Chapter 4
How Is Metaverse Impacting Consumers' Behaviour?

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ABSTRACT

There has been huge industry buzz and excitement for the metaverse. Metaverse is considered as a hyper-connected digital universe fundamentally changing business practices, including how consumers, brands, and firms will transact and interact in a space of virtual realities. Metaverse is beyond gaming, and now it is a 3D virtual world with rich and immersive experiences. It involves a digital economy where people can create, buy, and sell goods and services. Industry can also use the metaverse for educational purposes, collaboration, and social interactions. It's reasonable to assume that most consumers will eventually move to the metaverse, given that more than 75% of consumers worldwide rely on technology in their daily lives. Additionally, as new forms of content, consumption, and commerce become available, consumer behaviors will also change. While there is already some overlap between digital commerce and video games, the metaverse introduces virtual goods and services that elevate purchasing beyond the ordinary, opening up new revenue streams for companies and providing a means of reaching out to younger customer demographics. According to earlier research, most younger customers desire the ability to purchase their preferred brands online wherever they go, including on metaverse platforms. This research presents a multidisciplinary analysis of the metaverse, with an emphasis on how it can affect consumer behavior. The authors are putting forth a conceptualization model of the metaverse in this study, which includes the following essential components: it is digitally mediated, spatial, immersive, shared, and functions in real-time. They also discuss how these components affect consumer behavior. The knowledge of the metaverse marketplace and how it affects customer behavior has expanded as a result of this study. This research aids in determining how consumers' shopping habits are altered by the metaverse, a virtual environment, and how businesses might benefit from it.

INTRODUCTION

The Metaverse offers a singular chance to rethink consumer behavior by upending ideas about identity, authenticity, and digital ownership. awareness the impact on consumer decision-making processes requires an awareness of its revolutionary implications for consumer research and practice, as well as its capacity to deliver value and promote well-being. Additionally, the examination of consumer consciousness and sensory acceptance is essential. There are still issues with guaranteeing inclusive and seamless delivery across demographics, using data in an ethical manner, and striking a balance between impartiality and justice while still providing rewarding customer experiences (Amorim et al., 2014; Goyal et al., 2019; Navarro et al., 2022).

The Metaverse is revolutionizing consumer experiences in a variety of industries by bringing adventure, personalization, and interactivity to business-customer relationships.

What Actually Is Metaverse?

The metaverse is a newly developed 3-D digital environment that enables lifelike online personal and professional experiences through the use of augmented reality, virtual reality, and other cutting-edge semiconductor and internet technologies.

The latest McKinsey research indicates that the metaverse has the potential to generate up to $5 trillion in value by 2030. It's an opportunity that is too big to ignore. Some people believe the metaverse to be a digital playground for friends, while others believe it has the potential to be a commercial space for companies and customers. In 2021, metaverse-related companies reportedly raised more than $10 billion, more than twice what they did in 2020. And so far in 2022, more than $120 billion has flowed into the metaverse.

Value creation in the metaverse is a new report published by McKinsey in June 2022. It is based on surveys completed by over 3,400 executives and customers and 13 senior leaders who were interviewed. This research leads us to conclude that the metaverse is best described as a development of the modern internet, something we interact with on a deep level rather than just viewing. It is an example of how digital technology is coming together to expand the application and reach of cryptocurrencies, virtual and augmented reality, artificial intelligence, and spatial computing, among other things. Furthermore, the "enterprise metaverse" might come together in a way that opens up far more possibilities than just acting as a virtual space for social interaction.

Fundamentally, the Metaverse Has 3 Characteristics

● user agency
● a sense of immersion
● real-time interactivity

Lastly, the following will be a part of the metaverse's complete vision:

Platforms and gadgets that communicate with one another without any problems, enabling simultaneous interaction with thousands of individuals, Multiple uses beyond gaming

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