

The human side of the brand in the metaverse

Introduction and theoretical background

The concept of brand has undergone a significant evolution in the contemporary context, especially considering new digital frontiers such as the metaverse. In this rapidly evolving context, it is crucial to understand the role of the brand and its humanization to create meaningful connections with users.

Brand identity theory emphasizes the importance of building a brand with a distinctive and authentic personality (Aaker, 1996). In digital contexts and particularly in metaverse contexts, this theory translates into the need to develop a coherent and authentic virtual identity that can resonate with users.

Aaker (1997) states that “brand personality is a set of humanizing traits attributed to a brand.” According to Aaker (1996), “brand identity is a unique set of aspects associated with a brand, which go beyond the products and services themselves.” Brand personality theory suggests that brands can be perceived as having human-like personality traits (Aaker, 1997). In the metaverse, these theories extend to the creation of virtual characters or avatars that represent the brand’s personality and identity. This involves creating avatars with characteristics that resonate with users and reflect the brand's authentic personality.

The term “metaverse” was coined by Neal Stephenson to refer to a dystopian virtual world where avatars can interact among them (Golf-Papez et al., 2022). The metaverse depicts a virtual reality (VR) space that utilises the internet and augmented reality (AR) using avatars and software agents (Joshua, 2017; Dwivedi et al., 2022).

Wright et al. (2008) acknowledged the scalable and social characterization of the metaverse and defined it as “an extensive 3D networked virtual world capable of supporting a large number of people simultaneously for social interaction”.

Despite the growing attention from the media, corporate world, and the public, there remains a lack of consensus on the exact definition of the metaverse, even though it is widely acknowledged that it will revolutionise the way people engage in shopping, work, social interactions, and entertainment (Kim, 2021; Lee et al., 2021).

Ball (2021) provides one of the most all-encompassing descriptions of the metaverse, proposing that it can be defined as a massively scaled and interoperable network of real-time rendered 3D virtual worlds which can be experienced synchronously and persistently by an effectively unlimited number of users with an individual sense of presence, and with continuity of data, such as identity, history, entitlements, objects, communications, and payments. According to Golf-Papez et al. (2022), the definition of Ball (2021) overlooks one important aspect, that is “the metaverse will not take place inside one or more locked virtual worlds but rather will permeate every aspect of everyday life, seamlessly blending digital and physical realities and dissolving perceptions of the traditional dichotomy between purportedly real (i.e., physical) and false (i.e., synthetic) experiences”. Therefore, Golf-Papez et al. (2022) propose that

“the metaverse is an ecosystem of interconnected, shared digital and physical environments that can be experienced synchronously, persistently, and interoperably, and in which physical and technology-enhanced realities are seamlessly.

Metaverse is so much more of a game. It’s an environment where users can work, socialize, create, and customize their avatars and live imaginary experiences together with other users, shop and live a complete virtual life.

According to Kozinets (2023), there are seven new and more specific types of brand experience to investigate in service-related contexts such as tourism, e-commerce, education, and health care. Those seven brand experiences are immersive, augmented, virtual, mixed, extended, world-joining and metaversal.

The metaverse, thanks to the diffusion of technologies such as virtual and augmented reality, offers infinite possibilities for interaction and communication, both between people and between companies, brands and their consumers. In this context, it has become an increasingly concrete opportunity for brands to create engaging experiences and build deeper and more lasting relationships with consumers. In recent years, many companies have started using the metaverse as a branding tool to promote their products and services.

The literature review highlighted that the metaverse can be a powerful branding tool, capable of creating an engaging and immersive brand experience. However, in the metaverse, a brand’s success largely depends on its ability to connect with users on a human level. Brands must go beyond traditional advertising and create experiences that stir emotions and engage users in an unforgettable experience. Brand experience theory emphasizes the importance of creating engaging and memorable experiences for users (Brakus et al., 2009). In the metaverse, this theory suggests that brands must go beyond simple traditional advertising and create immersive experiences that stimulate emotions and engage users in unforgettable ways.

According to Brakus et al. (2009), “brand experience is defined as the sensations, affections, and cognitions that consumers associate with a brand.” In the metaverse, this translates into the creation of immersive virtual environments, virtual events, and direct interactions with users through avatars or virtual representations. Only a few companies and brands are exploring and experimenting with these new tools. Indeed, according to Spajić et al. (2022), it’s still too early to tell which investments will pay off in the long run, but marketing and brand managers should spend time learning about, exploring, and preparing for a metaverse to stay viable.

In this new way of doing marketing, a decisive role belongs to the ability to create a synergy between the related and the virtual world, between the physical and the digital. Indeed, apart from metaverse applications through VR interfaces, opportunities also exist for firms to increase brand attitudes in the metaverse through AR.

The emergence of the metaverse has the potential to trigger a transition away from conventional communication channels and dependence on influencer marketing. Customers will have the opportunity to delve into a novel mode of interaction and engagement with products, leveraging VR and haptic technologies to make more informed consumer decisions, thereby significantly elevating user perceptions and enhancing the overall customer experience (Hollensen et al., 2022; Kozinets, 2022).

In the dynamic context of the metaverse, the role of the brand and its humanization play a crucial role in user engagement. Through the analysis of the main branding theories, we mean with the term “humanization” the need to develop authentic and engaging brand identities, experiences, and personalities in the metaverse emerges. The future of branding in the metaverse will depend on brands' ability to embrace the human side dimension in an ever-evolving virtual environment.

Research design and aim

The research questions (RQ) intended to explore the human side of brands in the metaverse, and how they can use emerging technologies to create immersive, authentic experiences, and act as eventual enablers of decoupling. We will ask whether brands are advocates of disillusionment or illusion, enchantment or disenchantment when engaging in the virtual reality space, as a metaverse and what the challenges the brand faces in the metaverse-virtual reality space to limit (restore balance and bring users back to reality) or facilitate decoupling.

The research project consists of three studies. The first study is a literature study. To conduct this analysis, several academic databases were used, including JSTOR, Scopus, and Web of Science. Search terms such as “metaverse”, “branding” and “marketing” were used. Only articles published between 2010 and 2023 were selected to ensure the relevance of the most recent studies. The literature analysis will be useful for select the main “human attributes” characterizing a brand immersed in the metaverse. The second study consists of an empirical qualitative investigation aimed at selected number of practitioners involved in the metaverse projects and/or digital activities of their organizations. It could be useful to develop an holistic, interpretative model based on the dimensions emerging from the literature. This study is ongoing. Finally, the third study consists of an empirical analysis aimed at consumers for testing the interpretative model (test on a statical sample of consumers). This study will carry out multi-country quantitative research, engaging customers of a few nationalities, applying a model SEM to discover the latent variables underlying the human side of brand immersed into the metaverse.

Expected findings

The present research project fits into this complex scenario, which sees the metaverse as a rapidly growing shared virtual reality, which is emerging as a new space of social, commercial, and cultural interaction. As

such, the article explores the concept of humanizing brands in the context of the metaverse, analyzing how companies are trying to adapt and thrive in this emerging digital environment.

In the metaverse, brands face a unique challenge: creating meaningful connections with users in a three-dimensional virtual environment. To do this, many brands are embracing humanization, trying to appear more authentic and personal. This article examines the strategies used by companies to achieve this goal, including virtual representations of humanized characters or ambassadors and direct interaction with users through corporate avatars.

Furthermore, the article explores the ethical and cultural implications of humanizing brands in the metaverse, discussing how transparency and authenticity become even more important in this digital context. The effects on consumer perception and brand engagement are also examined as companies seek to balance technological innovation with maintaining authentic brand values and identities.

Finally, the article envisions the future of humanizing brands in the metaverse, suggesting that this trend will continue to evolve, offering new opportunities and challenges for businesses looking to thrive in this rapidly evolving digital environment. In an increasingly digitally connected world, the humanization of brands could become a crucial factor for success in the metaverse.

This research contributes to the emerging discourse on metaverse branding, offering insights into the future of consumer-brand relationships in this immersive digital realm.

Several contributory articles reference the interaction between the human user and the avatar and how the avatar will embody human-like characteristics that via the use of VR and XR technologies can immerse the user within a new world of experiences (Dwivedi et al., 2022).

In the metaverse, authenticity and humanity are key to building lasting relationships with consumers. For this reason, brands must demonstrate their humanity in the metaverse to create a relationship of trust with consumers and authentic and engaging experiences.

Several contributions explain how avatars embody the behavioural characteristics of individuals, who perform in virtual worlds what they would like to do in the real world, therefore, sometimes, the behaviours of users in the metaverse are very different from the behaviours they assume in the real world, this means that the culture and norms of the real world are superseded and not adopted in the virtual worlds. Therefore, experiences in the metaverse may be for users better or simply enhanced by the related world and represent an extension of ourselves and our experiences.

According to Dwivedi et al. (2022), these aspects are described in the context of interactions with metaverse intelligent objects that could extend to perceptions and acceptance of virtual friends as interaction partners and where brands develop personalized interactions with customers.

Furthermore, brands in the metaverse must create personalized experiences to meet the individual needs of consumers. Brands that deliver personalized experiences in the metaverse are more likely to build lasting relationships with consumers.

Metaverse consumer relationship theory emphasizes the need for brands to build meaningful and long-lasting relationships with virtual users (Spajić et al., 2022). This theory suggests that, in the metaverse, brands must go beyond traditional interactions and create authentic connections. According to Spajić et al. (2022), “the consumer relationship in the metaverse is based on direct interaction, creating engaging experiences and building trust.” This implies that brands in the metaverse must be able to humanize their virtual presence to build authentic connections with users.

Practical and theoretical implications

The study aims to identify factors capable of explaining and conveying the behavior of brands in the metaverse, to create value for the consumer and for users of virtual worlds.

There is currently a lot of discussion about the fact that the metaverse could represent a simple bubble, a temporary phenomenon, destined to disappear and remain a brief parenthesis of our real life, a place where we can look now and then, but not capable of becoming fertile ground for the development of new businesses. It could be a meteor, so only those who can ride its technologies today will be able to generate value, everyone else will remain and watch.

On the other hand, there is a crowd of experts (academics, professionals, digital technology experts, etc.) who talk about a much more prosperous future, describing it as fertile ground for the creation of new ways to market products and services, to create a new ownership concept, to amplify the offering system of existing products and services in the real world, to communicate, to create value, to generate informative and experiential content. In this positivist and revolutionary scenario, the identification of factors capable of guiding behaviour and branding decisions could be fundamental to the affirmation of the metaverse in a business context. Therefore, defining the factors that drive brand behaviour in the metaverse has both significant managerial and academic implications.

From a managerial point of view, organizations must develop a specific brand strategy for the metaverse, considering the factors that influence people’s behaviour in this virtual space. This requires understanding the unique social, cultural, and technological dynamics of the metaverse. Understanding the factors that drive people’s behaviour in the metaverse is critical to engaging customers effectively. This could include creating engaging experiences, virtual events, or personalized marketing efforts. Furthermore, in the metaverse, brand reputation and image can be influenced by several factors, including participant behaviours. Organizations must be ready to manage their online presence proactively, including through careful collection and analysis of data on the behaviour of people in the metaverse to obtain meaningful insights that guide managerial decisions.

From an academic point of view, this topic opens the doors to interdisciplinary research, as understanding the behaviour and human side of brands in the metaverse requires an interdisciplinary approach that involves marketing, psychology, sociology, technology, and other disciplines. This opens new research

opportunities. Academic analysis can help develop new business models based on the metaverse, including new market opportunities, value creation and monetization of virtual experiences. A particular aspect of interest could be the study of virtual communities in the metaverse to understand how they form, evolve and influence consumer behaviour. This requires the analysis of social dynamics and interaction patterns.

In summary, defining the factors that drive the behaviour and human side of brands in the metaverse is an important managerial challenge and academic opportunity. This ever-evolving field requires an in-depth understanding of virtual, social, and cultural dynamics to successfully guide action and research.

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