


Chapter 12

Avatars and Digital Identity: Branding in the Metaverse

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ABSTRACT

Considering avatars as virtual identities in digital universes, and according to the scarcity of previous research on the impact generated by them, this study delves into avatars' emergence as personal brands within metaverses, assessing the mediation of AI in the design process and evaluating the impact of avatars on user experience and advertising. After carrying out a mixed methodology based on a survey to users, interviews to active companies in metaverses and avatars design specialists; and a content analysis of metaverse platforms, it's been proved that avatars are revolutionizing digital communications, allowing immersive interactions and the implementation of virtual experiences as advertising formats. Findings also reveal the relevance of AI in the design process, promoting that virtual identities match real personalities through customization and encouraging connections between users and brands that go beyond the screen.

INTRODUCTION

Brands, as part of their digital strategies, started to disseminate their identities through online scenarios such as metaverses, where they can interact directly with real and potential users through universes in which they integrate their organizational symbology. In these environments, the audience has a physical-like presence through avatars, representations of personal identities that act as instruments of participation and expression.

Their use is traditionally related to videogames. On platforms such as Fortnite or Roblox, players design avatars with which they participated in competitions. A pioneering example in this field is Nintendo's Mii characters, introduced in 2006 alongside the Wii console. These simplified yet customizable avatars allowed users to modify facial features, hairstyles, and styles, establishing an accessible model

DOI: 10.4018/979-8-3693-3799-8.ch012

for digital self-expression. The Mii characters were not only essential in popular videogames such as Wii Sports and Mario Kart but also influenced the development of more advanced avatar customization tools, such as Apple's memoji or the design options on platforms like Roblox and Fortnite.

Nowadays, these representations have spread to other digital tools, such as social networks or texting apps. Artists such as Ed Sheeran use them in their videoclips (Figure 1) and, since the COVID pandemic, more and more companies work in metaverses and develop their activities online, by scheduling meetings in virtual offices where the chairs are occupied by the avatars of the employees.

Figure 1. Screenshots of Ed Sheeran's videoclip



Source: YouTube

Additionally, the increasingly common appearance of avatars in television shows and movies reinforces their role in popular culture. Examples include global hits such as the American film *Ready Player One* (2018), directed by Steven Spielberg, which explores virtual worlds and avatars as digital extensions of individuals. Similarly, the Spanish national success *Campeonex* (2023), directed by Javier Fesser, uses avatars to highlight the relationship between technology and sports.

This renewed scenario has resulted in concepts such as “phygital”, a combination of the physical and digital dimensions on which human dynamics are based in the metaverse (Zimmermann *et al.*, 2022). Thus, avatars become the digital presence of the body and the architecture in which it is integrated can be considered the outcome of a convergence between physical and digital spaces (Ríos-Llamas, 2022).

Avatars also encompass functionalities beyond metaverses, as demonstrated by Apple's “memoji.” These personalized avatars allow users to create detailed digital representations of themselves based on their real-life features. By offering high customization levels, memoji exemplify how avatars can seamlessly bridge physical and digital identities, further emphasizing the “phygital” concept (Zimmermann *et al.*, 2022).

Avatars become personal brands (Ríos-Llamas, 2022) with a growing impact on the development of digital identities, especially with the inclusion of Artificial Intelligence (AI) in the design process; and in advertising, given the paradigm shift in the user-brand relationship, resulting in new user experiences. However, the review of previous literature indicates a scarcity of studies focused on the impact generated by avatars on the user and in the brand communication, with a predominance of works on the creation phases (Sui & Shaw, 2022) and their effects on the people who use them (Piccioni, 2023).

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