INNOVATION

Transforming Your Brand Using the Metaverse: Eight Strategic Elements to Plan For

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Using the Metaverse for brand transformation.

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Business Leaders across the world are excited and optimistic about Metaverse. A small section of them is still skeptical, but many are curious to know how Metaverse will impact marketing and brand building in their organisations. The virtual, spatial, immersive, and

interactive three-dimensional nature of the Metaverse promises to be a welcome transformation in the digital world. It is expected that revenues from the Global VR industry will reach over $6.71 billion by the end of 2022 and an even more impressive $12.19 billion by 2024. The millennials are already spending a lot of time in the virtual world, and it is now up to marketers to elevate their capabilities in this arena.

So what are the strategic elements that you should consider as you embark on a brand transformation through the Metaverse?

Our non-sequential multi-method study (combination of primary survey and secondary research that included expert articles from Federal Trade Commission (FTC)/Advertising Standards Council of India (ASCI)) among 23 respondents (that included Meta Director, CXOs, Global brand consultants, Data lawyer, Technology leaders, Senior media personnel)revealed that there are three broad pillars that are expected to be transformed by the Metaverse – Consumer experience, Resource allocation and Data strategy. There are eight elements in these three pillars that are changing; namely – Messaging strategy, Consumer engagement, Consumer journey, Communication guidelines, Metaverse impact measurement, Technology/hardware skills, People strategy, and Consumer data management.

Findings

The findings are classified according to the various sections, in terms of the nature of their impact. There are three pillars, namely-Transforming consumer experience, Transforming resource allocation, and Transforming Consumer data. Under each pillar, the relevant aspects have been detailed below.

Pillar 1 - Transforming Consumer Experience

There are five ways in which the Metaverse will impact consumer experience, as given below.

Messaging strategy

Messaging strategy is the important starting point of the Metaverse medium and is about a complete 'brand experience'.Metaverse's novel characteristics such as limitless 3D virtual worlds and avatars, shared spaces to explore, engage, play, and do work, extended and mixed reality, to be harnessed fully and not just 'adapt' the current messaging to Metaverse, but flesh it out to exploit the medium fully, by working on the personality, voice, characteristics, sound and music, which is how consumers will now experience the brand. These need to be accomplished without increasing the message complexity, while still making it attention-seeking, different, experiential, and memorable, all while integrating it with the rest of the promotional mix. 'Social-conduct' in the medium to be adhered too.

Deeper Consumer Engagement

Metaverse enables 'story-living' rather than just 'story-telling'. Consumer co-creation of content, defining their 'own' experiences, thus acting as influencers and facilitating 'conversational commerce'- all are possibilities, done 24/7 in the Metaverse.[1] A deeper consumer engagement allows marketers to reposition their offerings, combining the utilitarian and hedonic benefits simultaneously, thus driving up consumer aspirations. Watanabe and Rule[2] talk about using Metaverse for effective online dispute resolution,

given its interactive nature. Haptics (sense of touch) has been absent in digital marketing and many organisations failed to fill this gap,[3] but with the Metaverse, tools like 'haptic gloves' will bring the sensorial experience closer to reality. The depth of engagement is expected to result in better conversion rates, lower acquisition costs, increased customer loyalty, and enhanced profitability.[4]

New product testing (in November 2021, Dyson, a household appliances manufacturer, opened a Virtual Reality store through Meta's Oculus Quest headset, to enable customer testing of its hairdryers, straighteners, and stylers), CSR activity (Coca cola's International Friendship Day), Brand mascot interaction (the iconic character of *Chacha Chowdhr-* by GSL brand Eno in rural India) are all examples of Metaverse usage. Marketers only need to define clear and specific consumer engagement objectives to harness the medium's immense possibilities.

Holistic Consumer journey

Metaverse is a 'Full funnel play' of the consumer journey through *Discovery, Trial, Reconsideration and Adoption* - principled in interactivity, immersion and interoperability (i.e., an ability to shift your avatars across different media). Consumers can now 'discover' the products in a phygital interactive way. E.g. How *Wendy's* used the QSR to make consumers aware of their offering, or how the skateboarding retailer *Vans* launched the interactive skate park 'VansWorld' on Roblox; Nike facilitates 'trial' without logistical constraints. Gucci's sale of its limited edition "Gucci Collection" — bags, glasses, and hats— in the Roblox game through NFTs, is an example of brand adoption.

Thus Metaverse solves many pieces of the customer journey,[5,6] and mapping it with the organisation's resources, while assessing VR savviness of consumers and collaborating with technology vendors to design the Metaverse ambience, drafting the accessories in order to make the journey more relatable, entertaining, as well as meaningful - are all important.

Figure 1 summarizes the consumer impact of Metaverse.

FIGURE 1. Summary of the 'Consumer Impact' of Metaverse

The 'Metaverse' input	What the consumer can do?	The consumer experience
• Audio/Verbal/Visual • 3D/4D/5D/Immersive • Haptics	• Create content • Acquire digital avatars • Entertain themselves and others • Transact (buy/sell goods) • Shared social experience • Engage with brand mascots • 'Try' products without logistical constraints(repeat/ adopt) • Recommend • Be present 24/7 • Have 'fun' (Play/ participate in brand contest, etc.) • Resolve disputes real time	• 'Transported' to the brand zone • Story 'living' • 'All' sensory immersion • 'Flow' experience • Focussed attention • Media richness • Vividness • Interactivity • Stimulating/arousal • Satisfaction • Enjoyment • Competent(skilled) • Immortalised • Anonymised (no fear of identification)

Communication guidelines

Consumer safety, brand control and frictionless brand fulfillment are all important aspects of communication guidelines. The Metaverse further accentuates the social media legal and regulatory framework issues, through its personal, immersive 3D medium (e.g.; transactions such as buying virtual properties like 'Decentraland'). User behavior (verbal, facial, gestures, tone, eye/hand movement), communication content, enforcement rules, consequences of violations – are all pieces that need attention, that need to be evaluated from angles of personal space invasion, transparency, morality, and ethics- to name a few. Techno-stress and cyber bullying in Metaverse are concerns too.

Our discussion with Senior leaders from Meta and other regulatory authorities such as the ASCI, and documents from the FTC reveal that this is a priority area that is evolving fast and needs collaborative effort among corporates, ad/ media industry, legal authorities, and regulators.

Metaverse impact measurement

Return on investment continues to be the final desired outcome from Metaverse and the lack of knowledge of measurement may impede adoption. Brand perception outcomes, sales outcomes and sale of accessories such as eye gear, hand gear and digital avatar accessories can also be used to gauge consumer adoption.

Given the multisensory and multifaceted immersive experience, sticking to a single metric may not be sufficient to capture the end effect. Methods like geo/user-based lift tests (experimental methods in which a selected geography/group of people in a virtual universe are exposed to the stimulus or an immersive experience, and their subsequent virtual or physical behavior will be monitored against a control group[7]) can be used to compute the impact of their meta campaigns.

Pillar 2 - Transforming resource allocation

Many Business Leaders mentioned Technology and People as critical investment resources for the Metaverse.

Technology hardware and related skills

The eight key technologies in Metaverse are – Extended Reality, User Interactivity, Artificial intelligence, Block Chain, Computing Vision, Internet of Things, Robotics, Edge and Cloud Computing and Future Mobile networks that are relevant to Metaverse. Which combination of these will be the most effective, maybe the most important question to ask, as far as technology is concerned.

Metaverse requires Web 3.0, 3D modelling (e.g.: 'Unreal'), VR headsets(e.g.; 'Oculus' from Meta) and a superior graphic design to build an impressive community. MAR (Mobile Augmented reality) is a feasible alternative to address the problem of VR devices' delays. Knowledge of Node JS, JavaScript, application programming interface (API) integrations and ReactJS.IoT gadgets will drive interaction and Cloud will be an enabler for these IoT devices to send real-time data to the metaverse. AI, through ML algorithms, will allow systems to process how users interact and utilize that information to improve the Metaverse user experience. Hardware in terms of powerful servers, high bandwidth capabilities, effective interface are all important in the Metaverse infrastructure.

The data input required from the clients are similar to that of making an advertising film, ranging from a script to a story board and indicative budgets and timelines. The process is still largely informal and the output is typically an *android atk* file that can be emailed. The vendors are working on making the output format compatible with the google play store and the apps on the smart phones. Strategic technology vendor partnerships can drive the Metaverse opportunities. E.g. Nike 's strong vendor network helped them tie up with RTFKT, a virtual sneaker fashion company, that helps in the virtual product sampling for Nike, without physically producing the goods. The company's Brianiac e-commerce platform allows other technology merchants to drive consumer traffic for Nike.

NFT s transactions require organisations to adapt to multiple payment systems. Ethereum is also a top solution for creating Metaverse applications and coins. According to the Technology Leaders, the hardware industry for the metaverse is witnessing a lot of experimentation. Vendors are scarce and organisations should work towards creating the right vendor pool and assess them through certifications as they emerge.

Some of the relevant online technical and skill training programs are –Facebook's Spark AR Curriculum with certification, Udemy's Masterclass on Metaverse and LinkedIn learning's Web 3.0 course on block chain/NFTs. **New York** University, **The New School**, and **Stanford** all offer metaverse- related college courses.. Organising symposiums, webinars, and special interest groups with leading Educational Institutions, for the benefit of brand marketers, in order to create awareness and educate them on the Metaverse usage-are required.

People strategy

A long-term investment in the rightly specialised people is arguably the most important decision that Business leaders will make in their Metaverse journey. The medium requires imaginative/empathetic creators, persuasive communicators, team collaborators, technically skilled project managers and data scientists- who have a high sense of ethics and social responsibility. According to Senior ad agency leaders, marketers will look at skills such as AR/VR software engineering, Project/product management, 3D Game designing, Storytelling with data and visuals, hardware engineering, to name a few. External stakeholder collaboration to design, produce and implement the Metaverse

strategy for consumers is paramount. E.g. Roblox's key advantage is its thousand-member strong developer community, that has access to multi-fold experiences across the world. Roblox also teamed with Warner Bros in 2020 to develop the virtual 'Wonder Women'.

The job market is to be swept by the Metaverse requirements in the next five years; Accenture even has a separate 'metaverse' consulting menu.

Pillar 3 - Transforming consumer data

Organisations have a huge responsibility with regard to consumer data in the Metaverse. This is across two aspects- harnessing the data to build a brand competitive advantage while simultaneously managing concerns of data privacy, security and ownership. Emma Chiu, Global director, Wunderman Thompson Intelligence, in her report on the Metaverse, has highlighted that Cyber data and security continue to be the top concerns regarding the Metaverse.

Consumer data Management

Data in the Metaverse is multi-dimensional, multi- sensorial, and runs into trillions of bytes, thus being called the *Mega-data*. It is Big Data but will be in real time footprints, both verbal and non-verbal, and will be made available by the Metaverse infrastructure.[9] E.g. When a visit to a gallery is made using an alternate Avatar, a behavioral pattern emerges regarding a consumer's eye movement, hand length, facial gestures, and so on. These are extremely personal and spatial data, live 24/7. The Metaverse data is a huge treasure that will need sophisticated analytical tools to mine, powerful servers to store them and newer computer languages to process them. Marketing leaders need to transform the way they handle consumer data, in terms of accessing, storing, and harnessing consumer insights. Organizations like Nike, and Gucci have already urged their data engineers to address security, predictability, portability, and privacy concerns.

Content ownership in Metaverse is ambiguous,[10] as there is no copyright. This may result in plagiarism and overlapping content among brands. Privacy is another concern- whether it is building stronger firewalls or having a more layered 'id' for participation. Metaverse's NFT transactions may pose worries, as with crypto's security and the legitimacy of

different digital currencies.[11] Brands must assure the legitimacy and safety of any cryptocurrency that they trade in, for protecting users' funds. Certification of authenticity issued as a Digi legal smart contract is one way to build trust among consumers. For cross-border data security, technologies like Confidential Computing implementation can be done to protect data across borders and those in transit.

Business leaders need to prepare their organizations in substantial ways, regarding customer data management. Consumer consent needs to be at the heart of it all and a data lawyer voiced this aspect. The IT and legal departments need to be significantly upskilled and will need to work very closely with the Marketing department, to draw up Transfer risk assessments, data privacy impact assessments for data security, the various kinds of legal contracts, and the GDPR/FTC regulations in this regard.

Consumer data is probably the biggest competitive advantage that the Metaverse medium offers and hence marketers/ agencies should sufficiently equip themselves to capitalize on this for making their brands more powerful.

The Takeaway

The acronym *'MECCMTPD'* summarises[8] the 8 strategic elements that Marketing leaders need to think about, when taking their businesses on the Metaverse brand transformation journey. The critical questions that practitioners need to answer under each element is outlined below, along with pointers on how to approach each element:

1. **M-Messaging**

   How can the organisation make its messaging more effective, using the Metaverse medium? Organisations need to weave their messages in 3D immersive experiences, and not just adapt from social/digital media. And while doing this, be mindful of' social conduct' in the medium.

2. **E-Engagement**

   How can the organisation use Metaverse to make consumer engagement deeper? Businesses can use 'Haptics' (sense of touch) to offer a closer to a real experience in the

Metaverse and use 'lip animatics' for speech synthesis. They can also emphasise '24/7 consumer immortalization' in the medium.

3. **C-Consumer Journey**

How can the organisation use Metaverse to participate in all parts of the consumer journey more holistically? Organisations need to capitalise on 'full-funnel play'in the Metaverse. Media/ad agencies should craft 'phydigital' experiences for product trial and buying, and design complementary virtual accessories for consumers. Planning for 'micro-segmentation' of consumers also enables sharper targeting. Finally, Technology vendor collaborations will facilitate more proactive consumer understanding and usage of the Metaverse.

4. **C-Communication guidelines**

What are the communication guidelines that the organisation needs to be aware of, while using the Metaverse? Marketing practitioners should familiarise themselves with FTC/ASCI guidelines and educate the organization on digital media legal/regulatory framework. Businesses can use 'Triple-level firewall' for consumer safety to ensure proactive brand watching for better control and guard against tech-stress bullying.

5. **M-Measurement**

How can the impact of Metaverse engagement be measured? Though it is too early, Return on Marketing Investment for the Metaverse projects is critical. Brand perception/ sales outcomes, campaign objectives, adopting geo lift tests and tracking sales of accessories (digital avatars, ARVR equipment) –all may give an indication of the consumer adoption of the medium.

6. **T-Technology**

What kind of technologies will the organisation need to acquire and learn, in order to participate in the Metaverse? Investing in the convergence of technologies (AI/ Block chain/ Internet of Things, etc.) based upon desired application, hardware servers/interface/3D/VR headsets/graphic design, Mobile AR, Ethereum for metaverse applications/decentralised finance/smart contracts, aligning appropriate input file and output file with the agency, training programs from vendors and online – Facebook Spark, Udemy Masterclass, Stanford, New School courses, etc.- are all ways to prepare for participation in the Metaverse.

7. **P-People**

   What kind of people skills and competencies will be required to participate in the Metaverse? Job description for employees in this medium to include-soft skills (imaginative/empathetic/Ethical/Capable of stakeholder collaboration), technical skills(familiar with digital marketing/ visualizer/ data scientist/ ARVR/3D/ Software engineering/Project management and Storytelling). It may be helpful to hire Metaverse consultants in the short term to build familiarity

8. **D-Data**

   How can organisations use the rich and diverse consumer data generated through the Metaverse, to build a competitive advantage for the brand? How can the organisation be equipped to manage aspects of data privacy, data security and data integrity? Infrastructure to store mega, rich data, as well as learning to process them, while getting Consumer consent are all important. Certification of authenticity, Digi-legal smart contract, Confidential computing for cross-border implementation and Transfer risk assessment – all to be planned for.

Conclusion

Today the Metaverse medium raises more questions than answers. Business leaders and Marketing practitioners, while excited about the potential that this medium holds, need to have a vision on how to utilise Metaverse to their advantage. The eight pillars outlined here can be roadmapped by organisations in order to get 'Metaverse ready'.

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