"Metaverse marketing: Impact of metaverse in shaping the future ofretailing."

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1. Introduction

The term Metaverse was first coined by Neal Stephenson in his 1992 science fiction novel, Snow Crash, to describe a virtual reality space that was beyond the capabilities of the internet at the time. However, with the rapid advancement of technology and the emergence of virtual and augmented reality platforms, the concept of the Metaverse has become increasingly plausible. The Metaverse is essentially a fully immersive virtual reality environment, where users can interact with each other and with digital objects in a seamless and realistic way. With the Metaverse gaining popularity and becoming more accessible, businesses are starting to explore its potential as a marketing tool. This literature review aims to explore the impact of the Metaverse on shaping the future of digital marketing and the opportunities and challenges that come with it.

1.1 Metaverse and digital marketing

In recent years, digital marketing has become an important part of marketing strategies. The advent of social media, ecommerce, and online advertising has changed the way businesses i nteract with customers and market their products. But Metaverse has the potential to take d igital marketing to a new level. In the Metaverse, businesses can create the best experiences for businesses that engage with customers in ways that digital marketing cannot.

For example, in a virtual reality store, customers can browse, interact with, and even try pro ducts before purchasing in an authentic, immersive environment.The potential of immersive products goes beyond the retail store. In Metaverse, businesses can create interactive and i mmersive experiences for customers in any industry. For example, virtual reality experiences in the travel industry allow customers to explore destinations and activities before traveling. In the entertainment industry, virtual reality concerts and events can provide fans with an i mmersive experience.The possibilities are endless.Metaverse is a virtual space closely associ ated with technologies such as Augmented Reality (AR) and Virtual Reality (VR) (Ali & Khan). It offers realtime opportunities without creating virtual needs. The term took on more meani ng when social distancing was ordered during Covid19. Marketers use many digital platforms to promote their products, but thinking about products and services requires innovation.

Metaverse is a new method for marketers and it is estimated that by 2026 30% of marketers will use metaverse to market their products and services (Khatri). I haven't seen how useful Metaverse is for anyone yet. Organizations are trying to find out if Metaverse is useful for int eracting with customers. Metaverse should provide business people with the opportunity to create business interactions and sell directly with customers.

Metaverse provides a physical space where a digital version of your body takes you everywh erecompanies will create awesome avatars to communicate effectively with customers (Holl ensen et al.). This is how traditional retailers will turn into esellers. This research will focus o n identifying different business models for adopting and using the Metaverse.

Metaverse has no boundaries and is more accessible to consumers than ever before (Snider & Molina, 2021).It will enable marketers to interact directly with more customers in less tim e. Marketing in the Metaverse is an attempt to transform the online business and provide cu stomers with more powerful and realtime experiences (Swilley, 2015). With all these benefit s, it seems risky, but research continues and evolves. After examining the data, research gaps were identified which led to the following research questions:

Q1: How will the virtual world with digital marketing help the businessman?

Q2: What impact does the Metaverse business have on the future of digital business?

Q3: What are the ethical and cultural issues to consider when using Metaverse for digital marketing?

The research objective of this study will be:

To find out the experiences of marketers with the Metaverse and digital marketing

To find out the impact of metaverse marketing on the future of digital marketing.

To find out the ethical and cultural norms when using the Metaverse with digital marketing

2. Literature Review

Implementation of metaverse is not cost effective as it need to revamp the procedures and infrastructure too. Installation of software, training, and other changes increases the cost of implementation of metaverse (Khatri). High-cost implementation comes with benefits too. It provides real time experience to the customers by 3D environment like some gaming giants provides. For advertisement, metaverse will use smart cities with different marketing trends and customer's perceptions. As per the latest trends, metaverse can disseminate information easily to the large number of customers (Gadalla et al., 2013). Metaverse allows marketer to work on influence marketing which create awareness of the brand and the customers can enjoy this with their avtars. By this, customers can interact with bloggers, content creators, and influencers which increases the product understanding of the customer. Virtual rooms, conferences, and seminars are the part of metaverse where virtual interaction between marketers and the customers can be done easily (Kraus et al.,).

Metaverse is creating milestones in marketing. It can be seen as Facebook has rebranded itself as "Meta". Snapchat has already used various AR applications in social media and customers are enjoying this. Big companies like Gucci and Prada have also used metaverse in designing and knowing choices of customers through AR and VR. Apple has announced to invest 30 trillion US dollar in metaverse which can bring revolution in metaverse marketing (Dawson).

Metaverse can help marketers to be highly imaginative where they can offer creative and unique combination of goods to the customers which is not possible at physical space. Generally, advertisement is considered to be a part of one-way communication but metaverse makes the advertisement more interactive and lead to much more robust purchase of the goods and services. Adidas has launched virtual wearables and art work of Lamborghini has created another kind of revenue model with the help of metaverse (Gautam).

Target market of metaverse is different as they are targeting on generation X, generation Y and generation alpha. Their understanding because of gaming is much stronger to use and understand metaverse marketing (BE Staff). Many innovations are in line and influencing youth to purchase avtars of their choices with different outfits.

However, there are certain drawbacks and challenges which are very novel and different. It creates technical and infrastructural issue to understand multicultural metaverse. Its also not easy for the companies to adapt and tech customers to use AR and VR headsets and other related accessories (Dolan et al., 2016). Conventional retailing which has already become the part and parcel of the customers, it will be very tough to take the customers on this platform. Initially, lots of efforts are to be put by the marketers to understand the consumption pattern of the customers regarding metaverse. Companies like Apple, and Gucci are actively participating in metaverse as these companies are organising events on this platform and giving opportunity to the customers to purchase in virtual space (Faridani).

It is also very challenging to survive in real time and 3D virtual world. Even if companies are able to manage everything initially on metaverse, there may be some

scalability issues. It can be said that metaverse has benefits but challenges too which is to be understand by the marketer well advance.

2.1 Opportunities and Challenges of Metaverse Marketing

The opportunities that the Metaverse presents for businesses are significant. It has the potential to create a new level of engagement with customers and provide unique brand experiences that are not possible through traditional marketing channels. However, there are also significant challenges that businesses will need to overcome if they want to succeed in the Metaverse.

One of the biggest challenges is the technical complexity of creating immersive experiences in the Metaverse. Creating high-quality virtual reality experiences requires significant resources and expertise. Businesses will need to invest in specialized teams and technology to create compelling experiences that engage customers. Additionally, the Metaverse is still a relatively new concept, and there is a limited pool of talent and expertise available. This means that businesses may need to invest in training and development to build the skills they need to succeed in the Metaverse.

Another challenge is the need to adapt to new business models. The Metaverse is a fundamentally different type of environment than traditional digital marketing channels. Businesses will need to adapt their strategies to fit the unique characteristics of the Metaverse. For example, in the Metaverse, customers may expect more personalized experiences and may be less tolerant of traditional advertising tactics. Businesses will need to develop new ways to engage customers and build relationships with them.

Privacy and security are also significant challenges for businesses operating in the Metaverse. In the Metaverse, customers are providing more personal information than ever before, and there is a risk that this information could be misused. Businesses will need to develop robust privacy and security protocols to protect customer data and maintain trust.

Finally, there is the challenge of user adoption. While the Metaverse has the potential to revolutionize digital marketing, it is still a relatively niche concept. Businesses will need to work to educate consumers about the benefits of the Metaverse and why they should engage with it. Additionally, the Metaverse is still in the early stages of development, and there are significant technical barriers that may limit adoption.

3. Research Methodology

For the qualitative analysis of Metaverse marketing and its impact on shaping the future of digital marketing, a sample size of 15 respondents will be used. The respondents will be selected based on their knowledge and experience with the Metaverse and digital marketing. The respondents will be from different backgrounds, including marketing professionals, Metaverse enthusiasts, and technology experts.

The research design will be based on semi-structured interviews. The semi-structured interviews will allow for a flexible and in-depth exploration of the respondents' perspectives and experiences with Metaverse marketing. The interviews will be conducted online using video conferencing software, such as Zoom or Skype.

The interview questions will be designed to explore the following topics:

1. Importance of Metaverse and digital marketing in marketing goods and services
2. The potential benefits and challenges of Metaverse marketing as a brand extension strategy.
3. Risk associated with this technology and risk mitigation.
4. The role of technology in shaping the future of Metaverse marketing.

The interviews will be transcribed and analysed using thematic analysis. Thematic analysis involves identifying themes and patterns in the data and interpreting them in the context of the research questions. The analysis will be iterative, with themes emerging from the data informing further data collection and analysis.

The findings of the qualitative analysis will be presented in a report, which will include a description of the research design, a summary of the main themes and patterns that emerged from the data, and an interpretation of the findings in the context of the research questions. The report will also include recommendations for future research and practice in the area of Metaverse marketing.

3.1 Validity and Reliability:

To ensure the validity and reliability of the study, several measures will be taken. Firstly, the interview questions will be designed to be open-ended and non-leading, to encourage the respondents to provide honest and unbiased answers. Secondly, the research design will be based on semi-structured interviews, which allow for a flexible and in-depth exploration of the respondents' perspectives and experiences. Thirdly, the thematic analysis will be conducted using a rigorous and systematic approach to ensure the accuracy and reliability of the findings.

3.2 Ethical Considerations:

The study will adhere to ethical guidelines, including informed consent, confidentiality, and anonymity. The respondents will be provided with information about the study and given the opportunity to ask questions before giving their consent to participate. The data collected will be kept confidential and anonymous, and any identifying information will be removed from the transcripts and report. The study will also adhere to ethical principles of research, including respect for the respondents' autonomy and beneficence.

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