the products. Tech gaming giants and companies are leveraging Metaverse to produce games that will have an immersive platform – Roblox, Second Life and Fortnite are a few of the prominent games that utilize the Metaverse platform. Metaverse holds paramount importance for marketers in the

way that they can engage customers in a unique and creative way by drawing their attention to the products in a real-time immersive environment. Metaverse provides an opportunity to expand brand awareness in new spheres of traditional marketing.

## **8. OOH OR TRADITIONAL MARKETING IN METAVERSE**

Out-of-home or traditional marketing entails using media or billboards for advertisements. In a Metaverse environment, advertisements or traditional marketing will pose similar features for future projections by utilizing digital ad inventories. Like traditional billboards in the main points of the city, Metaverse will use smart cities for marketing by capitalizing on digital outdoor advertising media. Virtual spatial information coupled with marketing trends and customers' perceptions will play a significant role in the development of smart cities, which will be built on Metaverse.

## **9. SOCIAL MEDIA MARKETING IN METAVERSE**

Social media capitalizes on digital technologies to replace the conventional value chain of production and dispersal in the audience. The latest developments in social media comprise of digitization of content and abilities to create and disseminate applications for engaging the online crowd. By online dispersal of digital content, the marketers are able to expand their global reach and increase brand awareness. Another prominent feature of social media for marketing encompasses the empowerment of online users to create and market their content on social media. Since social media has extended the capabilities of online users, they can try to produce professional trend that is according to the latest trends and marketing requirements (Gadalla et al., 2013).

## **10. SEARCH ENGINE MARKETING IN METAVERSE**

Like the typical digital media, search engines in Metaverse will be at the forefront of providing users with information and experiences in different services. Therefore, Search Engine Optimization (SEO) will be paramount for indexing and filtering digital content to provide users with accurate and relevant results. As online marketers look for ways to optimize their content in order to stay atop in search engine results, the online content makers will have to optimize their content in order to get identified in Metaverse. One of the effective ways to get found in Metaverse will be having the keywords Metaverse, VR or AR in the product or service name. Moreover, merely relying on putting the name will be inadequate, and the content creators will have to come up with solutions and innovations in order to increase their SEO conversion rate. Therefore, the marketers should be able to formulate an SEO strategy that matches the requirements of user content and their discovery through search engine platforms. HTML tags, spider-readable text, secure web, https domain and page indexing practices are commonly used practices for effective search engine marketing in Metaverse.

## **11. INFLUENCER MARKETING IN METAVERSE**

Influencer marketing allows brands to leverage social media in order to increase brand awareness among customers. The Metaverse has pinned down the influencer market to lower levels as Microsoft launched Windows Mixed Reality Headsets by providing customers with their personalized avatars. The customization has revolutionized influencer

marketing where the customers can see their digital portray while interacting with creators, bloggers and content creators in the digital space. When the customers are able to identify the shared interests between them and influencers, the chances of brand awareness increase manifold. Virtual Reality and Metaverse have provided an innovative opportunity to influencers, bloggers and youtubers to monetize their talents and present them in more unique and advanced ways to have an impact on their audience. The capitalization of Metaverse will usher in a new transition of influencer marketing wherein influencers will be the core of attention for providing a unique and immersive experience to the customers.

## **12. PR AND METAVERSE**

Metaverse is altogether a new universe, replicating the conventional world with the digital environment. Hence the PR services remain media relations, press releases and online meetings. PR companies are offering services for NFTs, cryptocurrency and other businesses in Metaverse for increased brand awareness and more reach in the digital world. PR interactive sessions comprise podcasts, live streaming and Q &A sessions. Similarly, workshops and think spaces will bring a more personalized experience for PR. Currently, deliberations are underway for effective media engagement so that marketers can reach the targeted customers in an effective manner. Marketers will also need to develop an immersive experience for brands and stakeholders that will be able to attract media and customers in one virtual room. Meetings in Metaverse will also require a massive revamping of virtual rooms capable of housing digital portrayals of personnel involved in the meetings. PR in Metaverse will also encompass summits and conferences of international stature wherein influencers, stakeholders, and marketers will join a digital space for the effective conduct of meetings (Kraus et al., 2022).

## **13. BRANDING AND METAVERSE**

Branding in Metaverse can be a useful and effective strategy to gain a competitive advantage. The stakeholders in the field of Metaverse who want to develop applications in immersive technology leverage from internet, influencers and companies to demonstrate their capabilities and services in Metaverse. Since the technology is still in the inception phase, the branding of items will be required to attract potential clients and customers. The meaningful experience and feedback of the previous users and influencers through blogs or websites can be used to increase brand awareness and marketing. The ability of a company to be able to remain atop Metaverse SEO will also contribute significantly to increasing branding impact.

## **14. METAVERSE MARKETING EXAMPLES**

Metaverse is on track to paving the way for establishing its stronghold in different industries. In the gaming industry, Fortnite and Roblox are leveraging Metaverse marketing in order to seek a competitive advantage in the gaming industry. The major milestone archived by Metaverse is the intervention in social media applications. Facebook has rebranded itself as Meta in order to effectively connect people and grow businesses. Snapchat has introduced World Lenses for enhanced AR experiences and technology in social media. With regards to the fashion industry, brands like Gucci and Prada are embracing Metaverse for redesigning the customer experiences through virtual reality and the digital environment. In the technology industry, tech giant Apple has also established a presence by announcing a hefty thirty

trillion US Dollar investment in Metaverse. Another prominent industry is the setup of a smart city by a technological company, Decoration, which will flourish as a smart urban city capable of marketing and OOH advertisement (Dawson, 2022). The table below shows the competitive landscape of Metaverse across different industries:

Online Game Makers	Design Software Vendors	Social Networking	Gaming, AR & VR Hardware	Live Entertainment
Roblox	Unity	Facebook	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	
NetEase			Razer	
Nexon				
Valve				

Fig 3: Metaverse Competitive Landscape – Source: (Mileva, 2022)

## 15. METAVERSE MARKETING FOR BRANDS AND LOCAL BUSINESSES

As mentioned earlier, brands can leverage influencers for the purpose of marketing and reaching out to targeted customers. Currently, Metaverse is being populated with global tech powerhouses since they can embrace the transition and changes required for incorporating the new technology. Local businesses, on the other hand, will need to incorporate transition for wider adaption of Metaverse, a technology that is expected to become useful in coming years. The local businesses may not deem to incorporate Metaverse on an immediate basis, but the idea should remain in the periphery so that the future requirements or projections may be aligned with the Metaverse. The necessary changes required for infrastructure, human resources, and management decentralization are a few of the prominent aspects that local businesses should be seeking for the future embarking of Metaverse.

## 16. RISK FACTORS AND CHALLENGES FOR MARKETERS

Since the concept is newly developed and undergoing an initial phase, marketers will need to devise promotional strategies that will reach out to the maximum clients of Metaverse. The advocates of Metaverse believe it to be a completely new society rather than a simple 3D or virtual environment. If Metaverse is regarded as a new societal culture, the values and novel concepts are required to be redefined. The values, societal norms, psychology and culture will also require a new retrospective during the execution phase of Metaverse. It is also mandatory to evaluate the feasibility of whether the society is able to embrace the Metaverse in terms of redefining the values. With regards to sustainability, a study needs to be performed with regards to equity, fairness and privacy rights of individuals during their interaction in Metaverse space. In addition to that, applicability in the field of medical, healthcare services and tangible marketing will be impacted for widespread adaption. Moreover, the element of addiction in Metaverse gaming and the utilization of NFTs and cryptocurrency will affect the societal and cultural values and relationships between people (Di Pietro & Cresci, 2021).

## 17. FUTURE OF MARKETING

Unlike traditional marketing, which involves online transactions or hard money payments, people are opting for more robust, quick and efficient methods in order to reduce time. The future of marketing is widely dependent on blockchain technology – an environment created to embrace virtual transactions. The Metaverse has replaced conventional online marketing in which people buy online items and wait for their delivery in the prescribed manner. The future of marketing will capitalize on blockchain technology incorporating NFTs and cryptocurrency, where the users can buy products online in an immersive environment to get a real feel of what the items will feel like. Global tech companies like Facebook, Google and Apple have already invested heavily in Metaverse and blockchain technology to give rise to seamless transactions in an immersive environment (Tarnovskaya & Biedenbach, 2018).

## 18. CONCLUSION

Metaverse marketing is a creative and innovative method of virtual marketing wherein the customers will have an immersive experience for buying or selling products. The paraphernalia of Metaverse has been enhanced since its inception, and it is being incorporated into daily lives, businesses and industries across the globe. By providing virtual identities, the Metaverse space has given rise to a new society where people will interact in a 3D space. In the existing environment, businesses and marketers around the world are exploring ways to leverage from metaverse in order to provide consumers with more advanced, flexible, innovative and creative options for reaching out to the desired products and services. As technology is rapidly increasing at a breakneck pace, there is a dire need for long-term planning and formulation of strategies that will be able to embrace the Metaverse in the conventional society wherein all the norms and values are fulfilled for a sustainable environment (Gavrila & De Lucas Ancillo, 2021).

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