

Metaverse Marketing vs Digital Marketing

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Abstract:- The metaverse can be defined as a seamlessly interconnected digital universe promising a revolution in the ways how consumer brands and firms will be interacting and transacting in the near future. The parallel activities by consumers who engage and transact in virtual spaces and firms who are investing huge capital in access of millions of dollars in developing both hardware and software related to metaverse technologies have accelerated the growth of acceptance of metaverse not only as a portal for social activities but also for conducting e-commerce. However, metaverse marketing, still in its infancy, lacks a clear understanding of how different it will be from digital marketing. This paper discusses how the well-established aspects of digital marketing will evolve when the metaverse takes over the internet. Subsequently, the authors discuss how metaverse-induced changes in marketing practices will lead to developing novel ways of commerce.

Keywords:- Digital Marketing, Metaverse Marketing, Web Marketing, E-Commerce.

I. INTRODUCTION

Digital marketing is a term used for digital technologies used for the targeted, measurable, and interactive marketing of products and services to reach, turn, and retain customers [1]. The marketing efforts in the form of digital channels such as websites, social media platforms, email, search engines, popup advertisements, and often targeted intrusive ads due to cookies delivered on electronic devices like personal computers, mobile devices, and intelligent devices for media consumption. The primary factor in the growth of digital marketing is the near-exponential growth of people accessing the internet. The introduction of social media platforms like Facebook in the mid-2000s further motivated people to have access to the internet. Around 2 Billion people across the globe had internet access in 2010, and the population was just shy of 7 billion[2]. Currently, over 5 billion people are accessing the internet, while the population stands at 8 billion.[3] That's 28% growth from 2010 to 62% as of now. This exceptional growth translated to the origin of online commerce doing businesses associated with digital marketing in one form or another, the top technological companies in the world like Amazon, Google, Apple, and many more.[4]

Going further in digital marketing is a new phenomenon called metaverse marketing. Metaverse, by definition, is a virtual reality space focused on social interaction accessed via VR and AR headsets.

II. DIFFERENCES AND COMPARISON

The conventional digital marketing strategies vs. metaverse strategies include:

A. Building a highly converting beautiful website

The first step to an existence in the digital world is to have a website. From the perspective of running a business, a great website is the one that makes the most sales in the end, whether it is visually appealing or not. Most visually unpleasant websites make up most of the sales today. Take the example of Amazon; the website has a plain white background with product images and descriptions without animations; in essence, the number of sales has no relation to the visual beauty of a website. Individuals who themselves are the brand need a great-looking website to convert sales. Many influential individuals have extremely well-developed and visually stunning websites, like Snoop Dogg and Paris Hilton. Snoop Dogg and Paris Hilton have virtual lands in the metaverse, and it generates revenue. People willingly pay a premium to buy virtual lands near their favorite artists, like a man who spent 450,000 USD to purchase land beside Snoop Dogg [5]. Paris Hilton has a copy of her California house and closet in the metaverse, where buyers can surf through her collection and buy products. In the case of the metaverse, the visual aspect is one of the most critical areas of making a sale. Immersion is essential in keeping the user engaged with the virtual world of the metaverse. The visual appeal will positively affect the sales of digital and physical products in the metaverse. Taking the example of the luxury brand Gucci, they are building their own metaverse in the sandbox known as "the vault." [6]

B. Optimizing websites to deliver top SEO results

Search engine optimization or SEO, is a process that improves the quantity and quality of website traffic from search engines. As a digital marketing strategy, SEO considers how a search engine works, the computer algorithms, what people search for, what keywords they type in, and their preferred search engines. This leads to their website appearing at the top of the search result, making more people visit and, eventually, more sales. In the metaverse, businesses that thrive on customers' physical experience can benefit from SEOs. As a trend, more and more companies dealing with the fashion industry are going to include in the metaverse. IKEA [7] and Gucci have already made their presence in the AR world and are planning for metaverse inclusion.

In web 2.0, Google dominated the search engine with Google image search and YouTube in the second and third spot, respectively. In the metaverse, the 2D engine will need to

transform into a 3D engine that won't use flatware UX/UI 2d interface; instead will get built upon spatial-ware UX/UI 3D interfaces. This move toward the metaverse search engine will require to move towards developing spatial layers. In web 2.0, we are restricted to using one or two senses at most. Still, with the development in VR technology and haptic sensors and actuator, search engines need to move from restricting communication protocols like typing and voice search to understanding what the user wants to know about with the body language, gestures, and gaze, or some paralinguistic we haven't discovered yet.

In the future, when the brain-computer interface devices become commercially available, the algorithms developed to interpret the multichannel brain signals will be a step forward in integrating searching by thoughts into the metaverse. With the inclusion of so many sensory inputs, the developers will require to study, then incorporate and optimize different algorithms based on the various streams of data inserted by human sense, perfecting them to be able to use and sell them to manufacturers so that it is mutually profitable.

C. *Managing paid search for cost-effective results*

Pay-per-click, or PPC, is a type of paid marketing in which companies pay the search engine to put their website links at the top, unlike organic or natural search results that comes up at the top by the SEO. We all have seen "Ad" written inside a box beside the first two search results by the Google search engine. In the metaverse, the aspect of the search engine will be transformed to allow users to search through the events and activities happening. A web 3-based startup, Lighthouse, has raised funds worth 7 million USD to develop a metaverse search engine with interoperability. Lighthouse allows users to search through a database of all the active events in metaverse games like Decentraland and the Sandbox.

In the VR search interface, typing through the laser pointer is a hassle, so the most probable way of typing will initially be through voice search. The voice search in search must pull up relevant information for the user to scroll through. Hence the search engines will be present, and the pay-per-click will stay.

D. *Running display advertising that delivers the brand value*

In the physical advertising space, material banners at places where people are bound to pass by are installed and displayed. On the internet, display ads are graphic and animated advertisements situated at the top, bottom, and margins on both sides of a website. Display advertisements can also be in the form of pop-ups and in-stream video ads.

In the metaverse, the running display advertisements will evolve to be on virtual billboards in the POV of users. During virtual concerts and events in the metaverse, the breaks will be ideal for ad spaces. Since the metaverse will bring a massive area for the users to explore, advertisement placements can be made almost everywhere. Contextual AI will be used to scan the live environment and serve advertisement that matches the user's experience. Contextually advertising can resonate with the environment and not bother the user with out-of-the-blue ads.

Anzu.io is a company that world with developers to place in-world advertisements. In the physical world, advertisements are shown on digital display billboards, for example, the new york times square and the NBA game. The aforementioned company partnered with openX to place in world or metaverse advertisements, and surprisingly, the gamers reported increased realism in a Bidstack study.

E. *Managing affiliates and partnerships to deliver highly targeted leads*

Affiliate marketing is another effective strategy to boost sales. Widely used, it accounts for 80 percent of all the businesses in the US and Canada and generates 16 percent of all e-commerce sales (BigCommerce, 2021).

The creators' market economy is worth 104 billion USD, and they have helped startups and small businesses grow well through their social media presence.

The Amazon affiliate program allows YouTube content creators to recommend viewers to purchase items through their affiliate links. In turn, the YouTuber gets a commission, the amazon seller makes a sale, and the buyer sometimes gets some percentage off coupon.

In the metaverse, affiliate marketing will be the prominent factor driving the sales chart. When most people are going to catch up with the metaverse in the upcoming future, they will need some sort of a catalyst in the form of a well-known, trustworthy, and believable face to follow and make a transaction on the metaverse. As with every technology, it always needs a human face to get accepted by the masses.

The VR and AR technologies in the metaverse will open a new dimension for the creators and potential buyers to be more interactive, thus creating a more vivid and open space for affiliate and partnership marketing.

F. *Creating content that executes, informs and converts*

Content marketing is a long-term strategy that focuses on developing a strong relationship with your target audience. The strategy works by creating an informative platform and, on that providing the customers of potential customers with engaging, relevant, and valuable information.

Content marketing increases brand awareness and converts online sales better than traditional marketing, sometimes up to three times more.

In the metaverse, the 2d mobile and desktop space currently held by the creators' platform will get converted into the 3D metaverse platform, where buyers will be informed about the products through virtual spaces and areas developed by product manufacturing companies. Coca-cola and Samsung have virtual billboards in video games such as Football Manager. Recording artist Nas hyped his new album through an in-game audio advertisement in Fortnite.[8]

The crucial aspects of content marketing are awareness, consideration, conversion, and loyalty. These aspects can very well be fulfilled by virtual metaverse spaces, given that the

immersion is done right by the hardware and the content produced is engaging. In the metaverse, companies and brands will be freer to make their own virtual space to showcase their products and services rather than depending on existing platforms.

The feedback the customers give through their comments and the like/dislike ratio on the published content tells a lot about the likes and dislikes of the product. In the metaverse, the feedback system will be better at recognizing the likes and needs of the customers.

G. Delivering organic and paid social media that grows your brand

Social media marketing has increasingly become the most prioritized method for brands to promote their goods and services. Whether it is a small business or a multinational conglomerate, in some way or another, they all have a space on social media to keep in touch with their customers and be relevant. Many smartphones and tablets nowadays come preinstalled with social media applications motivating new users to sign up, log in and get involved with social media. With decreasing prices of devices and increasing network and internet connectivity, an estimated six new users sign up for a social media platform every second.[9]

The two primary ways through which the companies can reach customers are organic and paid reach. Organic reach is your activities visible to your customers or audience for which you have not paid. These are the text, picture, or video advertisements disseminated naturally through your official social media channels. On the other hand, paid reach is when companies invest money into social media advertising. The multiple ways including sponsoring your posts, paying social media influencers for promotion, running display ads, etc.

In the case of the metaverse, the same can be done in 3D virtual space organically and by paying.

H. Using analytics to interpret and optimize your results to maximize performance

Analytics is a term for the computational analysis of data that helps us understand data patterns and trends. The engagement metrics of the customers on social media collect the data. Understanding analytics helps companies answer questions like how the market is responding to the new products, the retention rate of the existing customers, what strategies are working, and what the companies should do to get the most out of their money and time.

In the case of the metaverse, the same essential questionnaire will be relevant. The analytics gathered in the 2D internet can interchangeably be used in the metaverse. As of now, the targeting demographic is the Millennials and GenZ. So to cater to their requirements, companies in the physical and the digital world collaborate on the metaverse. The decision to opt for this option came from the analytics that suggested moving into the metaverse space.

I. Automating your email and CRM plans to deliver compelling digital communications

Email automation in digital marketing is a method of automatic marketing to the right individuals at the right time. The customer relationship management platforms use tools to maintain customer data and manage contact strategies. Since metaverse is a way to move away from getting notified by text rather than through in person for more visual engagement and immersion, the aspect of email automation will either transform into a more appealing avatar-based notification feed or get obsolete altogether. However, the method of companies notifying the customers will prevail.

J. Using e-commerce and retail partners to scale your merchandising

E-commerce and retail partnerships are the final links between the product and the consumer. The scalability of any business depends upon the selling capability of retail partners, both online and offline. Different kinds of models exist; business-to-consumer, business -to- business, direct -to-consumer, consumer- to- consumer, and consumer -to-business. Businesses where physical involvement is required to seal the deal might not benefit from the metaverse; however, the meeting at the managerial levels, which operate departments other than the physical, will surely benefit from the better engagement of the metaverse. One such example is Gymshark executives holding a meeting in the metaverse[10].

In the areas where digital merchandising is the key, the requirement to have manufacturing plants, giga-factories, warehouses, and supply-chain will become obsolete. The economy will be direct to avatar D2A, and a digital twin of the actual physical object will be made available at a moment's notice in the metaverse—for example, dresses, shoes, and handbags for the avatar. On top of that, the possibility of counterfeit products and copies will be null as digital products will be issued using blockchain technology.

We have seen influencers and content creators of social media set up their e-commerce websites to buy physical products like t-shirts with their channel's logo or a one-liner; they say a lot. This is an example of creators making a brand for themselves and then diving into the e-commerce territory. The possibility of content creators in the metaverse is enormous, as almost every position is empty. As social media influencers will be moving to the metaverse, the physical merchandise they're selling right now will be made as a digital object and sold in the metaverse.

So in the light of the metaverse, the possibility of using e-commerce for scaling your merchandising goes both ways, from the metaverse to the physical world and the physical world to the metaverse.

K. Providing customer service that delivers high review scores and builds loyalty

In today's competitive environment, customer service can be the key to making or breaking a business. Providing excellent customer support shows that you value your customers and are willing to be resourceful toward your customers. The great experience a customer receives gets

reflected in their feedback, and they work as a catalyst to funnel in more customers.

In the metaverse, the entities comprising businesses and customers will play their part as usual. However, the companies will get a new dimension to have a better relationship with their customers using avatars besides conventional methods like email, telephone, and physical face-to-face visits. On the other hand, satisfied customers can give testimonials in the form of videos to convey their message better than writing a 500 words review. The same goes for complaints and grievances.

Table 1. Comparison between the marketing characteristics in digital and metaverse marketing

#	Terms	Digital marketing and business	Marketing and business in the metaverse
1	Ownership	Ownership by networks and corporations	Ownership by individuals
2	Transaction	Physical and digital	Digital and virtual
3	Advertising	Interactive advertising	Behavioral advertising
4	Control	Platform based	Interoperability
5	E-commerce search method	Keywords	Semantic search
6	Merchandising	Physical and digital	Virtual
7	Business model	B2B, B2C	D2A
8	Need for warehouses	Yes	No

III. CONCLUSION

In conclusion, the metaverse has the potential to revolutionize the way we interact, engage and experience the digital world. It is a virtual reality space that combines several cutting-edge technologies such as 5G communication, brain-computer interfaces, virtual reality, blockchain, cloud computing, digital twins, and artificial intelligence to create a fully immersive and interactive experience for users. As the metaverse is gaining momentum and expected to grow exponentially, it offers new opportunities for marketers and brands to create new and innovative ways to connect with their target audiences.

However, the metaverse is still in its early stages, and there are several challenges that need to be addressed in order to fully leverage its capabilities. Technical challenges, privacy and security concerns, interoperability issues, monetization challenges, regulatory hurdles, and scalability concerns are some of the challenges that need to be considered. Brands and marketers need to have a clear strategy in place to navigate these challenges and to ensure that they are creating value for users while also generating revenue.

Additionally, it's important to note that the business and marketing aspect in the metaverse is not only for entertainment or commercial gaming but also for education, healthcare, and

other industries. As the metaverse technology matures, it has the potential to change how we learn, how we access healthcare, and how we conduct business.

Overall, the future of online commerce in the metaverse is expected to be heavily focused on virtual marketplaces and digital twin technology, which will allow businesses to create immersive and interactive experiences for customers and sell their products and services in a virtual environment using virtual currency.

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