

Chapter 20

Metaverse Branding: A Review and Future Directions

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ABSTRACT

The main aims of this chapter were to explore metaverse branding by identifying the main trends and contributions in extant literature. Through a bibliometry and the critical analysis of the main contributions in the literature, the chapter proposes a metaverse branding conceptualization, which shows how immersive metaverse experiences that provide multi-dimensional value enhance brand engagement, which leads to increased brand awareness, brand love, satisfaction, trust, and brand equity. These factors ultimately drive online and offline purchases and strengthen brand loyalty. Overall, this chapter and the proposed framework provide relevant insights for both managers defining metaverse branding strategies, and researchers interested in these topics.

INTRODUCTION

In a world marked by a continuous technological revolution and the growing digitalization of the economy, the metaverse stands out as one of the most promising innovations for managers and marketers, given the challenges and opportunities it presents for businesses and brands.

Constantin et al. (2023) define the metaverse broadly as “the next evolution of the internet—a collective space where physical and digital worlds converge to deliver more immersive, interactive virtual or augmented reality (VR/AR) user experiences, often referred to together as extended reality (XR)”. The applications

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of the metaverse are unlimited, as it can be “a gaming platform, a virtual retail destination, a training tool, an advertising channel, a digital classroom, a new gateway to digital experiences. The metaverse seems to be whatever people’s imaginations dream it to be” (McKinsey and Company, 2022, p. 10).

Overall, the metaverse is viewed as having the potential to revolutionize several industries (Bruni et al., 2024; Dwivedi et al., 2023), such as tourism (Ampountolas et al., 2024; de Almeida, 2023; Gursoy et al., 2023; Natarajan et al., 2024; Rather, 2023; Sanchez-Amboage et al., 2024; Shin & Kang, 2024; Zhu et al., 2024), fashion (Blazquez, 2024; Kniazeva et al., 2024; Murtas et al., 2024; Park & Lim, 2023; Prashar & Prashar, 2024; Profumo et al., 2024; Sanmiguel et al., 2024; Venturini & Columbano, 2024), and luxury products (Jiang et al., 2023; Joy et al., 2022; Sung et al., 2023). Marr (2024) anticipates that, in a decade, the metaverse will change the typical features of the internet and the way we use it by increasingly integrating immersive experiences into our physical experiences through a diversity of devices and data management, including in areas such as healthcare, digital goods, and services, fostering the digital economy. Correspondingly, the literature highlights its anticipated impacts on marketing and branding (e.g., Ahn et al., 2023; Cheah & Shimul, 2023; Crespo-Pereira et al., 2023; Dwivedi et al., 2023; Kaur et al., 2024; Kshetri, 2022, 2023; Lee et al., 2023; Park & Lim, 2023; Ramadan, 2023; Yadav et al., 2024), challenging brands to leverage metaverse opportunities while staying relevant to their target audiences (Bilgihan et al., 2024).

Early adopters are using the metaverse for marketing, events, product design, and creating digital twins. This includes fashion luxury brands (e.g., Gucci, Balenciaga), luxury cars (e.g., Lamborghini), fast food brands (e.g., Burger King), sports apparel brands (e.g., Nike), technology brands (e.g., Samsung), and tourist destinations such as Saudi Arabia’s UNESCO World Heritage Site Hegra.

McKinsey and Company (2022) estimates that, by 2030, the metaverse could reach a value of 5 trillion US dollars, as the majority of consumers seem excited about this new technology and are willing to shift some daily activities to this platform, particularly for socializing, entertainment, gaming, travel, and shopping. Kotler et al. (2023) and Bruni et al. (2024) emphasize that metaverse marketing could replace omnichannel marketing due to the ideal combination of digital and real-world elements and the ability to offer immersive experiences to consumers. Overall, the metaverse is seen as essential for brands that want to remain relevant to younger generations (Cheah & Shimul, 2023; Joy et al., 2022; Kotler et al., 2023), particularly Generation Z (Bogicevic et al., 2024; Crespo-Pereira et al., 2023; Payal et al., 2024), as these consumers expect brands to offer valuable immersive experiences. The expected positive impacts of metaverse branding include customer loyalty (e.g., Bilgihan et al., 2024; Natarajan et al., 2024; Payal et al., 2024; Yadav et al., 2024), consumer-brand engagement (Ahn et al., 2022; Arya et al., 2024; Bilgihan

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