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Course of Marketing Communication & New Media

A Preliminary Study on How Brands can Communicate in the Metaverse

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INTRODUCTION

Due to the Covid-19 pandemic, billions of people have been forced to stay at home and completely change their way of life since March 2020.

During this period, it is as if in a certain sense life had come to a standstill. However, the ongoing technological progress has enabled people to continue to carry out their work activities from home, as well as other simple routine activities such as meeting with friends or attending events, concerts, or fashion shows, from home.

The Covid-19 pandemic has accelerated the digitalization of customer interactions by several years, and in a study by McKinsey & Company (2021), these results are demonstrated. Consumers have shifted drastically to internet channels during the epidemic, and businesses and sectors have responded. The findings of the poll show the rapid move toward digital interactions with clients. They also demonstrate that adoption rates are years ahead of where they were in prior polls, with developed Asia leading the way much more than other areas. Respondents are three times more likely to claim that at least 80% of their consumer interactions are digital now than they were before the crisis.

It is precisely in this period that the concept of the metaverse came back into vogue because although first introduced in the novel 'Snow Crash' in the early 1990s, it is only with the advancement of technology, the refinement of virtual and augmented reality, and the forcing of people to stay at home, that this concept began to be implemented by the giants of the tech industry.

However, as emerged in an interview I held in May 2022 with Professor Gianluca Comandini, Forbes100 under 30, and Professor in Blockchain Management, the metaverse often tends to be confused with gaming platforms.

This is because these platforms have implemented the number of content and activities that can be carried out within them, allowing users to engage in activities that go beyond simply playing games.

For this reason, it is as if in some way these platforms can be considered as small private metaverse, in which, not only users but also brands have begun to insert themselves to communicate content to their consumers.

In fact, this thesis aims at analyzing how brands are monitoring the marketing opportunities that the metaverse offers, and which kind of communication tools (traditional and new) can these brands use on platforms such as Fortnite and Roblox.

CHAPTER 1

1.1 What is the Metaverse and its characteristics

The term metaverse was coined for the first time in 1992 by Neal Stephenson in his novel *Snow Crash*¹. In *Snow Crash*, Stephenson imagines the metaverse as a massive and populated virtual world that operates not so much as a game environment with specific parameters and goals but as a system of digital culture with no imposed limits that operates in parallel with the physical world.

From the publication of Stephenson's novel to the present day, technological advancement has enabled the implementation of various virtual worlds in real life, and at the same time clearer and broader definitions have been developed to express this concept.

Among these, of particular interest is the definition given by John Smart, CEO of Foresight Company and president of the Acceleration Studies Foundation: *“The metaverse is the convergence of 1) virtually-enhanced physical reality and 2) physically persistent virtual space. It is a fusion of both, while allowing users to experience it as either”* (Smart et al., 2007).

According to Smart, therefore, the Metaverse represents the fusion of these two elements that create the connection between the physical and virtual worlds. Frey, on the other hand, in his paper presenting the Solipsis project, an open-source architecture for the creation of large systems based on virtual environments, defines the metaverse as a set of interconnected virtual worlds: *“Metaverse is a system of numerous, interconnected virtual and typically user-generated worlds (or Metaworlds) all accessible through a single user interface. According to this strict definition, the only Metaverse existing today is a prehistoric one: the World Wide Web itself. Plenty of virtual worlds flourish these days claiming they are the Metaverse, but they only are a part of it, as websites are the leaves of the worldwide web tree”* (Frey et al., 2008).

Being catapulted into a world that tends to eliminate the boundary between the virtual and real worlds, users may interact with each other and the environment in this 3D digital area via avatars that resemble them and mirror their actions, simulating the physical world (Hollensen et al., 2022).

The concept of metaverse is understood here as a massive infrastructure composed of interconnected virtual worlds accessible through a common interface, the browser, that incorporates both 2D and 3D elements in a sort of immersive Internet.

The same approach as Frey is shared by the IEEE² which sees the metaverse as the progressive development of individual virtual worlds towards integration. According to the organization, this process

¹ *Snow Crash* is a science fiction novel by the American writer Neal Stephenson, published in 1992. Like many of Stephenson's novels, it covers history, linguistics, anthropology, archaeology, religion, computer science, politics, cryptography, memetics, and philosophy. (https://en.wikipedia.org/wiki/Snow_Crash)

² The IEEE (Institute of Electrical and Electronics Engineers) is an important international organization focused on the promotion of technological sciences and the elaboration of standards that aim to

started with the creation of separate virtual worlds called Metaworlds, without interconnection capabilities and analogous to individual physical planets (e.g. Second Life) and then moved on to Metagalaxies involving several interconnected virtual worlds linked together but under the same authority (e.g. Active worlds³).

This path then reaches the culmination of its progress with the creation of a complete Metaverse involving the different systems of Metagalaxies and Metaworlds.

A standardized protocol will allow users to experience the metaverse by moving from one world to another continuously and uninterruptedly, regardless of the entity controlling the different virtual regions in which they move. As previously explained, therefore, it is possible to imagine the Metaverse as a set of separate virtual worlds that, united and interconnected through a complex digital network, give life to what is defined as the 3D web, the natural evolution of the web used today. There is no single entity called the metaverse, but rather multiple entities that reinforce each other through virtualization and 3D web tools that will be embedded in our environment and become part of our lives. Over time, the activities now associated with the 2D Web will migrate into the 3D space offered by the metaverse. This does not mean that all web pages will turn into virtual environments, but rather that the development of new tools will enable an intelligent integration of 2D and 3D to achieve the best benefit from both in an appropriate and more efficient context. If, however, several virtual worlds already exist today, the metaverse, as understood above, is currently a concept awaiting complete implementation.

According to the research conducted by Dionisio, Burn, and Gilbert (2013) focused on the aspects characterizing the transition from virtual worlds to the metaverse, the complete realization of the Metaverse is strictly linked to the development of four characteristics considered fundamental: realism, ubiquity, interoperability, and scalability.

Realism, within a virtual world and, consequently, in the metaverse, is associated with the experience lived by the user and is what allows him or her to feel completely immersed in an alternative reality. It allows psychological and emotional involvement and is transmitted to the user through sight, hearing, and touch. Moreover, the presence within the metaverse is mediated by one's avatar that interacts not only with the environment but also with other users through gestures and expressions that make a fundamental contribution to the immersive experience and the perception of realism. The greater the sense of naturalness in the avatar's expressions and gestures, the greater the sense of realism conveyed by the experience: “A

facilitate the adoption of new technologies. (<https://www.ieee.org/>)

³ Active Worlds (AW) is a 3D virtual world that started in 1995 and is one of Second Life's main competitors. AW was one of the more revolutionary virtual worlds in its beginning days, with user-owned "worlds", an API to create "bots"/NPCs, and a thriving community. AW has since stagnated over the past few years with no more than 300 users on average logged in and thousands of empty (user-wise) abandoned worlds. But, recently, a new version, AW 4.1 was released with some features SL could benefit from (like more particle options, a more customizable UI, and zones) as well as some features that could be seen as attempts to "catch up" to some of SL's (such as vehicles and custom avatars, both of which the AW user-base has been asking for a long time). (https://secondlife.fandom.com/wiki/Active_Worlds)

virtual environment is perceived as more realistic based on the degree to which it transports a user into that environment and the transparency of the boundary between the user's physical actions and those of his or her avatar. By this token, virtual world realism is not purely additive nor, visually speaking, strictly photographic; in many cases, strategic rendering choices can yield better returns than merely adding polygons, pixels, objects, orbits in general across the board."

Ubiquity, on the other hand, is understood here as the capacity of access that the virtual spaces which form the Metaverse must ensure to the user. In order to be an effective tool, the metaverse must be accessible from the various digital devices available today and must ensure that the user remains interconnected in the system while maintaining his or her virtual identity to allow for a rich and valid alternative for human activity and interaction. If the metaverse did not retain the possibility of constant access and presence, the user would perceive the experience as distant and the sense of reality would not be perceived as in the physical world: *"If there are barriers, artificial impedances, or undue inconveniences involved with identifying ourselves and the information that we create or use within or across virtual worlds, this distances our sense of self from these worlds and we lose a certain degree of investment or immersion within them"*.

Interoperability, in this context, is understood as the ability to interact and exchange information and elements between different systems and platforms in a continuous and as transparent way as possible. It is what allows objects and users to be created and moved seamlessly within the system. To best ensure interoperability within the metaverse, it is necessary to develop consents and conventions that, when formalized, become standards to be followed. Interoperability is the component that enables ubiquity as understood above and is what brings human capital into the metaverse: *"As specifically applied to virtual worlds, interoperability might be viewed as merely the enabling technology required for ubiquity. While this is not inaccurate, interoperability remains a key feature of virtual worlds in its own right, since it is interoperability that puts the capital in the Metaverse: just as the singular, capitalized Internet is borne of layered standards which allow disparate, heterogeneous networks and subnetworks to communicate with each other transparently, so too will a singular, capitalized Metaverse only emerge if corresponding standards also allow disparate, heterogeneous virtual worlds to seamlessly exchange or transport objects, behaviors, and avatar."*

Last, but not least, is scalability. It is probably the greatest challenge, given that the physical world itself that the metaverse represents is enormous and potentially infinite in terms of levels and dimensions. It is what allows an efficient use of the system regardless of the number of users present at the same time and the diversity and complexity of the environments that compose it. In particular, three main dimensions have been identified that affect the scalability of the virtual worlds and the metaverse, and concern the number of users that can interact within the world at the same time; the number of elements present in a given area, their level of detail and the complexity of their appearance; the type, purpose and amount of interactions possible between different users: *"What we see in the real world is the constantly updating result of*

multitudes of interactions among photons and materials governed by the laws of physics. Virtual worlds add further dimensions to these interactions, with the human social factor playing a key role.”

If these four aspects are fundamental for the realization of an efficient and realistic metaverse, it is worth remembering the enormous technical capabilities required by this kind of system. The implementation of the metaverse is closely linked to the growing trend of an exponential number of related technologies, and the rapid expansion of digital capabilities and performance are creating the necessary conditions for the development of a 3D computerized web ecosystem. In addition, technologies and techniques to enhance the sense of immersion and realism continue to evolve beyond virtual worlds due to their field of application involving different areas such as videogames, entertainment, and social media.

The realization of a structured metaverse will therefore contribute to the development of different technological realms. In manufacturing, for example, 3D environments offer ideal design spaces for prototyping and customization, which are particularly fast and useful in decentralized companies. In logistics and transport, the spatial awareness enabled by virtualization will bring new efficiencies, insights, and markets. And in artificial intelligence, virtual environments offer transparent, low-risk platforms for developing and testing the behaviours of intelligently autonomous machines, many of which will be used in the physical world. This is just one example of the opportunities that will be realized as the technology behind the metaverse develops, and for a correct view of the change that is taking place, it is useful to think of the metaverse not as just a virtual space but as the junction between our physical and virtual worlds.

While Dionisio et al. identified these four characteristics that distinguish a metaverse, Gilbert (2011), in a study on psychology in 3D virtual worlds, defined the virtual world with five other fundamental characteristics:

- (1) It has a three-dimensional graphical interface and built-in audio. A virtual world that just has a text interface is not an advanced virtual world.
- (2) It allows for large-scale multi-user remote interaction. Simultaneous interaction among a huge number of people in different physical places is a must, not an option.
- (3) It is persistent. Even if a user is not connected, the virtual environment continues to function.
- (4) It's a completely immersive experience. The level of spatial, environmental, and multisensory realism in the environment creates a psychological presence. Users feel as though they are "within," "inhabiting," or "residing inside" the digital world rather than "outside," which heightens their psychological experience.
- (5) It stresses user-generated content and goals, as well as content production tools for customizing the virtual world. Unlike immersive games, where users may define and implement their own activities and objectives (such as accumulating points, defeating an opponent, or completing a quest), virtual worlds offer a more open-ended setting where users can design and implement their own activities and goals, comparable

to physical life and culture. However, some immersive games, such as World of Warcraft, have clear user goals while remaining psychologically and socially complex. These complex immersive environments blur the lines between games and virtual worlds.

More recently, the metaverse has been defined as “A boundless, 3D digital world accessed as easily as the internet, where we do things like hang out in a park, play a game, see a concert or suffer through a work conference” (Brown, 2021). This new virtual world, therefore, seems to be something much bigger than previously described; a world in which a wide variety of activities can be carried out, and which aims at reducing the boundary between real and virtual space. In this regard, Mark Zuckerberg⁴ has already invested 10 billion dollars in his Meta project, encouraging engineers to apply for the metaverse and artificial reality departments of his company. He has also stated that his metaverse company aims at creating the future of social connections (Paul, 2022).

1.2 The evolution of the virtual world from the 1970s to the present day

Virtual worlds have a long history, with literary imagination and game inventions leading to advancements in open-ended, socially-oriented virtual platforms (examples of narratives include those by James Au (2009), Boellstorff (2008), and Ripamonti (2010)). This history may be split into five distinct stages. Text-based virtual worlds first appeared in the late 1970s, and there were two types. MUDs, or multi-user dungeons, allowed users to create imaginative worlds that were similar to Tolkien's Lord of the Rings or the role-playing dice game Dungeons & Dragons. MUSHs, or multi-user shared hallucinations, were less-defined experimentation places where educators experimented with collaborative production (Turtle, 1995).

After a decade of development, Lucasfilm⁵ released Habitat for the Commodore 64 in 1986 and the Fujitsu platform in 1989, partially influenced by the 1984 publication of William Gibson's Neuromancer. Habitat was the first high-profile commercial use of virtual world technology, and it was also the first virtual world with a graphical user interface. However, the first graphical interface was in 2D rather than 3D, and the online world looked to the user as something like a rudimentary cartoon running at dial-up rates. Habitat was also the first virtual environment to use the term "avatar" to characterize its digital citizens or inhabitants

⁴ Mark Elliot Zuckerberg (born May 14, 1984) is an American media magnate, internet entrepreneur, and philanthropist. He is known for co-founding the social media website Facebook and its parent company Meta Platforms (formerly Facebook, Inc.), of which he is the chairman, chief executive officer, and controlling shareholder. https://en.wikipedia.org/wiki/Mark_Zuckerberg

⁵ Lucasfilm Ltd. LLC is an American film and television production company and a subsidiary of Walt Disney Studios, which is a business segment of the Walt Disney Company.

(from the Sanskrit⁶ "the purposeful appearance or manifestation of a divinity on earth") (Dioniso et al., 2013).

The current meaning of the term avatar, like the original Sanskrit, refers to a transformation of awareness into a new form. The current change in form, in contrast to ancient use, entails migration from a human body to a digital representation rather than from a deity to a man or woman. The shift from one phase of development to the next is marked by ground-breaking work in virtual reality systems and user interfaces (Blanchard et al. 1990; Cruz-Neira et al. 1992; Lanier 1992; Krueger 1993).

Beginning in the mid-1990s, the third phase of development was extremely active, with breakthroughs in processing power and graphics enabling advancement in several key areas, including the introduction of user-generated content, 3D graphics, open-ended sociability, and integrated music. For the first time, Web Environment introduced a 2.5D (isometric) world in 1994, allowing users to develop in an open-ended fashion. The introduction of user-based content-creation tools ushered in a paradigm shift away from pre-created virtual environments and toward online environments that participants could add to, alter, and build instantaneously. Worlds, Inc. was the first publicly accessible virtual world with complete three-dimensional visuals when it launched in 1995.

Worlds, Inc. also resurrected the open-ended non-game-based genre (first found in text-based MUSHs) by allowing users to socialize in 3D areas, shifting virtual worlds away from a gaming paradigm and toward an emphasis on giving a different local context or culture to express the complete range and complexity of human behavior. As a result, the scope and diversity of activities in virtual worlds began to resemble that of the Internet as a whole, although in 3D and with appropriate modalities of communication. Activeworlds, a virtual world built wholly on the idea stated in Neil Stephenson's 1992 novel *Snow Crash*, was also released in 1995. Users were intended to customize and co-create a comprehensive 3D virtual environment by Activeworlds. Furthermore, OnLive! Traveler was the first publicly available 3D virtual habitat that incorporates natively used spatial audio chat and avatar lips movement by analyzing phonemes in 1996.

During the postmillennial decade, the fourth phase of development took place. The development of a sophisticated virtual economy, as well as steady increases in graphical quality, were all hallmarks of this time, which saw substantial growth in the user base of commercial virtual worlds (such as *Second Life*), improved in-world content production tools, increasing engagement of key institutions from the physical world (e.g., businesses, colleges and universities, and non-profit organizations).

Blue Mars, produced by Avatar Reality and released in 2009, was the most audacious attempt to introduce a considerably greater degree of graphical realism into virtual environments by employing the then-state-of-

⁶ Sanskrit is a classical language of South Asia that belongs to the Indo-Aryan branch of the Indo-European languages (<https://en.wikipedia.org/wiki/Sanskrit>)

the-art CryEngine 2, which was initially developed by Crytek⁷ for gaming purposes. Out-of-world 3D objects may also be generated with Avatar Reality as long as they could be stored in one of many open formats. However, the endeavor to attain more graphical realism increased the system requirements for client PCs to a point where they were no longer cost-effective for Blue Mars' target user base, necessitating a huge reorganization and scaling down of a once-promising program.

The fifth stage of development spanned the time between the launch of Second Life and Blue Mars. This phase, which began in 2007, entails open-source, decentralized efforts to the creation of 3D virtual environments. Solipsis (Keller and Simon 2002; Frey et al. 2008) is significant not just as one of the earliest open-source virtual world systems, but also for its planned peer-to-peer architecture. Open Cobalt (Open Cobalt Project 2011), Open Wonderland (Open Wonderland Foundation 2011), and OpenSimulator (OpenSimulator Project 2011) are just a few of the open-source initiatives that have come after it.

The disconnection of the client and server sides of a virtual world system has been aided by convergence on the network protocol used by Linden Lab for Second Life as a de facto standard, facilitated by decentralized development.

Our fifth phase's ultimate endpoint is based on the emergence of a multiplicity of interoperable clients (viewers) and servers: complete interoperability and interchangeability across virtual environment servers and clients, similar to how the Worldwide Web consists of multiple clients (browser) and server options centered around the standard HTTP(S) protocol⁸. New integration options, such as cloud-computing virtual world hosts and authentication using social network credentials, have been supported by open-source availability (Trattner et al. 2010).

With initiatives like these, as well as ongoing work on viewers and servers, it's safe to say that virtual worlds have achieved an open growth phase. The virtual worlds cathedral has developed into a virtual worlds bazaar, according to Eric S. Raymond's well-known metaphor (Raymond 2001).

In a way, it is as if the COVID-19 pandemic has led to a sixth and final phase in the development of the virtual world. This last phase, which has now been going on for more than two years, actually began earlier with the continuous technological progress that has taken place since the second decade of the 2000s, which has led consumers to be progressively more inclined to use virtual reality in everyday activities. In fact, in an interview I did last March with Andrew Faridani, President & CEO BreezeMaxWeb Online Media Solutions, and member of Forbes' council 2021, he said: “ *Our civilization now is ready for the metaverse,*

⁷ Crytek is an independent video game developer, publisher, and technology provider based in Frankfurt, Germany. Crytek pushes the boundaries of the possible to make the impossible a reality (<https://www.crytek.com/>).

⁸ The Hypertext Transfer Protocol (HTTP) is the foundation of the World Wide Web and is used to load web pages using hypertext links. HTTP is an application layer protocol designed to transfer information between networked devices and runs on top of other layers of the network protocol stack. <https://www.cloudflare.com/it-it/learning/ddos/glossary/hypertext-transfer-protocol-http/>

we weren't however in early 2000. We have come a long way in the last 20 years with adoption, where people now are more technologically advanced than ever before, are capable of using new and innovative platforms, and embrace this new technology for all that it has to offer".

There is no doubt that the pandemic has played a key role in this development, as Elnaj (2021) explained: *"The pandemic accelerated the adoption and implementation of many technologies that would have taken years, if not decades, to become mainstream, and made us more digital creatures, with all the advantages and drawbacks therein".*

This sixth phase of development has seen the giants of the tech industry invest huge amounts of capital in developing products that offer a more immersive experience for the billions of people forced to stay at home, and in adapting traditional gaming platforms, which have become meta-varieties in which users can carry out a wide range of activities that go beyond simple gaming. Oculus, a brand of Facebook Technologies, has also launched a VR headset at an affordable price of between \$300 and \$400. Other tech giants are moving in the same direction, and in fact, Microsoft has also launched a pair of augmented reality glasses at a price of \$3500, not for the general public but targeted at businesses in manufacturing, healthcare, and other industries. Apple's augmented reality products will be launched this year while Google AR headsets are planned for 2024 (Kelly, 2022). However, despite the projects and investments of these tech industry giants, it may be foolhardy to speak of a true metaverse in the public domain.

From this point of view, the future of this world is still quite uncertain, even if gaming platforms such as Fortnite and Roblox, which can be considered private metaverses, are expanding their potential by offering users the possibility to carry out various activities beyond just playing games. In these virtual worlds, it is possible to interact through one's own avatar even without virtual headsets, giving users greater ease of access to these platforms. For example, in November 2021, Roblox announced that it had reached a daily user base of 49.4 million, 35% more than the previous year (Benedy, 2022).

1.3 Marketing in the Metaverse and Virtual Reality

Various brands ranging from the fields of high fashion to cosmetics seem not to be indifferent to the marketing opportunities that these metaverses can offer. Some are monitoring the situation, and since it is not yet a well-defined reality, they are just trying to understand what opportunities they can exploit to their advantage. Others have taken their first steps into this new virtual world, partly because marketers need to keep up with technology, and the metaverse may not simply be a trendy new thing (Mileva, 2022).

Although the metaverse has not yet been fully realized, international brands such as Forever 21, Wendy's, Netflix, Coca-Cola, Gucci, Louis Vuitton, Balenciaga, Clinique, and Nike have created targeted content for the first online 3D and extended reality (XR) contexts to appear on our digital surface. The digital worlds

offered by Roblox, Epic Games, Snap, NVIDIA, and Unity (among others) create significant chances to improve brand awareness and tap new income sources for many of the businesses increasingly investing in metaverse strategy (Karpriel-Nicholas, 2022).

The above-mentioned platforms were until recently classic gaming platforms. They investigated strategies to bridge the physical and digital boundaries to build new marketing experiences or disruptive business models. The video game industry set the basis for the Metaverse long before it became popular (Fernandez, 2021). As stated in an article about advertising in the metaverse “the common attributes of the metaverse appear to be the continuity (or persistence) of identity and objects, a shared environment, the use of avatars (or embodied self), synchronization, being three-dimensional (or virtual), interoperability, and a user experience that is interactive, immersive, and social” (Kim, 2021). Brands that want to enter this world must therefore take these attributes into account and create content that allows users to enjoy immersive experiences. That is not the only thing they have to consider, because another fundamental factor for brands that are slowly entering this world, and for those that will enter it in the future, is to understand the target audience of these virtual worlds.

In particular, the generation that is dominating the metaverse is the so-called Gen Z, and for this reason, marketers need to take into account their value as consumers; in the US alone they have a spending power of \$243 billion, and, according to experts, will surpass that of millennials and boomers by 2030 (Mileva, 2022a). However, according to others, these are not the only ones brands should turn to since Marketers want to reach and engage Millennials and Generation X with their products and technology, and metaverses enable them to do so in novel ways (Faridani, 2021). Therefore, the target group that the brands will address includes individuals aged around 10 to 30 years old, although older consumers should not be neglected. Current virtual worlds have the potential to become new channels for marketing information and products by including 'v-commerce' or 'virtual e-commerce.' Virtual Worlds vividly highlight how, as humans engage with digitally generated things, the borders between the actual and virtual are becoming increasingly flexible (Nikolaou, 2010). If on the one hand millennials and Gen Z are defined as "digital natives who are immersed in the use of Web 2.0 technologies” (Skinner et al., 2018), Gen X will be the one to come into contact with web 3.0 defined as a decentralized, blockchain-inspired web architecture that allows users more control over their digital content and cash and places significantly less reliance on trusting a central authority such as a bank or a tech platform operator (Sullivan, 2021).

The emergence of immersive digital experiences might signal a significant shift in the future, just as the internet revolutionized the way firms sell to customers. CMOs have a chance to reinvent how they communicate with customers, and firms who get a head start on creating virtual communities may gain a competitive edge (Deloitte, 2022).

Also, in an article from The Wall Street Journal (2022), the points that companies need to focus on to gain a competitive advantage in the metaverse are highlighted.

First of all, consumers must be the first point to focus on; by setting them as a starting point, brands can then understand which are the appropriate tools to develop to improve the customer experience through the development of the virtual world.

As a second step, brands should try to blur the boundary between the real and virtual worlds, increasing consumers' curiosity about the virtual world and lowering the barriers to exploring it. For example, some brands have offered physical merchandise that can be purchased with virtual currency.

Thirdly, brands need to focus on immersive experiences, because following the COVID-19 pandemic, the metaverse can be exploited to create experiential activations, minimizing security concerns. These technologies also allow for the realization of highly personalized immersive experiences, especially in the fashion and beauty industries.

Fourthly, companies planning to enter the metaverse should not focus exclusively on the younger generation. If they do so, they will lose the opportunity to reach a wider audience of consumers, and some product categories such as autos, electronics, fashion, and furniture may appeal across age groups.

Finally, as there is not yet a brand that can be defined as a dominant player on this platform, companies can still experiment further because there is still plenty of room for more innovation.

As research in various specialized articles and reports on the explosion of the metaverse among the latest market trends have shown, the impact that the new digital world is having and will continue to have on our lives is not limited to the gaming industry. Many platforms have already created virtual rooms to attend meetings through avatars, while other brands are selling virtual items merging physical and virtual commerce in a new way. Collaboration with metaverse platforms can both increase brand awareness and drive traffic to traditional physical stores (Reeve-Young, 2021).

Going into more detail, we can see how this virtual reality will have an impressive impact on specific areas of the marketing world, and in particular on the first p of the marketing mix: the product. In addition to the virtual sneakers launched by Gucci (Gorman, 2021), many are products that can be placed in the metaverse to be purchased and used by avatars. As well to the fashion and cosmetics industries, there are many industries that can engage in this world, from automotive to telephony. The product, which is conceived as an actual product, and therefore refers to physical goods, even if in this case we should talk about virtual goods, has the same function as a product in the real world. These virtual items become part of what is known as the digital self, through which users experience a second life, and it is estimated that in the US alone, users spend around \$1.6 billion per year buying virtual goods (Solomon, 2018, pp.211-212).

While there is not enough information about the categories of virtual items and how they can change consumer behavior, the literature offers a variety of information about the impact of virtual reality on product development. More specifically, virtual reality can be used in the fifth step of the product development process, test marketing, which is the pre-launch phase where the consumer's response to the product must be tested. Unlike one of the traditional methods such as putting the new product on a shelf among a few rival brands, the application of virtual reality involves higher costs. However, virtual reality can simulate a wide range of scenarios, and can reach a very high level of realism and immersion in consumers (Harz et al., 2021).

The increase in consumer immersion in the virtual environment is also confirmed by the flow theory. Individuals can reach a cognitive state in which they are entirely immersed, with increased attention, focus, participation, agency, and intrinsic rewards, according to this theory; this state leads the user to completely identify with the virtual environment and to interact with it through the avatar (Cowan & Ketron, 2019).

This experience of immersion in the metaverse and contact with virtual reality⁹, as well as having relevant implications concerning the product, has an effect on the brand itself as mentioned above. More in particular, it can be related to customer-based brand equity, defined by Keller as "the differential effect of brand knowledge on consumer response to the marketing of the brand" (1993).

Some studies focus on the first step of consumer-based brand equity, brand awareness, defined as the ease with which a brand stands out from its competitors and is recognized by consumers. In fact, brand awareness is anticipated to rise as a result of branded VR (virtual reality) experiences, especially those that are passive and do not need social engagement, such as 360-degree clips (de Regt et al., 2021).

In addition to brand awareness, purchasing intention can also be influenced by virtual reality. In fact, through product interactions and immersion in the stereoscopic world, VR shops can raise buy intention, and it has been discovered that employing virtual fitting rooms as sales aids on a website can improve purchase intention by influencing product curiosity and patronage intention (Shen et al., 2021).

However, the product is not the only aspect of marketing that brands can exploit to their advantage, like promotion, and more specifically the means of communication used in traditional marketing can also be adapted in the metaverse; this aspect will be dealt with in more detail in chapter two, including a comparison between brand communication in the virtual world and in the real world.

The main difference between traditional brand communication and that implemented in the metaverse lies in the role played by the consumer receiving the message. If the transition of communication from traditional

⁹ Virtual reality is the technology that provides almost real and/or believable experiences in a synthetic or virtual way.

marketing to the marketing of the World Wide Web¹⁰ (WWW) has highlighted the role of the consumer not as 'passive receivers of marketing communication', but as an active subject in the search for information and the decision-making process, this role becomes even more central in communication in the metaverse (Hanekom & Scriven, 2002). As emerged in an interview I held in March 2022 with Alessandro Orsini, Multimedia content manager at Marketing Espresso, *"we will be IN INTERNET rather than ON INTERNET. This will generate a context change and, as we know, the context in marketing is fundamental"*.

1.4 Interviews about Communication and Metaverse

First Interview: ANDREW FARIDANI (President & CEO BreezeMaxWeb Online Media Solutions; member of Forbes' council 2021)

1) Do you think the metaverse could be a profitable investment for brands or is it just the buzz at the moment?

Metaverse branding is not a fad, although people might think that it is something that is here today and gone tomorrow; on the contrary... it is here to stay. Metaverse branding and advertising remind me of when I started with my ad agency selling digital ads. Business owners in the early 2000s thought that online advertising was a fad and that it wouldn't last the bubble, how wrong were they. It's a necessity now for businesses, not a luxury. The same way that I see branding and advertising in the metaverse. If history has anything to do with it, it often gets repeated, the same sentiment that I saw in the digital revolution, will happen with the metaverse. It will become the norm for brands to push the envelope and transmit their product or services to the masses. Instead of asking which search engine or social media platform you advertise on, people will ask, in which metaverse are you advertising.

2) How does the metaverse relate to marketing?

Metaverses will become a digital representation of the real world we live in today. How people interact with brands offline today, is what will happen in the digital realm (metaverse). How we have marketing activities

¹⁰ The World Wide Web (WWW), commonly known as the Web, is the world's dominant software platform. It is an information space where documents and other web resources can be accessed using a web browser and (more recently) web-based applications. https://en.wikipedia.org/wiki/World_Wide_Web

happening on bus shelters, billboards, and magazines, is exactly what will happen in the metaverse, the only difference will be your audience size. Unlike marketing in the conventional methods in a particular GEO-specific location, let's say Toronto, Canada, where your max exposure is approximately 3 million people, a metaverse will attract hundreds of millions of people to their digital world. The market share and penetration abilities of the metaverse will far outweigh the traditional market penetration avenues. The scale at which growth will happen will revolutionize marketing avenues and go-to-market strategies.

3) Do you think metaverse can be used by brands as a communication platform, or will user interest in this virtual world wane as it did in the early 2000s with the virtual platform Second Life?

Brands will be jumping on this new era of technological advancement and utilization of metaverses. Unlike in the early 2000s, we are far more tech-savvy and intelligent buyers, we do all of our homework before purchasing any product or services online, in a matter of minutes. We have mobile devices that we are addicted to, we check our mobile devices on average 262 times a day, the ability for us to create an interest in a product, do homework on it, where to buy from and how to pay is all done now in a matter of minutes. We have been embracing mobile devices and benefit from how easily everything is at our disposal, and the next step from where we are today can only be the experiences we are used to in the real world, now transformed into the metaverse. The key selling factor of the metaverse is that it can not only be a great communication tool to educate buyers on the key benefits and features of a product/service but also capture that audience's attention and be able to create a community around that brand. Our civilization now is ready for the metaverse, we weren't however in early 2000. We have come a long way in the last 20 years with adoption, where people now are more technologically advanced than ever before, are capable of using new and innovative platforms, and embrace this new technology for all that it has to offer.

4) What are the most effective ways for a brand to communicate on a virtual platform? (ex. product placement, native advertising. etc.)

Community building campaigns. All marketing strategies in the metaverse should have a foundational piece, community building in mind. If product placement, billboard ads, or any other creative method of delivering the message is used, the call to action must be to engage the audience to be part of the community. When there is a following for the brand, it is the easiest way to get an "upsell" or "repurchase". The metaverse community will be a key factor in elevating brands from becoming just advertisers in the metaverse to creative and collaborative communities where your consumers can provide feedback to the improvement of your product line, where they have a voice, and their voice matters, which

ultimately will provide a positive effect to the advertiser's bottom line. Although product placement will be crucial in the metaverse, other forms will also provide a compelling use-case, such as interactive and immersive campaigns, giveaway campaigns, gleam like campaigns driving users to particular stores in the metaverse, billboard campaigns, virtual venues and events, and branded experiences.

5) Many fashion brands such as Gucci and Nike are entering virtual platforms such as Roblox to present new campaigns and products in the form of NFTs, while international artists such as Travis Scott and Justin Bieber have performed virtual concerts on the Fortnite platform.

What are the implications for the brand in this case?

They are all “first movers” and should be congratulated for leading the way. Once brands are considered as “pushing the envelope” and taking the first step into uncharted territories and succeeding, the community that will be built because of that is monumental. They are risk-takers, revolutionaries in targeting their specific go-to-market strategy before the competition. Although one would think that this is a risky venture and one that could possibly backfire, if you’re the first, the leniency is usually very high, and the odds are in your favour. By being the first mover, the implication also includes a much larger audience base, a more GEO diverse community, and one that will grow much faster than traditional localized marketing initiatives. Also, a big factor in all of this is cost. The cost of accessing this medium in the future will be very high, the risk to rewards analysis in the metaverse is heavily in the favour of the first movers. Prices will increase as the community of metaverses increase, the leverage of being grandfathered into a specific metaverse now, and the benefits it will have in the long run will be immense.

6) What is the difference between communicating on a classic gaming platform and communicating on one of the virtual platforms that are emerging (e.g. Roblox) where users can carry out many other activities beyond simply playing games?

Humans are social creatures, we need that connection and communication, in the metaverse we will have access to more people in different places than ever possible by being pinned in a geographical location. Unlike gamers, who communicate with their passion (gaming) in mind, metaverse communities and communication will be bringing all walks of life together. A deeper sense of connection will be present in communities that share particular hobbies and likes, for example, people who are passionate about pets, motorcycles, or even different sports. The mass-market appeal is more easily achieved through metaverses and the connections it can bring, as compared to regular gaming platforms.

Second interview: ALESSANDRO ORSINI (Multimedia content manager at Marketing Espresso)

- 1) Do you think the metaverse could be a profitable investment for brands or is it just the buzz at the moment?

The concept of Metaverse as we know it now has been introduced by Mark Zuckerberg during Meta's rebranding live event held in October. However, I believe the scale of the company along with the greatness of the event and the generated buzz contributed to misunderstanding what Metaverse really is and how Zuckerberg intended it. According to a paraphrase of [The Wall Street Journal](#): Metaverse is a "place" where Augmented Reality, Virtual Reality and Physical Reality converge in order to amplify humans' experiences. If we pay close attention to what Zuckerberg showed in the presentation, we can easily understand that Metaverse mainly refers to the WSJ's definition rather than what brands are now communicating. Brands are intending Metaverse as the alter ego of Minecraft's context or Roblox, while instead these concepts can be embedded in the Virtual Reality concept, given that they do not provide Augmented Reality dynamics. In conclusion, is the Metaverse a profitable investment for brands? Probably not. We haven't seen the REAL Metaverse yet, and getting into dynamics such as Roblox or Decentraland may be misleading.

- 2) How does the metaverse relate to marketing?

Metaverse undertakes to be the new way people will be living life: we will be IN INTERNET rather than ON INTERNET. This will generate a context change and, as we know, the context in marketing is fundamental.

- 3) Do you think it can be used by brands as a communication platform, or will user interest in this virtual world wane as it did in the early 2000s with the virtual platform Second Life?

We may be in a phase where "innovators" are leading the way. Global interest has been decreasing since the beginning of 2022 and this might be connected to the "communication-only" approach to the Metaverse. We haven't seen anything concrete yet.

- 4) What are the most effective ways for a brand to communicate on a virtual platform?

Product Placement, collaborations, events, content creators. They must be integrated in the storytelling of the context.

- 5) Any fashion brands such as Gucci and Nike are entering virtual platforms such as Roblox to present new campaigns and products in the form of NFTs, while international artists such as Travis Scott and Justin

Bieber have performed virtual concerts on the Fortnite platform.

What are the implications for the brand in this case?

Brands are trying to understand where such possible innovation may lead. I think they were/are merely experimenting, which is always a good idea. In addition, I believe that NFTs are the most concrete trend that is paving the way for a brand-new concept of monetization.

- 6) What is the difference between communicating on a classic gaming platform and communicating on one of the virtual platforms that are emerging (e.g. Roblox) where users can carry out many other activities beyond simply playing games?

Interaction. Usually, advertising on scripted platforms (such as FIFA's placements) are linked to the game's code. You cannot do anything more than change Nike's clothes to your avatar or stare at the billboards on the courtside, where Twitch logo animates. Instead, on platforms where avatars/users are active creators and builders of the world, products are active players that actively influence the storytelling each user is living. As such, the communication should be easing the interaction between brand-user-game-other users.

Third interview: GIANLUCA COMANDINI (Forbes 100 under30 and professor in Blockchain Management)

- 1) Do you think the metaverse could be a profitable investment for brands or is it just the buzz at the moment?

Today, in this phase, which is one of irrational euphoria, the metaverse is a catchphrase, a hype, and a fashion of the moment. This does not mean that it cannot be a good investment; on the contrary, precisely because it is a fad of the moment, investing in the metaverse gives you a very high return in terms of image, visibility, and marketing. So, investing in an asset in the metaverse brings you a lot more visibility today.

So, from that point of view, today, it's a short-term investment in marketing. In the future, in a couple of years, you will be able to build ecosystems on the metaverse, that is, we will really use the metaverse, which we don't do at all today; and so, having invested, it allows you in two years' time to build things on it, rent it, resell it at three or four times the value. So, in the medium - long term, it's an investment in that respect too, but in two years' time. Today it is purely a fashion phase, everybody is buying but nobody knows what to do with their assets or their land.

2) How does the metaverse relate to marketing?

Metaverse and marketing relate in the sense that, today, the metaverse is ultra newsworthy, and whoever does anything in the metaverse, any kind of action is immediately finalized and turned into marketing. On the contrary, those who need to do marketing, could in the future, because today they are not able to, use spaces to advertise their reality. So having a virtual office, buying billboards in the metaverse, operations in the same way as traditional operations that are already done today in any kind of advertising campaign, but in one more place, which is not a physical place, but a virtual place.

So it doesn't change the substance much. The problem is that we have to wait until there are people and until there is a market in the metaverse. Today the metaverse is not populated, suffice it to say that the most populated metaverse in the world today has no more than thirty thousand monthly users, nothing, less than a stranger's lame blog.

3) Do you think metaverse can be used by brands as a communication platform, or will user interest in this virtual world wane as it did in the early 2000s with the virtual platform Second Life?

So, more than a communication platform for brands, I think it will be used as an engagement platform for an already acquired consumer community. That is, I use the metaverse to give additional experiences to my community, so I'm not just going to engage them in the physical shop or just on my social but I am going to engage them within the metaverse.

So, compared to the mere communication you can do on social, let's say that in the metaverse it is an evolved, broader concept of communication, it is a concept of dynamic communication, precisely of engagement of a community. I have to think about the metaverse not to find new customers but to entertain and to keep the customers I already have active and loyal to my brand, that's how I see it. Because if I keep them active with new, privileged experiences in my metaverse and my community, then they have no reason to go elsewhere and to other brands.

4) What are the most effective ways for a brand to communicate on a virtual platform? (ex. product placement, native advertising. etc.)

So, I don't have direct experience on this one, so I wouldn't know how to answer you because I don't deal with it at all.

- 5) Many fashion brands such as Gucci and Nike are entering virtual platforms such as Roblox to present new campaigns and products in the form of NFTs, while international artists such as Travis Scott and Justin Bieber have performed virtual concerts on the Fortnite platform.

What are the implications for the brand in this case?

So, nowadays, if you are an established brand and you have millions of users, you are called Dolce & Gabbana, you are called Gucci, you can do anything as NFT, and by the law of big numbers you sell and you cash in. If you are a minor brand, you sell nothing, and I know this from experience because there is no market willing to buy. So either you have millions of users, and accidentally somebody buys and you make money, or you don't sell anything, there is no underlying market today willing to spend money on NFT in a mainstream, mass way.

Let's say that the advantage could be to start today to create and build experiences or actions that can allow in a year or two years from now the brand to launch the new physical collection in conjunction with a virtual collection plus something like NFTs and sell more. I can imagine in a year's time Doppelganger, so the small brand that today would not be able to sell a single NFT, because nobody would buy an NFT Doppelganger, but in a year, they could say that the new jumper collection, for only 5 or 10 euros more, you also have the NFT attached that allows you not only to prove ownership of the limited edition of that jumper but to have that jumper worn by your avatar in the metaverse. This stuff can only be done in a couple of years.

- 6) What is the difference between communicating on a classic gaming platform and communicating on one of the virtual platforms that are emerging (e.g. Roblox) where users can carry out many other activities beyond simply playing games?

Today, it is unnoticeable, so much so that the metaverse is sometimes confused and mistaken for gaming platforms and is only referred to as gaming when it is anything but. Today, however, let's say that the communication channels and communication style are really 90% the same for gaming platforms and metaverse platforms. So when we talk about metaverse today, we talk and think mostly about gaming, and more or less the target audience is the same today.

CHAPTER 2

2.1 The relationship between Consumers and Brands

The first chapter of this paper deals with the concept of Metaverse, as a digital 3D immersive Virtual Space “inhabited by Avatars of real people” and crowded by millions of users and consumers that can interact, communicate, send and receive pieces of information, but also live digital experiences, relax, transact, socialize, conduct meetings, attend classes, find partners and participate to social events such as virtual concerts¹¹.

At the same time, the Metaverse – as a “World beyond the Real World” – can be considered a huge Virtual Marketplace where consumers, through their avatars, can communicate and interact with Brands and live virtual advertising and marketing experiences that have direct consequences in the real world (Kim, 2021). In other terms, the Metaverse can be seen as a junction of Virtual and physical Worlds where embodied users, through their avatars, can communicate and interact with brands, access digital stores, and choose and buy different kinds of goods and services (Apperti, 2021).

For this reason, the commerce within the Metaverse has progressively attracted the attention of both industry and Academia (Shen et al., 2021).

The aim of the following chapter is to show an explorative study on the new opportunities for interaction between consumers and brands inside the metaverse and, at the same time, on the different kinds of communication that brands can play in order to engage the consumers inside the metaverse and (consequently) to enhance their capabilities to make business.

Today Brands have at their disposal a wide range of tools that make them able to communicate with the consumer and, consequently, implement their awareness and business.

The most important tools include not only the Digital Advertising (which consists in the direct publication of ADS on Web Sites under a Banner form) but also the Social Media Marketing, which allows the carrying out of direct marketing activities within Social Platforms and Community Sites, with the aims of 1) creating a direct interaction with the consumer; 2) understanding their needs; 3) proposing products and services that are able to satisfy peoples’ needs and requests.

Moreover, before describing the economic and commercial side of the Metaverse (the also called “Metanomics”, which means the Brand’s opportunities of making business inside the Metaverse) it is important to give a brief description of the development of people’s capability of building and creating virtual experiences during the last years.

First of all, the progressive spread of Social Networks and On-Line Communities has caused a notable increase in social relationships on the Web, where each user can easily communicate with other members, form subgroups, and add content.

¹¹*Branded experience nel metaverso, due lezioni dal futuro sul Fan Engagement*, 2021, in <https://iquii.com/2021/09/15/metaverse-branded-experience-per-fan-engagement/>

Today, in fact, individuals can connect through the Network and communicate with each other in real-time; in this way, the Web users feel themselves as active members of Virtual communities and, therefore, can share and exchange ideas, experiences, and emotions among themselves.

Furthermore, today the network can be considered an extremely dynamic complex of Virtual Worlds where people are enabled to develop more immersive virtual experiences by building communities based on shared values, and by expressing themselves in more authentic ways.

According to some studies, virtual commerce describes the consumption of products and services promoted by Brands in an immersive virtual environment such as the Virtual World (Jin & Bolebruch, 2012).

Meanwhile, the advent of the Covid-19 pandemic crisis has accelerated the diffusion of Virtual commerce and, at the same time, has caused less frequent face-to-face contact and improved the virtual marketing of products and services within the 3D immersive Virtual Spaces¹².

Due to the frequent limitations of freedom of movement that have characterized the last two years, the consumers have changed their behavior and have progressively oriented themselves toward a new way of conceiving the relationships between physical and virtual reality, contributing to the further development of virtual environments and virtual commerce.

At the same time, the progressive diffusion of Digital Marketing has implemented the gains and reduced the costs of Brands that have been able to satisfy a greater number of consumers in a shorter time than in the past¹³. First of all, the progressive diffusion of digital technologies has radically changed, the relationships between the public and the brands over the years, and consequently, has offered more business opportunities.

Today, the consumers, through social media, blogs and communities are able to interact directly with brands and express their opinions and judgments about the quality of the products and services offered; on the other hand, the brands are able to acquire – in real time – the opinions and requests expressed by the public, interact with the consumers and adapt the offer to their needs.

According to a study, it is possible to explain the individual purchase decisions within the e-Commerce through a “five-stage Consumer Purchase Model” that describes all the consumers’ behaviors within the digital realm (Karimi, 2013):

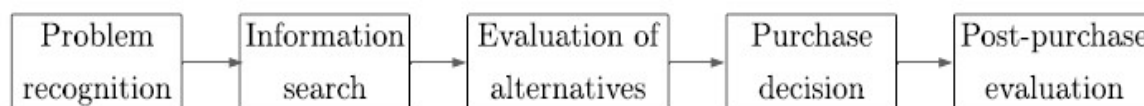


Figure 1: Consumer Purchase Model

¹² According to a recent study, the number of the internet users – in particular the Virtual World users - has (ulteriormente) risen from 4.6 billion in 2020 to 4.9 billion in 2021. Source: STATISTA (2021) Roblox games users distribution worldwide September 2020, by age, in <https://www.statista.com/statistics/1190869/roblox-games-users-global-distributionage2021>

¹³ The Digital Marketing may be considered as the use of digital channels with the aim to promote or market products and services to targeted consumers and businesses."

Among the above mentioned five stages, the most important and relevant is the “Purchase Decision” which refers to the consumer’s willingness to materialize his decisions and fulfil his purchase.

Furthermore, the increasing use of virtual commerce has played a fundamental role in shifting the consumers’ perception from 2D product catalogues to 3D immersive virtual spaces.

However, due to the great growth of Computer-Mediated Communication (CMC) the two different dimensions that are part of the Virtual World – Virtual Reality (VR)¹⁴ and Augmented Reality (AR)¹⁵ – are rapidly becoming recognized as an important environment for marketers and advertisers (Hemp, 2008).

As a result, in recent years the Virtual World has become even more significant not only for most of all the web users and spectators but also for brands– not only the small ones but also those operating in the competitive international markets – which, in order to implement their business capacity, must implement their reputation towards users with the aim of achieving greater loyalty.

For this reason, many Brands that have monitored the progressive improvement of these technologies, have understood the importance of the need to accelerate their process of technological innovation, in order to become highly interactive, collaborative, and commercial and satisfy the two following requirements:

- 1) satisfy the growing expectations and needs expressed by the public, in particular, the new generations;
- 2) engage the greatest number of users in order to implement their business.

According to a recent study, many brands are progressively taking an Adaptive Business Approach in order to improve both their internal organization and business activity (Ogilvy, 2021).

Today, the metaverse main users (that may be considered the main target of Branding activity) belong to the “Y”¹⁶, “Z”¹⁷ and “Alpha” Generations (the “Gen-Meta” term is used to indicate both Alpha and “Z” Generation consumers) (Ambrosio, 2022).

¹⁴ The *Virtual Reality* (VR) indicates “a computer-generated, interactive and highly vivid environment that enable the user to achieve a condition of full immersion through a personnel experience of telepresence, and facilitate engagements and relationships with other (human) encounters that are multi-sensorial, dynamic and resemble the user’s perception and understanding of the real world”.

¹⁵ The *Augmented Reality* (AR) indicates a real environment populated by real and virtual objects that interact with each other in realtime.

¹⁶ HOWE N., STRAUSS W. (2007) *The next 20 Years: how customer and workforce attitudes will evolve*, USA. The two Authors define as Millennials (or Y Generation, that follows the X Generation) all the individuals who grew up between the late 80s and early 2000s, in the middle of the “digital era”, whose ideas, qualities, attitudes and values were formed in the present millennium and who do not know a world without internet and technological devices. They therefore have a deep connection with social media and the internet, which they cannot do without

¹⁷ ACCENTURE, (2017) *Z Generation rising*, in www.accenture.com ; BIGNARDI P.; MARTA E.; ALFIERI S. (2018), *Generazione Z: guardare il mondo con fiducia e speranza*, Milano. The Authors define Z Generation or “digital natives” all the individuals born between the end of the 1990s and the first half of the 2000s, in a period characterized by huge transformations inside the political, economic, social, cultural environment. These individuals do not have any pre-existing internet background from which they manifest high dependence. They place themselves in evolutionary continuity with the previous “X” and “Y” Generations and are about to enter the world of work which, compared to the past, presents further complexities and difficulties and, therefore, they seem not to have the baggage of skills and competences that make them capable of facing the complexities of current society

The above-mentioned generations present a huge link with the digital dimension and, in the next future will represent the largest piece of virtual users and consumers of virtual products, and for this reason, they will be the main target of Branding activities and communications in terms of opportunities in the next future¹⁸.

Furthermore, the fundamental objective in order to guarantee the excellent functionality of a brand within the virtual dimension is its ability to create a long-lasting relationship with all the (virtual) consumers and users and improve its image and reputation in the eyes of the public and, consequently, the profits in a long-term perspective (Panozzo, 2013).

This phenomenon is called Brand Reputation.

In other words, brand reputation is a value judgment –that could be positive or negative –that consists in the result of a "multidimensional construct" of perceptions and expectations that the various stakeholders express about a brand. The brand Reputation depends on a series of factors, such as:

- 1) the history of the brand;
- 2) the quality of the goods and services offered;
- 3) the (brand) attitude to establish and maintain long-lasting relationships with the external environment;
- 4) the (brand) business innovation;
- 5) the social values pursued;
- 6) the relations adept with the internal and external stakeholders such as the employees and the supply chain;
- 7) the brand's ability to adopt and implement sustainable behaviours that can provide less impact on the environment.

According to a quite recent interesting study, brand reputation is the mirror of its level of commitment in order to contribute to the pursuit of the “common good”(Corradini and Nardelli, 2015).

And since the Brand Reputation is based on customers' expectations, perceptions, and opinions, the main fundamentals of a brand's image – and consequently of its destiny – are all stakeholders it deals with, in particular the consumers who, today more than in the past, are more informed about the products they buy and the companies that produce them and, therefore, are more demanding and suspicious (Mazzei and Gambetti, 2006).

Some empirical studies indicate that brand reputation or “reputation of an organization” represents the fusion of all the expectations, perceptions, and opinions developed by the different stakeholders and it is based on the evaluation of the following characteristics (Pastore and Vernuccio, 2008):

- 1) quality of the organization;
- 2) corporate culture;
- 3) governance;
- 4) professionalism of employees;
- 5) protection of health and safety policies adopted in the workplace;

¹⁸ Today the target group that the brands will address includes individuals aged from 10 to 30 years old.

- 6) type of products offered and methods of availability of raw materials;
- 7) approach towards the environment and external environment.

According to the Reputation Institute, it is possible to determine the reputation of a Brand through a Model that describes seven “drivers of reputation” or seven particular characteristics of a Brand¹⁹:

- 1) Products and Services offered: an important factor is the quality of products and services offered to all the various stakeholders;
- 2) Innovation: the brand’s capability to innovate, adapt to changes, and project toward the future;
- 3) Workplace: the culture of the safety within the workplace and protection of the health of the staff and the employees;
- 4) Governance: the Brand’s ability to act in a transparent, ethical, and fair manner, in line with the expectations of the various stakeholders with whom it comes into contact;
- 5) Citizenship: the Brand’s capability to contribute to the improvement of society and the sustainable development of the environment;
- 6) Leadership: the Brand’s capability to manage the company by the leadership with reference to aspects relating to the mission and vision;
- 7) Performance: all data concerning financial performance and profits achieved.

From the point of view of the Brand, it is necessary to be able to obtain a high reputation from the public.

The brand Reputation is a concept also adaptable to the Web. According to an interesting study, the expression Web Reputation indicates the result (continuously renegotiable) of the set of conversations, messages, and comments relating to the work of a subject, which are disseminated on Social Network through the “Word To Mouth” process (Peverini, 2014).

For a Brand, the main consequence of a positive Web Reputation is its visibility, which indicates the level of popularity achieved within the social network and, consequently, the “online impact” generated by the public. The level of popularity of a Brand is based on the following three key factors: influence, credibility, and visibility. The influence of a Brand (that should not be confused with the notoriety) indicates its authority, power, and prestige towards the public; in other words, the term indicates the ability of a brand to determine or modify the cultural, social, and political opinions of the public. The brand credibility indicates its reputation and, consequently, the level of trust and esteem towards the public. The visibility indicates the brand’s notoriety.

A high level of popularity allows a brand to generate interactions with the public (engagement) and, as consequence, to realize its strategic goals in terms of sales and earnings. In other terms, a high level of popularity represents a fundamental goal that allows the brand to obtain a series of advantages in terms of developing bargaining power, increasing the value of goods and services produced, but above all, in terms of growing preference compared to its competitors.

¹⁹ *Corporate Reputation*, in www.reptrak.com

As consequence, the brand will obtain further advantages in terms of customer satisfaction and customer loyalty.

The main factors that influence the brand reputation consist in its reliability, responsibility, credibility, transparency, and authenticity: if one of these factors is negatively influenced, this could compromise the image and reputation of the Brand and, consequently, negatively affect its success and therefore cause loss of profits.

2.2 What kind of communication activities can a brand do in the metaverse? (branded event, *Brand Placement* o *Product Placement*, native advertising, NFT²⁰ etc.)

During the last few years a new conception of Brand business has developed through the web; it is not only focused on the concept of selling products to people, but also on the improvement of communications and interactions with all the stakeholders, with the aim of offering Meta-experiences through the metaverse.

And because the metaverse involves embodied consumers through their avatars, brands are experimenting with new advertising and marketing strategies with the aim of engaging and interacting with a larger number of users, in particular those who belong to younger generations.

The presence of creative and collaborative communities of users within the Metaverse (where the consumers can create effective dialogues with brands and provide feedback), represents a key factor in elevating brands from being mere advertisers because it offers more business opportunities than in the real world.

In other terms, within the Metaverse, the Brands can contribute to create long-lasting relationships with consumers and collaborative communities where the consumers and the users are enabled to interact and provide feedback on the quality of the products, with positive effects in terms of gains.

Furthermore, in recent times lots of Big Brands (such as Gucci, Benetton, Atari, Nike, Balenciaga, The Walking Dead, Adidas Originals) and even the rapper Snoop-Dogg have started using Meta-platforms such as Sandbox, Decentraland, Roblox, Bloktopia, Earth2 in order to begin a new interaction with the public based on the sharing of common values and experiences and, at the same time, on the promotion of their products and services (Ambrosio, 2022).

There are different ways to promote products within the Metaverse.

One of these is the Branded Event. The Branded Event indicates a Brand “experience” during live events (a conference, a concert, a seminar, a symposium, and so on). In other words, the event represents an important marketing tool in order to engage the audience and improve the relationships between the Brand and the consumers, because it involves people directly.

²⁰ *The Non-Fungible Tokens (NFTs) play a very important role in contemporary virtual market, because they certify the ownership of a unique digital work.*

During the event, a Brand has the opportunity to communicate with the consumers, promote its story and products, and – at the same time –engage the target and receive direct feedback and know if its advertising strategy has been successful or not.

For this reason, the Branded Event represents an interesting opportunity for a Brand in order to obtain a huge series of advantages and benefits to a Brand:

- 1) being recognized by customers;
- 2) increasing the business value;
- 3) generating new customers;
- 4) improving employees' pride and satisfaction;
- 5) improving the Brand Reputation and the customization of people.

In the virtual world, many brands, in particular person brands, in the field of music and entertainment have resorted to branded content defined as "any output fully/partly funded or at least endorsed by the legal owner of the brand which promotes the owner's brand values, and makes audiences chose to engage with the brand based on a pull logic due to its entertainment, information and/or education value" (Branded Content Marketing Association, 2016).

Given the sectors taken into consideration, one could speak of branded events rather than branded content in this case. One of the first to understand the potential of this type of content on virtual platforms was US rapper Travis Scott, adopting a pull logic based on entertainment. The US rapper used the online platform Fortnite to perform a 15-minute virtual concert with his avatar, recording 12 million live streams (BBC News, 2020).

Due to the success of the latter, other artists have decided to try their hand at these virtual live concerts, performing with their digital avatars. These include Cardi B, Michael Bublé, Justin Bieber, and Ariana Grande. Sony Music has recently partnered with Roblox, a company that specializes in creating online 'worlds' and selling virtual products using its digital currency Robux, and Rhianna used her avatar to promote her company "Fenty" (Fraser, 2022).

So, profits are also linked to the possibility of selling merchandise online, but not only that. This type of virtual branded event offers the possibility of reaching a larger number of people, millions and millions of people who could not be reached with a real concert. In addition, costs are also lower than for a real-world event. Although given the hype of the moment, they are expected to rise.

Even the world of entertainment was not indifferent to this type of communication. In fact, in December 2019 an event was held on Fortnite for the presentation of the film "Rise of Skywalker" which would debut in cinemas shortly afterward (Webster, 2019). In this case, therefore, in addition to the entertainment aspect, there is also the informative aspect characteristic of branded content.

Another way to promote products within the Metaverse is the Product Placement, also called Brand Placement or Branded Entertainment or Embedded Marketing (Kandhadai and Saxena, 2014).

Adopting such a communication strategy can bring several advantages such as an increase in brand awareness and instant brand or product recognition, thus influencing consumer choice (Chernikova & Branco, 2019).

The reasons why brands are adopting this strategy in the metaverse are different, and can also vary depending on the product being sponsored and the platform being used. On the Roblox platform, Hasbro, a company specializing in children's games, offered users the chance to fight with Nerf Bluster line guns, the famous toy guns with rubber bullets (Takahashi, 2021). In this case, given that Roblox is a platform used mostly by children, 29% of users are between 9 and 12 years old (Statista, 2021), and that Hasbro's guns are aimed at children of that age group, it is clear that the company intends to increase the attitude towards product/brand among young consumers through product placement.

Other companies have used this strategy to bring young consumers closer to the brand and increase brand awareness. This is exactly what Balenciaga has done by launching its products on Fortnite. The campaign on Fortnite also served to strengthen the company's image, notably among Gen Z, with the percentage of people who consider Balenciaga to be an "interesting" brand increasing from 14 percent monthly to 30 percent during the week of the event (Bainbridge, 2022). This type of communication, however, is not real product placement. Users, in addition to visiting the virtual shops on the platform, can also buy digital goods, exchanging the real currency for the virtual one.

It is precisely this type of business that luxury brands are monitoring, and in this case, we can talk about virtual interactive experience. Among the brands that were the first to move into this world, taking the advantage of first comers such as lower prices, is Gucci, an Italian clothing brand founded in 1921 by Guccio Gucci. Last year, to celebrate its 100th anniversary, the Italian brand created the virtual garden experience on Roblox, a virtual gaming platform. This experience allowed users to purchase 3 limited-edition virtual items, and to move through avatars in a virtual space that recreated the gardens and rooms of the Gucci Bloom campaign (Petridou, 2021).

Many high-fashion brands now seem to want to use this type of virtual experience to get in touch with a new audience of young consumers, but not only. The opportunities are greater, and the target audience that these brands address in the real world can also be incorporated. In this regard, on the Metaverse platform Decentraland, the first Metaverse Fashion Week will take place on 24 March 2022 with showrooms, stores, talks, and events during the four-day virtual event (McDowell, 2022). Such an event is aimed not only at the traditional users of the platform but at all fashion enthusiasts, thus involving a wider audience.

The main objective of Brand Placement is the increasing of the visibility of a Brand or of a particular product and, as consequence, Brand Awareness²¹.

Traditionally, the Product Placement indicates a particular Marketing strategy that consists in the inclusion of a product in films, television programs, reality shows, television series, video games, books, comics, songs, and, in general, any type of entertainment content, for mainly commercial and promotional purposes rather than artistic. Moreover, the Product Placement does not interrupt the trend of the history told (Friedman, 1991). The following images show two different types of Product Placement within the movies.

²¹ *The term Brand Awareness means the particular degree of awareness of a Brand or a product by the audience; the term also indicates the ability to remember a particular Brand and distinguish it from others.*



Figure 2: movies “Back to the future” (1985) and “Ted” (2012)

According to the National Legislation, “the Product Placement must be fully integrated within the development of the action, without constituting an interruption of the narrative context”²².

This particular characteristic (full integration) distinguishes the Product Placement from a similar advertising strategy adopted by Brands: the sponsorship.

The main feature of the sponsorship is that the reference to the particular product or service offered is not well integrated with the narrative context and, therefore, the consumer can easily realize the presence of an advertisement. In other words, through sponsorship, the reference to the product or service offered is not part of the plot (Angelopoulos, 2010).

An academic study has observed that the Product Placement can spread into three different forms: 1) screen placement; 2) script placement; 3) plot placement (Russel, 1998).

The screen placement (visual) requires that the product or the Brand must be presented in the foreground or in the background of the plot so that it can attract the attention of the consumers; the script placement (verbal) requires that the product or the Brand must be mentioned during a dialogue between the characters; the plot placement (integrated) requires that the Brand or the product must be fully integrated with the environment, thus becoming a central element of the theme.

However, due to the progressive digital transformation of the relationships between all the individuals, there has been a consequent evolution of experiences in the Virtual World and, consequently, also of the possible channels through which brands can communicate with consumers and offer their products.

For example, within the Metaverse, the Web users can test the goods and products placed in the virtual environment at a lower cost²³.

The following images show three different types of Product Placement within the Metaverse.

²² Decreto del Ministero per i beni culturali e le attività culturali del 30 luglio 2004 e successive integrazioni e modificazioni, intitolato “modalità tecniche di attuazione del collocamento pianificato di marchi e prodotti nelle scene di un’opera cinematografica Product Placement”

²³ MORGAN J. P., *Opportunities in the Metaverse. How business can explore the Metaverse and navigate the Hype versus Reality* in www.jpmorgan.com



Figure 3: Nike virtual shoes (www.synami.media.com) (2022)

Another marketing tool used by Brands is Native Advertising or Invisible Advertising which represents a further practice to engage all the Web users.

Native Advertising consists in the insertion of advertisements within the web platform so that they appear coherent with the content and purposes of the platform and do not divert the consumer's attention, making him difficult to distinguish between a sponsored content and non-sponsored one.

Advertising is interruptive and in certain situations can even bore the consumer. Inserting content naturally into a platform avoids distracting the consumer from the experience they are living and native in-game advertising is one way of doing this. Brands such as Coca-Cola, Volkswagen, and Samsung have included virtual billboards in games such as football manager and Hyper Scape, resulting in a 95% increase in gameplay realism and a 12% increase in purchase intention (Mileva, 2022b).

As technology has continued to advance, native advertising has also evolved to match one of the main characteristics of the metaverse's platforms - interactivity. In the metaverse, native VR advertising has the most promise for marketers. Brands can design full-scale experiences that weave a story, enable visitors to engage with their product, and finally make a purchase — all while remaining in the metaverse.

Nikeland on Roblox, a VR game platform and metaverse corporation, is a fantastic example. Nikeland lets you interact with the game and explore the company's footwear, clothes, and accessories in VR (Team, 2022). Inserted in the Roblox platform, Nikeland is a metaverse no different from the others in the sense that users can play many mini-games such as dodgeball and "the floor is lava"; however, the particularity of this world lies in the fact that it reproduces the real-life Nike headquarters with stadiums, fields, and arenas, using a native advertising strategy aimed at capturing the attention of users, without disturbing them in the activities they are performing (Candelon et al., 2022).

A similar communication strategy was adopted a few years ago on another virtual platform, Animal Crossing, by a brand in the food sector, KFC Philippines. Once on the platform, users could land on an island completely

dedicated to Colonel Sanders' brand, featuring typical fast food. In addition, users who came across the Colonel's virtual avatar during their gaming experience were entitled to a discount voucher to be used in physical stores in the Philippines (Burton, 2020).

This strategy aims at not completely separating the metaverse from the physical world, which is what all the brands that are slowly entering this new world are trying to do. In fact, another food brand, McDonald's, seems to have joined this wave, which last February decided to enter the metaverse by giving users the possibility of ordering food in this virtual world and receiving it at their real home (Main, 2022).

However, a brand that decides to place itself in the metaverse can also highlight its core values in reality, again using a native strategy; and this is exactly what Wendy's brand has done on Fortnite. Rather than interfering with the audience's enjoyment, Wendy's opted to make its advertising the audience's entertainment. The players' goal, which is usually to eliminate all opponents until they are left alone, in this case, turned into the destruction of all burger freezers from the game. The game is being used as a vehicle for the company's fundamental brand slogan of 'fresh, never frozen beef' (The Drum, 2020).

Since consumers use digital tools every day, brands must use marketing and communication strategies that are aimed to stimulate both the attention and the interest of the consumers and, at the same time, are least invasive as possible.

The Native Advertising is a Widget that fits perfectly into the website interface. The advertising (and its design) is selected to be consistent and coherent with the theme of the web platform and, therefore, is able to integrate itself within the content of the site. In this way, Brands are able to achieve the following advantages:

- 1) it is quite difficult for the user to distinguish between sponsored and non-sponsored content;
- 2) the user does not show an attitude of distrust and annoyance towards Native Advertising because it appears less aggressive than traditional advertising messages;
- 3) Brands have a better chance of reaching a large number of users (Brancale, 2017).

As a result, Brands are able to convince a larger number of customers (Soft Selling) to buy their products and services because Native advertising makes it possible to effectively insert advertising in the context of the platform.

For this reason, Native Advertising represents one of the most widespread forms of Digital Marketing, particularly in social networks.

According to a recent study, Native advertising, compared to other marketing strategies adopted by brands, is much more effective because it creates a less discontinuous interaction between the website and the users (Lee et al., 2016).

The following slides show some examples of Native advertising which consists of fan advertising on websites. It is possible to see that they provide Brands with a large number of opportunities to engage a huge amount of users.

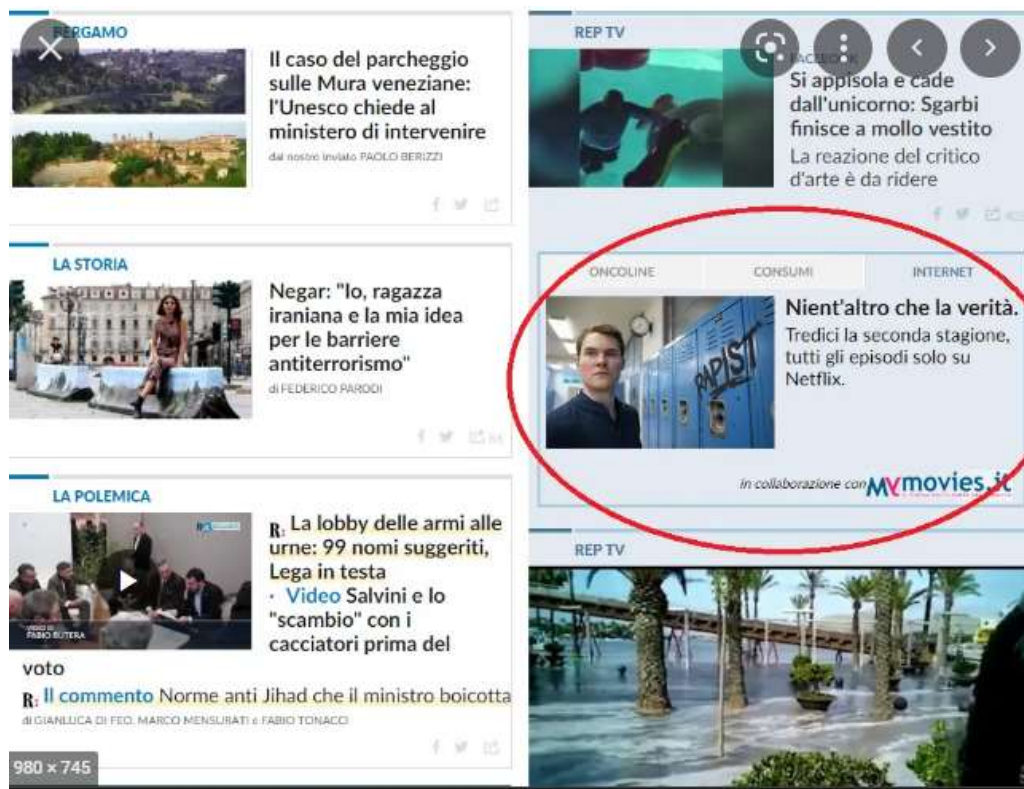


Figure 4: Native advertising example

The Non-Fungible Token (NFT) indicates the certificate of ownership and authenticity of a (digital or physical) tool that is written on a blockchain and, therefore, cannot be reproduced. This allows to determine the uniqueness and scarcity of the tool, making it attractive to the public that wants to collect it (Dal Poz & Ferrarin, 2022).

In other words, the term NFT indicates a digital object (for example a work of art, an image, a particular video or audio, and so on) that is certified by the blockchain that is purchased or sold through the web. Whoever buys the object becomes the owner of that single object.

In recent years, the NFT market has been attracting the attention of large companies, artists, and celebrities as it represents a new source of business or fundraising.

A potentially revolutionary aspect of NFTs is that in the digital world, where copies of a digital object are created and distributed with extreme ease, the scarcity of an object increases its value, just as it does in the real world.

In other terms, the NFT is not one of the many copies of an object but is a certificate of authenticity and originality that indicates that the object – in its digital version - is a unique work.

And NFTs make it possible to create digital scarcity and, as a result, to create value and earnings (Ambrosio, 2022). In this regard, on the Metaverse platform Decentraland, the first Metaverse Fashion Week will take

place on 24 March 2022 with showrooms, stores, talks, and events during the four-day virtual event (McDowell, 2022). Such an event is aimed not only at the traditional users of the platform but at all fashion enthusiasts, thus involving a wider audience. Taking part in this experience will give users the possibility to buy digital goods in the form of NFTs, and some brands will also send to the buyers the brand's physical complement. A non-fungible token (NFT) is a "certificate of ownership. It is a digital asset that records the ownership of intangible, digital (e.g. videos, images, tweets) or tangible items (e.g. real-world artwork, event tickets) using blockchain technology" (Wilson et al., 2021).

However, marketers should not think that NFTs are simply collectibles for virtual avatars because they have much greater potential. They can act as a digital touchpoint between the brand and consumers (*How Your Brand Should Use NFTs*, 2022).

The potential of these new digital assets is huge, not least because they can enable brands to communicate with audiences that would otherwise not be reached (Wong, 2022). In fact, brands that are developing NFTs are not only attracting the attention of brand-loyal consumers but also technology enthusiasts and creating new brand communities.

The brands focusing on these digital assets as a communication and profit-making tool are many and include the most diverse sectors, from fashion to automotive to food. However, this tool can also be detrimental to the brand if not used in the right way. Skeptical customers nowadays will immediately spot an NFT effort geared only for profit. The key to NFT marketing is thus to demonstrate to customers that marketers are giving them more than they are receiving (Faridani, 2021).

One of the most significant examples of an NFT campaign was the one launched by Coca-Cola in July 2021. NFTs were sold through a 72-hour auction, and the winner also received an in-real-life, fully stocked Coca-Cola refrigerator. The auction generated profits of US\$575,883, and the proceeds were donated to Special Olympics International (*Top 10 NFT Marketing Initiatives by Leading Brands in 2021*, 2022).

According to a recent study, in 2021 the NFT market generated over \$ 23 billion in trading volume, especially in the world of art and entertainment.

Some of the following Big Brands are operating within the Non-Fungible Token tools:

1. the international fashion Brand Louis Vuitton has developed a game on a virtual platform in which it is possible to collect NFTs (App Store, 2021);
2. the International actor and singer Justin Bieber has recently performed a virtual concert on the Fortnite Platform;
3. the international fashion Brand Gucci has launched the "Gucci Vault" on the virtual Instagram platform, a brand dedicated to explore a new form of totally digital "concept store"²⁴;

²⁴<https://www.instagram.com/guccivault/>

4. the auction house Christie's has recently sold a NFT related to a digital work made by Michael Winkelmann for the amount of 69 Million dollars (Dal Poz & Ferrarin, 2022);
5. the American artist and singer Snoop Dog has organized a virtual concert within the Sandbox Platform, in which he has given away some NFT for the participants²⁵.

2.3 Communication in the real/digital world

The fundamental issue relating to Brand communication is the creation and maintenance of lasting and meaningful links with customers, in terms of customer satisfaction and customer loyalty.

For this reason, it is necessary that brands are able to adopt business strategies that are always in line with customer needs and go beyond the mere promotion aimed at the sale of a particular product (Duse, 2009).

Moreover, the progressive spread of the Internet has provoked an important revolution within the world of marketing.

It has accelerated the process of digitalization of people and, at the same time, has provided the brands with greater communication tools with customers, such as the personalization of messages and the opportunity to communicate through the Social Networks with a larger number of users and, therefore, to share information and topics of their interest (fashion, technologies, lifestyles, and so on).

Furthermore, the development of more Immersive Virtual Experiences and the diffusion of Multilayer networks has normalized more persistent and multi-purpose online engagements and communications (Moro Visconti, 2022).

Consequently, Brands must invest more and more in digital communication in order to improve their business performances and, at the same time, to reach a larger number of consumers and convince them to buy their products and services.

In other words, today's society, due to the spread of the Internet and Social Networks, has undergone huge transformations that have changed its balance and values.

The advent of the Immersive Technology has given rise to the digital transformation of marketing (online retail and e-commerce) which consists in the progressive spread of digital technologies that stimulate the five senses in a simulated environment where the customer is allowed to fill an "immersive and unique shopping experience" by providing both hedonic (for instance, an almost realistic shopping experience) and utility values (efficient products search) when choosing the goods and services that are offered by brands (Shen et al., 2020).

The consequence of the progressive spread of the use of digital technologies in marketing has radically changed the relationships between brands and consumers: today brands and consumers' relationships are no

²⁵<https://www.sandbox.game/en/snoopdogg/>

longer one-way but are based on the following key factors: progressive interaction, dialogue, communication, and consumer responses.

Consumers – in particular those belonging to the new generations of Millennials, Z and Alpha Generation – are able to search for information on the characteristics of the products or services offered, compare prices and make purchases at any time and in any place; consequently, they have considerably raised their level of expectations towards brands, being able to directly express their preferences and their judgments on the quality of the goods and services offered.

Brands are trying to exploit this new way of interacting with the public not only by offering customers tailor-made products and services quickly but also by trying to establish effective and lasting relationships based on the following assumptions: sharing of experiences, opinions, values, and objectives; emotional engagement of the client; Brand Activism toward the main issues relating to Environment, Politics, Society, Economics and so on (Bauman, 2007).

Today, as the digital transformation has had a major impact on the whole society, most of the economic transactions take place through the web, especially through the use of apps that allow the users to make online purchases in complete safety.

Moreover, the maintaining of a solid and a long-lasting bond between customers and Brands without the use of the digital technologies seems to be rather difficult, considering that through the presence of promotional activities on the Web and social media, the brands have more opportunities to communicate with a large number of people and, as consequence, to expand their popularity and reach an increasing number of consumers.

Consequently, promotional activities such as Brand Placement or Product Placement and Native Advertising can be considered as more effective marketing strategies compared to simple promotional messages because they allow brands to reach a larger number of consumers because they are perceived as less invasive and less intrusive than traditional advertising activities.

On the other side, it is also necessary to focus the attention on the following important question concerning the metaverse.

Metaverse offers the web-users the opportunity to live in interconnected Virtual Worlds where their avatars can move without obstacles and limitations; at the same time, metaverse poses undoubted business advantages for brands. Through online browsing, the users leave traces that are collected and analyzed in order to create a “profile” of each visitor and to let the Brands offer him/her a personal experience and induce him to buy the products/services offered.

The collection and analysis of users’ personal data within the Metaverse pose privacy protection problems (Ogilvy, 2021).

Since the Metaverse is an “open Realty” where each user enters his own personal data, it is necessary for the Holders of the Virtual Worlds “(for instance Decentraland) to keep safe all the virtual experiences of web users.

2.4 Communication in the Gaming industry and Gamification

The world of gaming represents an important market segment, in constant evolution and characterized by high competitiveness.

The main goal pursued by the gaming industry is to entertain the player (alone or in company with other players).

As for the brands that produce video games, it is possible to distinguish two meta-categories: companies that produce only video games (in particular Ubisoft, Electronic Art, Activision, Gameloft, and so on) and companies that produce both video games and consoles (in particular Microsoft, Nintendo, Sony).

Both the different types of Brands are capable of developing public entertainment software.

The high competitiveness of the gaming sector depends essentially on the following key factors: technological innovation; the graphics and plot of the games offered to the public; the ability to involve and entertain both already loyal users and new players; the price and quality of the software that is placed on the market; the brand as a name recognition tool; the assistance services that the company is able to offer to customers and players.

The last few years have been characterized by a high diffusion of On-line Games which, compared to Personal Computer (PC) and Console games, offer a series of advantages to both users and producers.

Online Games differ from Consoles and PC Games for the following reasons: users are in a much higher percentage than those who use PC and Console games because they can connect and play directly at any time of the day.

Furthermore, through the use of smartphones and tablets within Social Networks, the users are in continuous contact (Massively Multi-player Online, MMO) and sometimes even in competition with each other, and, for this reason, they contribute to the development of common bonds and game interactions.

The brands that produce the On-line Games may limit the possibility of downloading pirated games because the software created is, as a rule, hosted on a server owned by the company (Ortolani, 2020).

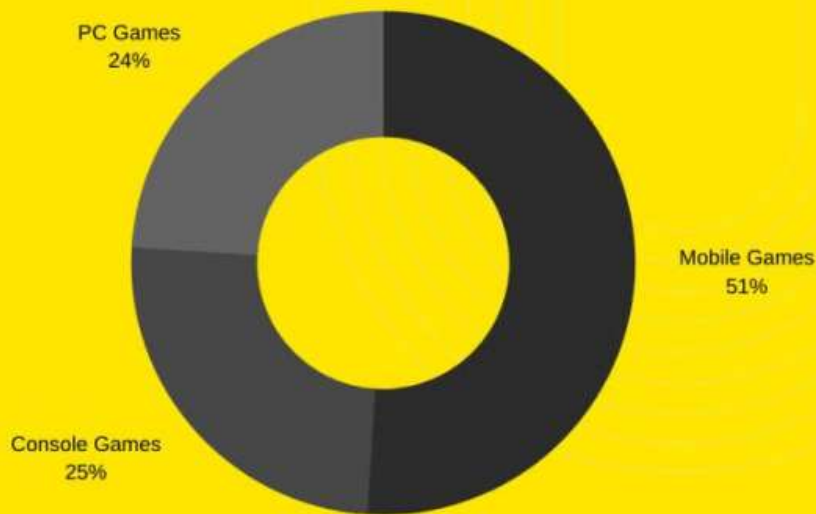
Additionally, increased participation and interaction trigger a cycle by which customers increase their Brand loyalty.

Furthermore, online games with social features act as a type of social network where each user can join up and communicate with other users, participate in activities, and form friendships and rivalries (Moro Visconti, 2022).

The following graph shows the high percentage of subjects who use On-line Games through Smartphones and Tablets, compared to those who use PCs and Consoles.

An increasing number of individuals use smartphones and tablets not only to work but also to spend their free time (Mobile gaming).

Total global gaming revenue distribution



Fonte: blog.udonis.com

Figure 5: Gaming Industry revenue distribution graph

With regard to communication in the world of Gaming, the phenomenon is of fundamental importance, considering that today the main consequence deriving from the frequent interaction by users and brands in the digital world is Gamification.

The meaning, the game mechanisms, and the purposes pursued by Gamification are different from those relating to the simple Game.

While the primary purpose of Games is to entertain the users, the Gamification is a more complex concept as it indicates the set of elements of play and social activities aimed at increasing the user's interest and participation in social, recreational, work, and sports activities.

Through Gamification, users are encouraged to participate and overcome comparisons, competitions, and challenges within a playful context. In this way, the user is stimulated to live unique experiences and to deepen greater participation and commitment in carrying out a task or an action.

In other words, the goal of Gamification is to encourage interactive behaviours on the part of users, motivating people to collaborate and share information, participate in online communities, interact with other users, develop new skills or engage in innovation (Parapanos and Michopoulou, 2011).

Gamification is defined as follows: "Gamification is the process of using Game Thinking and Game Dynamics to Engage Audiences and Solve Problems" (Zichermann, 2014).

In other terms, Gamification indicates the Games with a purpose.

Today Gamification is a rapidly expanding phenomenon thanks to the progressive development of video games and the use of social networks and social games.

Gamification involves the inclusion of playful elements within social networks that are based on the needs, desires, and motivation of individuals and induce them to perform a certain action or to assume a certain behavior.

This situation stimulates the (natural) tendency of individuals not only to have fun but also to compete (earn points and win prizes), share status, participate in community trends, and, consequently, purchase goods and services.

Gamification also stimulates the instincts of individuals by focusing their attention on their desires and needs; at the same time, it collects and analyzes data based on the behaviours performed within the game.

The social aspect is a fundamental element in Gamification because it allows the user to interact with other people, share their status, comment on the status of other users, and so on.

For this reason, Gamification is a business tool that exploits gaming activities with the aim of improving the involvement and attention of users and encouraging the purchase of products or the use of certain services and, in this way, constitutes an effective customer engagement and loyalty tool.

Furthermore, with the progressive diffusion of Smartphones and Tablets, the users can access the Web platform through special Apps and interact in real-time with each other (community and forum) and the brands. In general, the world of gaming is a fundamental marketing tool for companies. Through gaming, brands are able to engage users in a social entertainment environment.

At the same time, Brands through the user's engagement are able to establish an emotional and fun bond with customers that are able to evolve through the creation of consumer communities (and as observed, sub-communities) that interact with each other and, consequently, improve the Brand visibility.

In this way, Brands are able to implement loyalty with users and create more solid and lasting relationships with them (Ortolani, 2020).

In other words, when the engagement capability of Gamification (both entertainment and competitiveness) meets the Social Networks (trend and fashion) the business opportunities for a Brand grow considerably.

Therefore, Gamification represents a very advantageous and effective marketing tool for Brands compared to other forms of commercial advertising in terms of Return Of Advertising Spend (ROAS) because the costs of retaining a new customer are considerably lower than that spent in the physical world.

In addition, Gamification emphasizes the link between the users and the objectives and purposes pursued by the Brands and contributes to improve the customer's loyalty.

Furthermore, the great benefit of Social Gaming Marketing is that the users, living the experience in a playful environment, do not suffer invasive advertising. The result is a marked improvement in the user experience. From this point of view, social gaming marketing represents a real revolution: it has already allowed many Brands to establish a solid and useful relationship with all the users through non-invasive, but engaging advertising.

During the last two years, the health emergency from Covid-19 has produced several effects and consequences in the gaming sector.

According to a recent study, 2021 has been characterized by a significant increase in the use of online video games (the 38% of consumers took part in online video games compared to the 29% in 2015); at the same time, there has been a significant increase in sales of headsets for Virtual Reality (VR) and Augmented Reality (AR) (Maci, 2022).

The common characteristic of the metaverse and the world of video games is that in both the virtual dimensions, a person is represented by his avatar.

However, while the World of Video Games is mainly focused on the competition, the metaverse is a complex virtual realm where people can live a greater number of more complex experiences than those of Video Games. Although in the Gaming World there may be friendly interactions among the users, they are always in competition with each other in order to win a prize or to obtain a target.

In particular, the Metaverse, as an extension of people's physical lives into the digital realm, allows all the users to be part of the community and, therefore, to take the following actions: communicate, work, play, buy and sell products, interact and make art together with each other; contribute to the improvement of the economic, social, politic and cultural conditions of the actual society.

In particular, a further key factor of the metaverse that must be highlighted is that it does not only represents an excellent communication tool for brands in order to educate buyers on the benefits and positive features of a particular product or service, but also an innovative virtual world where brands have the opportunity to enhance their capability to capture the audience's attention and create a community around the Brand based on further interactions with the public (engagement).

However, some gaming platforms such as Fortnite and Roblox (which have all the attributes and the characteristics of the Metaverse) can be considered private Metaverses because they can offer their users the possibility to carry out various activities beyond just playing games.

This implies that all the Brands that want to interact in a more direct manner with the customers and (consequently) increase their business within the two above-mentioned platforms, must create contents and links that allow the users to enjoy immersive experiences: synchronization, three-dimensional interoperability, use of Avatars, and so on.

CHAPTER 3

3.1 Literature gap, research question, and Hypothesis

In chapter two, I analyzed different forms of communication that brands are trying (or will try) to implement in virtual worlds.

In particular, I focused on one particular form of communication, the branded event, since in the last two years several famous artists, unable to perform due to Covid-19, have decided to hold virtual concerts performing through their avatars.

Besides concerts, other types of virtual events on virtual platforms have developed, such as the fashion week in March 2022.

With this in mind, in this third and final chapter, I have decided to focus precisely on the latter type of event, the concert in the metaverse, trying to analyze consumers' purchase intention for a ticket to this event.

Since this is an entirely new topic, there are no previous studies. However, for my study, I drew on a previous study that tested the mediation of innovativeness on the purchase of virtual and real products on an online site (Cha, 2011).

Individual innovativeness tends to differentiate adopters from non-adopters of new technologies (Lin & Jeffres, 1998).

Other previous studies, however, have considered the use of augmented reality and its impact on sales. In this case, mediating the relationship are brand popularity, product appeal, product rating, and product price (Tan et al., 2022).

For this new research, which considers a service rather than a product, I have decided to use innovativeness exclusively as a mediator in my study.

More specifically, I used an 8-item sub-scale of innovativeness, which measures willingness to try, taken in a different context (impact of willingness to try on likelihood to start using high-speed rail), but appropriate for this new research (Li et al., 2017).

Based on what stated so far, the present project aims at answering the following research question:

How does innovativeness mediate the relationship between two types of concert (in real life and in the metaverse) and the willingness to purchase a ticket?

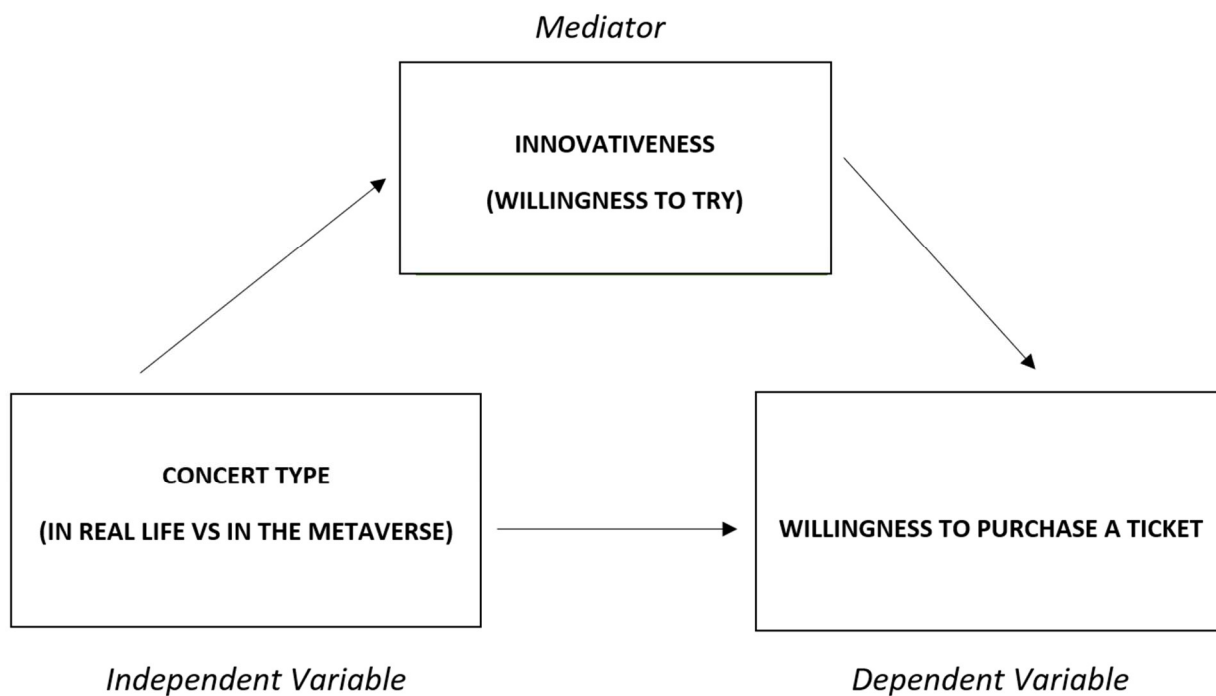


Figure 6: Conceptual model

In order to investigate the above topic, the intention is to use experimental design as a research method, which is useful to empirically test the cause-and-effect relationship between dependent and independent variables. The idea is to collect data through experiments designed to monitor how innovativeness (mediator) mediates the relationship between two types of concerts (In real life and in the metaverse) (independent variable) and intention to purchase a ticket (dependent variable).

The process of data gathering begins with the selection of a target audience and sample size. Item scales will be derived from current literature and, if required, updated. A survey will be generated using the Qualtrics software and distributed to a sample of people chosen from Amazon MTurk in order to obtain this information. SPSS software will be used to handle and evaluate the data gathered. With the mediation of innovativeness, the purpose of this study is to show which of the two types of concerts (in real life and in the metaverse) more affects the user's purchase intention.

Hypothesis

This study was created to understand which between a real-life concert and a metaverse concert is more effective in terms of increasing consumers' purchase intention of a ticket. Moreover, the concert in the metaverse should be perceived as a novelty, so the present study includes innovativeness as a mediator between the type of concert and the intention to purchase a ticket.

Therefore, the hypothesis of the study will be:

H1: “Metaverse concert” flyer increases consumers’ purchase intention of a ticket more than “Real life concert” flyer.

H2: People with a higher level of innovativeness are more likely to purchase a ticket for a Metaverse concert.

Research contributions

The covid-19 pandemic forced millions to stay at home. People's habits have changed dramatically, and many companies are trying to figure out how to relate to their consumers by offering services that can also be used from home.

However, although not entirely, the pandemic scare seems to have abated, and many activities seem to have returned to partial normality. For this reason, the study that I propose in this last chapter could be useful for managers to understand if indeed the metaverse and virtual worlds can constitute a real attraction for consumers and a means of communicating their content.

The introduction of innovativeness can also help managers understand consumers' reactions to the introduction of new technologies and consequently understand how to react according to their responses.

Although, as analyzed in chapter one, the birth of virtual worlds dates back to the 1980s, their use by users has only increased in recent years. Therefore, the study can also be instrumental in understanding whether the current types of virtual experiences offered to consumers are effective for brands or whether consumers still prefer physical contact in their relationship with the brand.

3.2 Methodology

In order to better understand the effectiveness of two types of concert flyers on purchase intention and what factors influence this relationship, an English language survey was created and distributed via the Amazon MTurk platform.

The survey consists of 15 questions in total and was distributed from May 23, 2022, to May 24, 2022. All respondents were informed before starting the survey of the processing of personal data, the total anonymity of the answers, and the confidentiality of the answers given. With the aim of making the survey as quick and less invasive as possible, due to the fact that Amazon MTurk forwards the questionnaire to users from all over the world (at a cost of EUR 0.10 per answer), the questions were made as understandable as possible and in English language.

The questionnaire was submitted to a reference sample of **287** respondents. The responses actually recorded are 300 but, due to non-attention checks and some unfinished samples, 13 responses were removed from the dataset.

The sample was divided according to Gender and Age.

Indeed, the analysis of the participants' characteristics, which will then be useful for the whole study, will be addressed in this first part.

The tables below show the key socio-demographic features of the participants who filled out the questionnaire.

Gender					
		Frequenza	Percentuale	Percentuale valida	Percentuale cumulativa
Valido	Male	158	55,1	55,1	55,1
	Female	129	44,9	44,9	100,0
	Totale	287	100,0	100,0	

As can be seen from the table, the sample is, to a greater extent, composed of males. Out of **287** respondents, in fact, **158** are male (**55.1%**). The female gender appears to be **44.9%** (**129**).

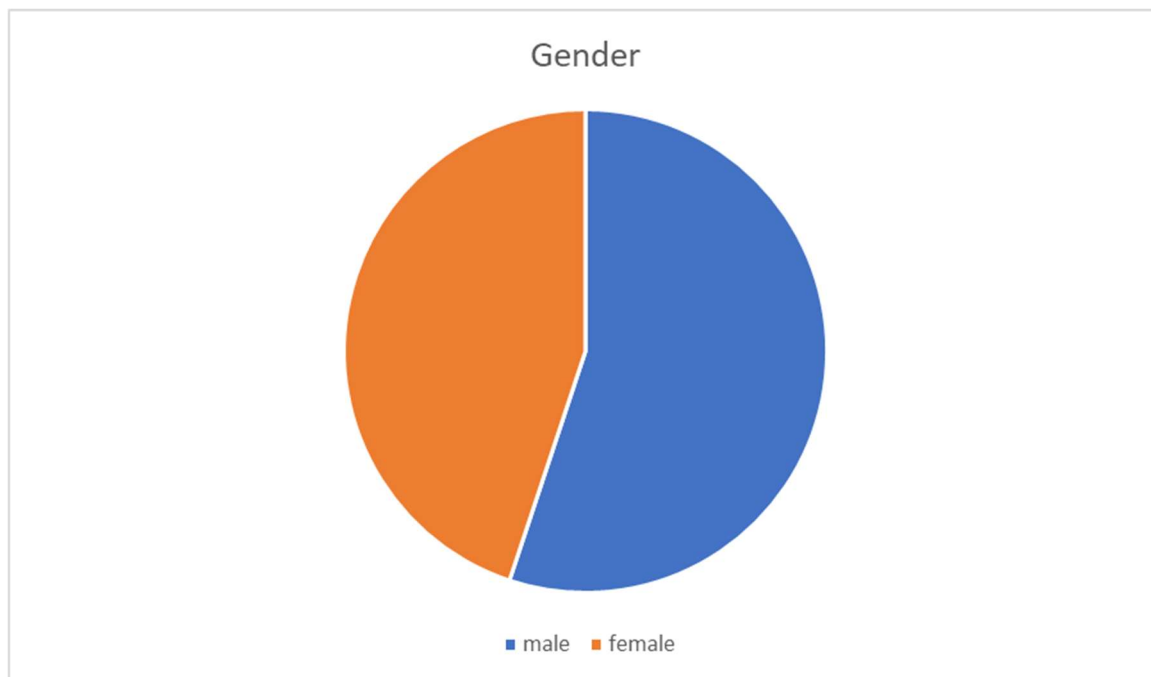


Figure 7: Gender graph

Age

Statistiche		
Please indicate your age in the box		
N	Valido	287
	Mancante	0
Media		37,3868

After analyzing the data concerning the age of the survey participants, the average age was found to be around **37** years old.

The survey consisted of a block number one, within which two types of scenarios regarding different flyers of a concert were randomized.

SCENARIO 1

Scenario 1 shows a flyer of a concert of the singer Justin Bieber in the real life.



Figure 8: Scenario 1

SCENARIO 2

Scenario 2 shows a flyer of a concert of the singer Justin Bieber in the Metaverse.



Figure 9: Scenario 2

The second block, on the other hand, contains the questionnaire's core questions. Indeed, there are concerns about the mediator and the dependent variable in our research. The items analyzed were taken from the following scales, and the questions were tailored to the current study. Participants were asked to answer questions on a Likert scale ranging from 1 (strongly disagree) to 7 (strongly agree) and a Bipolar scale ranging from 1 to 7.

The scale on Purchase Intention with the following items was used to measure the dependent variable (Purchase Intention): *“very unlikely to buy a ticket for this concert/very likely to buy a ticket for this concert”*, *“very unwilling to buy a ticket for this concert/very willing to buy a ticket for this concert”*, *“very uninclined to buy a ticket for this concert/very inclined to buy a ticket for this concert”*.

For how it concerns the mediator (innovativeness), the sub-scale “willingness to try” was considered and the questions are: *“I am reluctant about adopting new ways of doing things until I see them working for people around me”*, *“I tend to feel that the old way of living and doing things is the best way”*, *“I am aware that I am usually one of the last people in my group to accept something new”*, *“I rarely trust new ideas until I can see whether the vast majority of people around me accept them”*, *“I must see other people using new*

innovations before I will consider them”, “ I often find myself skeptical of new ideas”, “I am suspicious of new inventions and new ways of thinking”, “I am generally cautious about accepting new ideas”.

The third block comprises an attention check to ensure the questionnaire's validity, and the fourth block has socio-demographic questions to learn more about the respondents' age and gender.

3.3 Analysis of results

The findings of the survey will be examined using SPSS Software to verify the hypothesis regarding the consumer's perception of the concert flyer and how the innovativeness affects the consumer's purchase intention. Instead, the Process Software will be utilized to validate the mediation analysis.

The first step is to conduct a factor analysis to determine the reliability of the scales used in the questionnaire.

FACTOR ANALYSIS FOR DEPENDENT VARIABLE PURCHASE INTENTION SCALE

Test di KMO e Bartlett		
Misura di Kaiser-Meyer-Olkin di adeguatezza del campionamento.		,768
Test della sfericità di Bartlett	Appross. Chi-quadrato	878,174
	gl	3
	Sign.	,000

Two distinct tests were used to assess the reliability of the dependent variable scale:

- KMO test: This analysis represents the ratio of the square of the correlations between variables to the square of the partial correlation between the same variables. In this case, the measure of adequacy is 0,768. When the value being assessed is between 0 and 1, the closer the value is to 1, the more reliable the scale is. Therefore, we can successfully verify the reliability of the considered scale.
- Bartlett Test: To verify the veracity of the scale, the assumption of sphericity must be rejected in this test. Considering that the p-value < 0.001, the assumption is confirmed.

Comunalità

	Iniziale	Estrazione
Please, indicate in a scale from 1 (Strongly Disagree) to 7 (Strongly Agree) how likely are you to buy a ticket for this concert: - very unlikely to buy a ticket for this concert:very likely to buy a ticket for this concert	1,000	,898
Please, indicate in a scale from 1 (Strongly Disagree) to 7 (Strongly Agree) how likely are you to buy a ticket for this concert: - very unwilling to buy a ticket for this concert:very willing to buy a ticket for this concert	1,000	,909
Please, indicate in a scale from 1 (Strongly Disagree) to 7 (Strongly Agree) how likely are you to buy a ticket for this concert: - very uninclined to buy a ticket for this concert:very inclined to buy a ticket for this concert	1,000	,930

Metodo di estrazione: Analisi dei componenti principali.

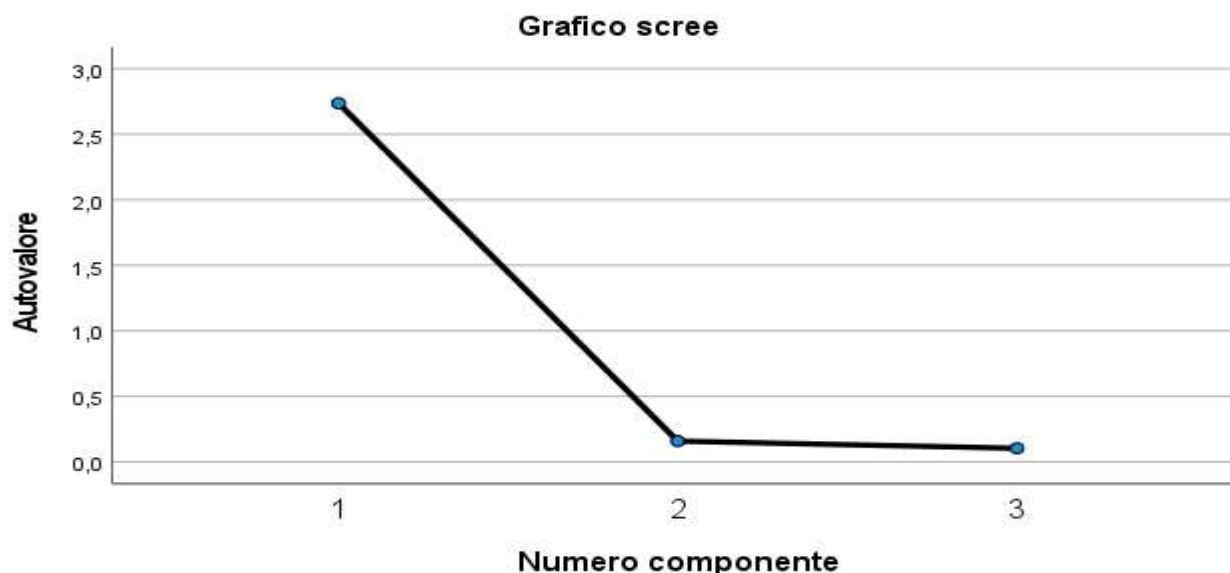
The current table, on the other hand, includes all of the scale's considered items. The commonalities are the percentages of the variability of the initial scale components that go under the factor analysis. All of the numbers analyzed are extremely acceptable because they are all greater than 62 %.

Varianza totale spiegata

Componente	Autovalori iniziali			Caricamenti somme dei quadrati di estrazione		
	Totale	% di varianza	% cumulativa	Totale	% di varianza	% cumulativa
1	2,736	91,214	91,214	2,736	91,214	91,214
2	,159	5,303	96,517			
3	,104	3,483	100,000			

Metodo di estrazione: Analisi dei componenti principali.

The proportion of total variation explained by the extracted component may be calculated using this table. In this case, the factor explains almost 92% of the variance derived from these items. As a result, it can be argued that we are highly satisfied.



The Scree-plot is an extra tool for determining the scales' reliability. The fact that the "elbow" of the curve appears on item 2 confirms the best decision of extracting a single element.

Matrice dei componenti^a

	Componente 1
Please, indicate in a scale from 1 (Strongly Disagree) to 7 (Strongly Agree) how likely are you to buy a ticket for this concert: - very unlikely to buy a ticket for this concert:very likely to buy a ticket for this concert	,947
Please, indicate in a scale from 1 (Strongly Disagree) to 7 (Strongly Agree) how likely are you to buy a ticket for this concert: - very unwilling to buy a ticket for this concert:very willing to buy a ticket for this concert	,953
Please, indicate in a scale from 1 (Strongly Disagree) to 7 (Strongly Agree) how likely are you to buy a ticket for this concert: - very uninclined to buy a ticket for this concert:very inclined to buy a ticket for this concert	,964

Metodo di estrazione: Analisi dei componenti principali.

a. 1 componenti estratti.

The authenticity of the objects under consideration is confirmed by this further examination, as the factor values are all extremely near to 1.

RELIABILITY FOR DEPENDENT VARIABLE PURCHASE INTENTION SCALE

Statistiche di affidabilità	
Alpha di Cronbach	N. di elementi
,951	3

Cronbach's Alpha analysis is the final test used to ensure the scale's reliability. The result is also quite near to 1 (0,951) in this situation, proving the scale's accuracy.

FACTOR ANALYSIS FOR MEDIATOR INNOVATIVENESS SCALE

Test di KMO e Bartlett		
Misura di Kaiser-Meyer-Olkin di adeguatezza del campionamento.		,940
Test della sfericità di Bartlett	Appross. Chi-quadrato	1987,151
	gl	28
	Sign.	,000

Veracity analysis was also done on the mediator scale (innovativeness). Because the procedure is the same for all scales, it is as follows:

- KMO Test: the value is 0,940, and the scale may be widely recognized because it tends to be near to 1.
- Bartlett Test: this test uses the rejected assumption of sphericity as a hypothesis. As a result, $p < 0,001$ confirms the veracity in this situation.

Comunalità

	Iniziale	Estrazione
Please, indicate in a scale from 1 (Strongly Disagree) to 7 (Strongly Agree) the extent to which you agree to the following statements. - I am reluctant about adopting new ways of doing things until I see them working for people around me.	1,000	,643
Please, indicate in a scale from 1 (Strongly Disagree) to 7 (Strongly Agree) the extent to which you agree to the following statements. - I tend to feel that the old way of living and doing things is the best way	1,000	,670
Please, indicate in a scale from 1 (Strongly Disagree) to 7 (Strongly Agree) the extent to which you agree to the following statements. - I am aware that I am usually one of the last people in my group to accept something new	1,000	,771
Please, indicate in a scale from 1 (Strongly Disagree) to 7 (Strongly Agree) the extent to which you agree to the following statements. - I rarely trust new ideas until i can see whether the vast majority of people around me accept them	1,000	,724
Please, indicate in a scale from 1 (Strongly Disagree) to 7 (Strongly Agree) the extent to which you agree to the following statements. - I must see other people using new innovations before i will consider them	1,000	,741
Please, indicate in a scale from 1 (Strongly Disagree) to 7 (Strongly Agree) the extent to which you agree to the following statements. - I often find myself skeptical of new ideas	1,000	,780
Please, indicate in a scale from 1 (Strongly Disagree) to 7 (Strongly Agree) the extent to which you agree to the following statements. - I am suspicious of new inventions and new ways of thinking	1,000	,750
Please, indicate in a scale from 1 (Strongly Disagree) to 7 (Strongly Agree) the extent to which you agree to the following statements. - I am generally cautious about accepting new ideas	1,000	,780

Metodo di estrazione: Analisi dei componenti principali.

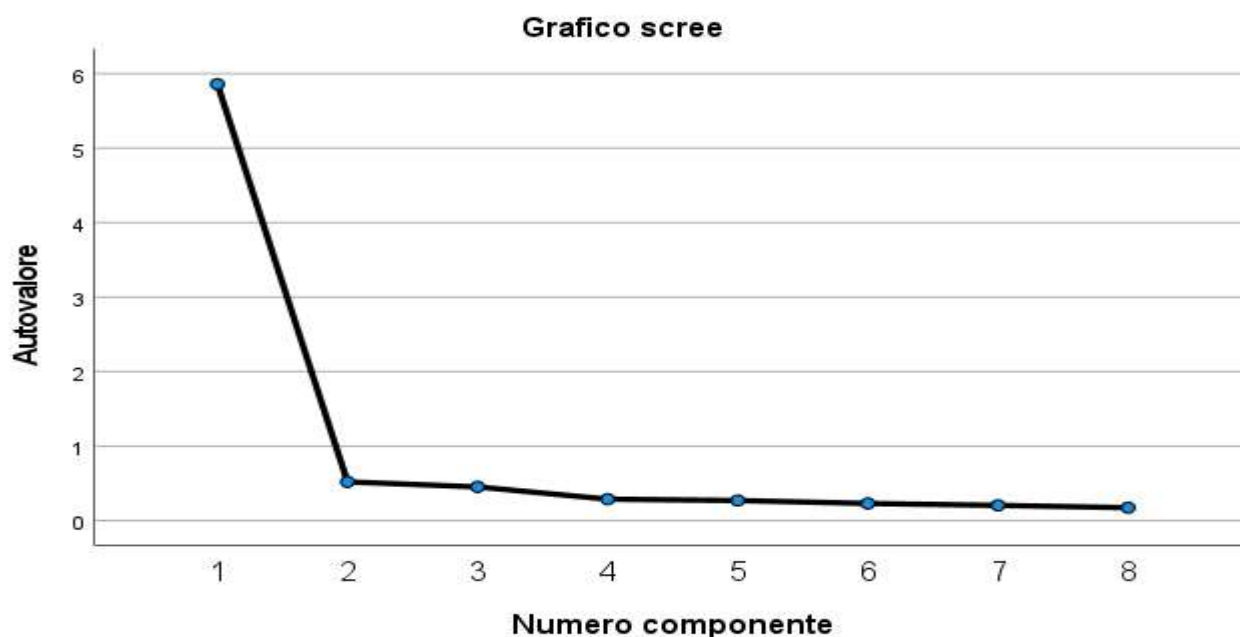
All of the scale's regarded items are included in this table. The commonalities are the percentages of the variability of the original scale items that were subjected to factor analysis. All of the numbers analyzed are extremely acceptable because they are all greater than 62 %.

Varianza totale spiegata

Componente	Totale	Autovalori iniziali		Caricamenti somme dei quadrati di estrazione		
		% di varianza	% cumulativa	Totale	% di varianza	% cumulativa
1	5,860	73,246	73,246	5,860	73,246	73,246
2	,520	6,503	79,749			
3	,453	5,661	85,410			
4	,288	3,599	89,009			
5	,270	3,377	92,386			
6	,230	2,878	95,264			
7	,205	2,564	97,828			
8	,174	2,172	100,000			

Metodo di estrazione: Analisi dei componenti principali.

The proportion of total variance explained by the extracted component may be calculated using this table. The factor explains almost 73 % produced from these components in this case. As a result, one might claim to be quite satisfied.



The Scree-plot is an extra tool for determining the scales' reliability. The fact that the "elbow" of the curve appears on item 2 confirms the best decision of extracting a single element.

Matrice dei componenti^a

Componente 1	
Please, indicate in a scale from 1 (Strongly Disagree) to 7 (Strongly Agree) the extent to which you agree to the following statements. - I am reluctant about adopting new ways of doing things until I see them working for people around me	,802
Please, indicate in a scale from 1 (Strongly Disagree) to 7 (Strongly Agree) the extent to which you agree to the following statements. - I tend to feel that the old way of living and doing things is the best way	,819
Please, indicate in a scale from 1 (Strongly Disagree) to 7 (Strongly Agree) the extent to which you agree to the following statements. - I am aware that I am usually one of the last people in my group to accept something new	,878
Please, indicate in a scale from 1 (Strongly Disagree) to 7 (Strongly Agree) the extent to which you agree to the following statements. - I rarely trust new ideas until i can see whether the vast majority of people around me accept them	,851
Please, indicate in a scale from 1 (Strongly Disagree) to 7 (Strongly Agree) the extent to which you agree to the following statements. - I must see other people using new innovations before i will consider them	,861
Please, indicate in a scale from 1 (Strongly Disagree) to 7 (Strongly Agree) the extent to which you agree to the following statements. - I often find myself skeptical of new ideas	,883
Please, indicate in a scale from 1 (Strongly Disagree) to 7 (Strongly Agree) the extent to which you agree to the following statements. - I am suspicious of new inventions and new ways of thinking	,866
Please, indicate in a scale from 1 (Strongly Disagree) to 7 (Strongly Agree) the extent to which you agree to the following statements. - I am generally cautious about accepting new ideas	,883

Metodo di estrazione: Analisi dei componenti principali.

a. 1 componenti estratti.

The authenticity of the objects under consideration is confirmed by this further examination, as the factor values are all extremely near to 1.

RELIABILITY FOR MEDIATOR INNOVATIVENESS SCALE

Statistiche di affidabilità	
Alpha di Cronbach	N. di elementi
,947	8

Cronbach's Alpha analysis is the final test used to ensure the scale's reliability. The result is also quite near to 1 (0,947) in this situation, proving the scale's accuracy.

3.4 Mediation analysis

This stage of data analysis examines the mediating relationship of the components considered in the questionnaire.

This sort of analysis was carried out using Andrew F. Hayes' Process 4.0 Software and SPSS (Hayes, 2012).

The model considered for this analysis is the model number 4 and it has the following structure:

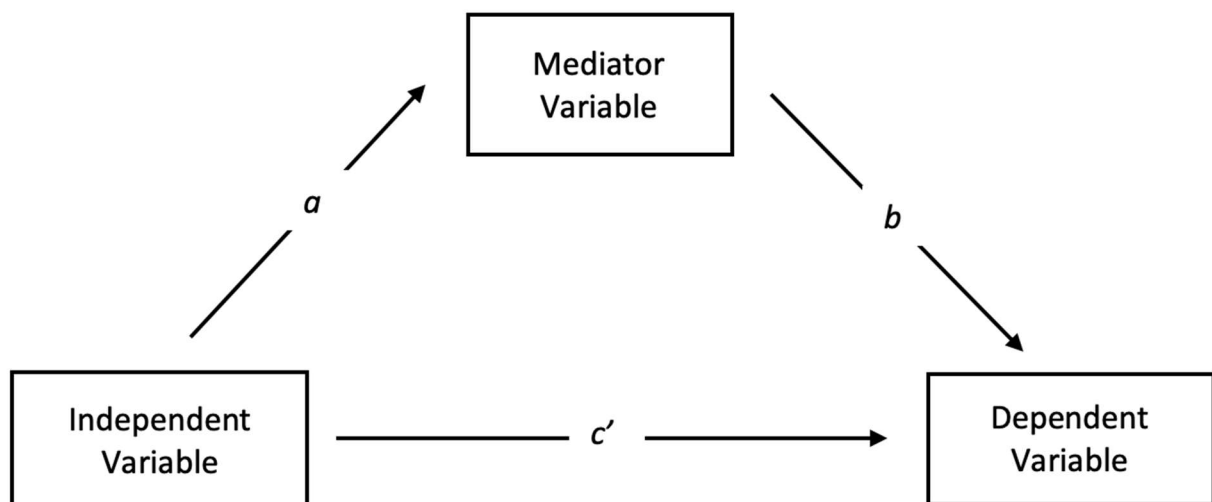


Figure 10: Model number 4

In order to carry out a correct analysis with the use of this model the following relations have been assumed:

- **Independent variable (X):** Real life concert flyer vs Metaverse concert flyer
- **Dependent variable (Y):** Willingness to purchase a ticket
- **Mediator (M):** Innovativeness

The following are the results of the analysis:

Run MATRIX procedure:

***** PROCESS Procedure for SPSS Version 3.4 *****

Written by Andrew F. Hayes, Ph.D. www.afhayes.com
Documentation available in Hayes (2018). www.guilford.com/p/hayes3

Model : 4
Y : purch
X : conditio
M : innovat

Sample
Size: 287

OUTCOME VARIABLE:
innovat

Model Summary							
	R	R-sq	MSE	F	df1	df2	p
	,0049	,0000	2,0195	,0069	1,0000	285,0000	,9336

Model						
	coeff	se	t	p	LLCI	ULCI
constant	4,9287	,2614	18,8531	,0000	4,4142	5,4433
conditio	-,0140	,1680	-,0833	,9336	-,3447	,3167

OUTCOME VARIABLE:
purch

Model Summary							
	R	R-sq	MSE	F	df1	df2	p
	,5578	,3111	2,6161	64,1284	2,0000	284,0000	,0000

Model

	coeff	se	t	p	LLCI	ULCI
constant	1,1949	,4460	2,6789	,0078	,3169	2,0729
conditio	-,0498	,1912	-,2603	,7948	-,4262	,3266
innovat	,7632	,0674	11,3206	,0000	,6305	,8959

***** TOTAL EFFECT MODEL *****

OUTCOME VARIABLE:

purch

Model Summary

R	R-sq	MSE	F	df1	df2	p
,0156	,0002	3,7834	,0691	1,0000	285,0000	,7928

Model

	coeff	se	t	p	LLCI	ULCI
constant	4,9567	,3578	13,8522	,0000	4,2524	5,6610
conditio	-,0605	,2299	-,2629	,7928	-,5131	,3921

***** TOTAL, DIRECT, AND INDIRECT EFFECTS OF X ON Y *****

Total effect of X on Y

Effect	se	t	p	LLCI	ULCI	c_ps
-,0605	,2299	-,2629	,7928	-,5131	,3921	-,0311

Direct effect of X on Y

Effect	se	t	p	LLCI	ULCI	c'_ps
-,0498	,1912	-,2603	,7948	-,4262	,3266	-,0256

Indirect effect(s) of X on Y:

	Effect	BootSE	BootLLCI	BootULCI
innovat	-,0107	,1287	-,2544	,2540

Partially standardized indirect effect(s) of X on Y:

	Effect	BootSE	BootLLCI	BootULCI
innovat	-,0055	,0663	-,1312	,1294

***** ANALYSIS NOTES AND ERRORS *****

Level of confidence for all confidence intervals in output:

95,0000

Number of bootstrap samples for percentile bootstrap confidence intervals:

5000

NOTE: Variables names longer than eight characters can produce incorrect output.

Shorter variable names are recommended.

----- END MATRIX -----

From what is shown in the table above, we can draw conclusions on the two hypotheses previously formulated.

Due to the fact that when analyzing the results of the effect of X on Y, and thus of the independent variable on the dependent variable, the $p\text{-value} > 0.05$ (0.7928), the hypothesis H1 was rejected due to non-significance:

H1: “Metaverse concert” flyer increases consumers’ purchase intention of a ticket more than “Real life concert” flyer. **REJECTED**

Considering the same table, we can deduce that analyzing the significance of the impact of the mediator, this is not verified. Taking into account the LLCI and ULCI factors, their range goes from -0.3447 to 0.3167. Being of opposite signs, this range includes 0 and consequently, the relationship is not verified. Moreover, considering the $p\text{-value}$, this takes the value of 0,9336. For these reasons, being $p\text{-value} > 0,05$, the relation is not confirmed and the hypothesis number 2 is not verified:

H2: People with a higher level of innovativeness are more likely to purchase a ticket for a Metaverse concert. **REJECTED**

The only significant effect that emerged from the study was that of innovativeness on purchase intention in general (not taking into account the difference between the concert in the real world and that in the metaverse)

These results can be explained by the fact that, as the metaverse is still at a preliminary stage in which it has not yet developed (some interviews supported even casting doubt on its actual existence), people are skeptical about this new reality (and about innovations in general).

3.5 Discussion and managerial implications

After analyzing the data obtained from the analyzed sample, it was found that the stimulus concerning the concert in the metaverse did not increase purchase intention any more than the stimulus concerning the real-life concert.

Furthermore, the mediating effect of innovativeness between the flyer of the metaverse and the purchase intention of the ticket was also not confirmed. Therefore, our two hypotheses were both rejected.

The scenario that emerged after the study leads us to think that we are indeed at a stage that is still too immature to consider the various platforms of the metaverse as communication platforms for brands.

From a managerial point of view, this implies that company managers cannot consider communication in the metaverse as a substitute for communication in the real/digital world.

In fact, from the study, but also some of the interviews supported, it emerged that people still prefer to relate to something more concrete, rather than something more abstract as the metaverse appears today.

For this reason, although we have seen that traditional means of communication can also be applied in the virtual world, these tools still have (and will continue to have at least in the near future) greater effectiveness in the real world, where contact is more direct.

Moreover, the results of the study also showed that most people are wary of adopting novelty. In this regard, before introducing a novelty, such as a concert in the metaverse, managers must educate consumers on the acceptance of these novelties.

One solution may be, for example, a type of informative advertising, which first explains what a virtual world is, how to access it, and the advantages that these platforms can offer to consumers. This is also because, as the study showed that innovativeness has a positive effect on purchase intention in general, it may be profitable to leverage this factor.

Another suggestion to introduce consumers to this new virtual reality could be a gradual introduction. In a few words, one should start introducing virtual reality in physical stores, which many high-fashion brands are doing with the introduction of hi-tech apps, tablets, and interactive screens. In this way, the ground may have begun to be paved for brand communication in the metaverse, for the future, however, that is not as near as one might have thought before.

Brand communication in the metaverse cannot, therefore, be considered as a substitute communication tool, neither now nor in the foreseeable future. It can, however, be regarded as an additional communication tool, as also emerged in the last interview conducted with Professor Gianluca Comandini.

The latter argued that the metaverse can be used by brands as a community engagement tool. It is not necessary for the acquisition of new consumers, but its role is to offer already acquired customers an additional service, an interactive experience that allows the creation of stable communities also to counters the competition.

It could be considered a kind of competitive advantage for brands.

Although many large brands, as analyzed in chapter two, are monitoring the metaverse situation and some of them have even already started to invest large sums, it would be advisable to venture into it with great caution. In fact, as the study also points out, embarking totally on such an innovative activity may not bring the desired results.

3.6 Limitations and gaps for future research

However, this study has limitations. Even though thanks to the Amazon MTurk platform, it was possible to collect responses from people from all over the world and with different nationalities, the sample analyzed comprised only 287 participants, and therefore not representative of the entire population that could be interested in the study.

So, for a possible future study, it would be better to be able to select a larger sample.

Another limitation of this study was the average age of the sample analyzed, which was found to be around 37 years. Indeed, considering the novelty of the subject analyzed, it would have been more appropriate to carry out the study on a sample with a lower average age.

Also from the sources collected in the first two chapters generations, X and Z are those with the highest number of registered users on virtual platforms.

Therefore, the study could be conducted again, but exclusively considering college students.

The way in which the two stimuli were presented also has limitations. The flyers of the concerts depicted a specific artist, Justin Bieber, so participants may have been conditioned by this (this is to be considered a bias).

Many may not be familiar with the artist, while others may not even like him too much, thus biasing the results of the study.

In a future study, it would be better to avoid this type of bias by presenting the event in a more general way. Even better would be to propose a stimulus that best represents an experience with the metaverse, e.g. through the use of headsets and virtual sensors.

CONCLUSIONS

Starting in the early 1970s, we have seen how virtual worlds have evolved to the present day, thanks mainly to new technological introductions that have enabled better graphical quality, easier access to platforms, and better connectivity thanks to the introduction of 5G.

It was not only users who benefited from these advantages, but also brands that started to monitor the metaverse phenomenon trying to understand the marketing opportunities that could be exploited in the virtual world.

In particular, some larger brands, but also person brands such as Travis Scott, have started to test the waters by offering consumers the opportunity to participate in interactive events such as fashion shows and virtual concerts.

The Covid-19, forcing millions of people to stay at home, certainly helped to accelerate this process, offering brands the opportunity to apply traditional communication methods such as native advertising and product placement within the virtual world. However, the gradual return to normalcy has highlighted the fact that the full transition and development of the metaverse is still some way off.

In fact, even in the study, the hypothesis that a concert in the metaverse increases purchase intention more than a concert in real life, and the one for which people with a higher level of innovativeness are more likely to buy a ticket to a concert in the metaverse were not verified.

It also emerged from sustained interviews that the metaverse is not yet a fully developed world and that while a short-term investment could lead to good results, those of long-term investment is not yet predictable.

All this leads one to think that we are still at a preliminary stage and it is not yet foreseeable whether or not the metaverse can be a profitable investment for brands. What seems certain is that people are still wary of the virtual world.

Therefore, the communication activity of brands in the metaverse cannot replace (even in the near future) communication in real life.

The question is whether it could be a winning move to combine this strategy with the traditional one and offer an additional service to an already existing brand community.

Drawing the conclusions, in this thesis, we have shown and analyzed that it is possible for brands to apply new and traditional forms of communication in the metaverse, with the potential to attract more users.

However, due to people's mistrust of innovativeness, traditional communication in real life is and will continue to be the best strategy for brands for quite some time.

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National Legislation NATIONAL LEGISLATION

D.M. 30 luglio 2004 recante “*Modalità tecniche di attuazione del collocamento pianificato di marchi e prodotti nelle scene di un’opera cinematografica Product Placement*”

Summary

After the advent of the Covid-19 pandemic that forced billions of people to stay home, the virtual world has become even more significant.

Based on this assumption, the intent of this thesis is to highlight how not only people but also brands have been able to adapt to the hardships caused by the pandemic by offering their consumers interactive experiences. Through this type of virtual activity, at a time of extreme hardship, various brands from different sectors, ranging from high fashion to the food industry, began to consider the metaverse for their communication activities.

Recently, the metaverse has been defined as “A boundless, 3D digital world accessed as easily as the internet, where we do things like hang out in a park, play a game, see a concert or suffer through a work conference” (Brown, 2021).

It is clear from this definition what is at the heart of what a brand needs to strengthen the relationship it has with its consumer community, namely the ability to create virtual experiences that are as similar as possible to what people were used to before the pandemic struck.

In this regard, in the course of my paper, I analyzed how the metaverse has allowed brands, through various platforms on which, as mentioned earlier, users can perform different activities like those previously performed in real life, the possibility of interacting with consumers through traditional methods of communication. But that is not all, as this new world has allowed brands to communicate through other forms such as virtual branded events, like the one in the study I implemented in the last chapter, whose objective was to analyze the intention of consumers to participate in a concert in the metaverse.

The rise of the metaverse has also been accelerated by the Covid-19 pandemic, which has suddenly projected the world into a future that until then seemed very distant. This situation has prompted many companies to accelerate the process of technological innovation, especially based on data that saw the number of internet users rise from 4.6 billion in 2020 to 4.9 billion in 2021 (Statista, 2021). More specifically, as a result of this emergency, two technologies have been mostly implemented, virtual reality (VR) and augmented reality (AR). Virtual reality “incorporates computer-generated, interactive and highly vivid environments that enable the user to achieve a state of immersion through the ultimate experience of telepresence, and facilitate engagements in human encounters that are multi-sensorial, dynamic and resemble the user’s perception and understanding of the real world” (Boyd & Koles, 2019). On the other hand, an augmented reality system “combines real and virtual objects in a real environment; registers (aligns) real and virtual objects with each other; and runs interactively, in three dimensions, and in real-time” (van Krevelen & Poelman, 2010).

The data recorded in the two years following the pandemic showed an exponential increase in the use of these technologies. In 2020, 32% of users utilized augmented reality to shop. The augmented reality and

virtual reality market for the retail industry alone are predicted to reach \$2,094.08 billion by 2027, growing at a rate of 68.5 percent from 2020 to 2027; various brands are monitoring this situation and expect the trend to continue (Vardomatski, 2021).

Even though interest in this new virtual world has only reached its peak in the last year, the term metaverse was first coined about 30 years ago by Neal Stephenson in his 1992 novel "Snow Crash". In the novel, the metaverse appears as a networked virtual environment in which users appear as self-created "avatars" and participate in every day (conversation, flirtation) and exceptional activities (sword fights, mercenary espionage) (The Economist, 2021). Nowadays, this new virtual world seems to be something much bigger than previously described; a world in which a wide variety of activities can be carried out, and which aims at reducing the boundary between real and virtual space. In this regard, Mark Zuckerberg has already invested 10 billion dollars in his Meta project, encouraging engineers to apply for the metaverse and artificial reality departments of his company. He has also stated that his metaverse company aims at creating the future of social connections (Paul, 2022).

Oculus, a brand of Facebook Technologies, has also launched a VR headset at an affordable price of between \$300 and \$400. Other tech giants are moving in the same direction, and in fact, Microsoft has also launched a pair of augmented reality glasses at a price of \$3500, not for the general public but targeted to businesses in manufacturing, healthcare, and other industries. Apple's augmented reality products will be launched this year while Google AR headsets are planned for 2024 (Kelly, 2022).

However, despite the projects and investments of these tech industry giants, it may be foolhardy to speak of a true metaverse in the public domain. From this point of view, the future of this world is still quite uncertain, even if gaming platforms such as Fortnite and Roblox, which can be considered as private metaverses, are expanding their potential by offering users the possibility to carry out various activities beyond just playing games. In these virtual worlds, it is possible to interact through one's own avatar even without virtual headsets, giving users greater ease of access to these platforms. For example, in November 2021, Roblox announced that it had reached a daily user base of 49.4 million, 35% more than the previous year (Benedy, 2022).

The transition from traditional gaming platforms to small private metaverses has not been sudden but gradual. To understand this transition, one must go back to the origin of virtual worlds and analyze the characteristics that differentiate virtual realities from more evolved forms of metaverse.

According to Dionisio, Burn, and Gilbert's (2013) study of the aspects that characterize the transition from virtual worlds to the metaverse, the full realization of the Metaverse is inextricably linked to the development of four fundamental characteristics: realism, ubiquity, interoperability, and scalability.

Within a virtual environment, and therefore in the metaverse, realism is related to the user's experience and is what allows him or her to feel entirely immersed in a different reality.

Ubiquity, on the other hand, refers to the user's ability to access the virtual places that make up the Metaverse; in order to be a useful tool, the Metaverse must be accessible from the different digital devices available today.

In this context, interoperability is defined as the capacity to interchange information and elements between different systems and platforms in a continuous and transparent manner. It's what makes it possible to construct and move items and people throughout the system with ease.

Last, but not least, is scalability. It is what allows an efficient use of the system regardless of the number of users present at the same time and the diversity and complexity of the environments that compose it.

While Dionisio et al. identified these four characteristics that distinguish a metaverse, Gilbert (2011), in a study on psychology in 3D virtual worlds, defined the virtual world with five other fundamental characteristics: It has a three-dimensional graphical interface and built-in audio; it allows for large-scale multi-user remote interaction; it is persistent; it is a completely immersive experience; it stresses user-generated content and goals.

Although they may seem a fairly recent phenomenon due to the increase in the number of users during the pandemic, virtual worlds have a long history, with advances in open-ended, socially-oriented virtual platforms due to literary imagination and gaming innovations (examples of tales include those by James Au (2009), Boellstorff (2008), and Ripamonti (2010)). This history may be divided into five stages.

Text-based virtual worlds first appeared in the late 1970s, and there were two types. MUDs, or multi-user dungeons, and MUSHs, or multi-user shared hallucinations.

After a decade of development, Lucasfilm launched Habitat for the Commodore 64 in 1986 and the Fujitsu platform in 1989, motivated in part by William Gibson's *Neuromancer*, which was published in 1984. Habitat was the first high-profile commercial application of virtual reality.

Beginning in the mid-1990s, the third phase of development was extremely active, with breakthroughs in processing power and graphics enabling advancement in several key areas, including the introduction of user-generated content, 3D graphics, open-ended sociability, and integrated music.

The fourth phase of development occurred throughout the postmillennial decade. This period witnessed significant expansion in the user base of commercial virtual worlds, enhanced in-world content production tools, and increased participation of major institutions from the actual world, as well as the development of a sophisticated virtual economy and consistent gains in graphical quality.

The next phase, which began in 2007, entails open-source, decentralized efforts to the creation of 3D virtual environments. Our fifth phase's ultimate endpoint is based on the emergence of a multiplicity of interoperable clients (viewers) and servers.

In some ways, the COVID-19 epidemic seems to have ushered in a sixth and last phase in the evolution of the virtual world. This last phase, which has lasted more than two years, really began earlier, with the continual technological advancements that have occurred since the second decade of the 2000s, leading to consumers being increasingly motivated to adopt virtual reality in everyday activities. The average age of users also seems to have fallen rather lower than in previous phases.

In fact, the generation that is ruling the metaverse in the last two years is the so-called Gen Z, and marketers must consider their worth as customers; in the United States alone, they have a buying power of \$243 billion, and analysts predict that by 2030, they will outspend millennials and boomers (Mileva, 2022a). Others, however, argue that these aren't the only options, because marketers want to reach and engage Millennials and Generation X with their products and technologies, and metaverses help them do so in creative ways (Faridani, 2021).

The factors that organizations need to focus on to acquire a competitive edge in the metaverse are underlined in an article by The Wall Street Journal (2022): consumers must be the first point to focus on; brands should strive to blur the line between the actual and virtual worlds, picking consumers' interest in the virtual realm and decreasing barriers to entry; brands need to focus on immersive experiences because following the COVID-19 pandemic, the metaverse can be exploited to create experiential activations, minimizing security concerns; finally, because there isn't currently a dominating brand on this platform, businesses may continue to experiment because there is still lots of potential for greater innovation.

Even various brands ranging from the fields of high fashion to cosmetics seem not to be indifferent to the marketing opportunities that these metaverses can offer. Some are monitoring the situation, and since it is not yet a well-defined reality, they are just trying to understand what opportunities they can exploit to their advantage. Others have taken their first steps into this new virtual world, partly because marketers need to keep up with technology, and the metaverse may not simply be a trendy new thing (Mileva, 2022).

Although the metaverse has not yet been fully realized, international brands such as Forever 21, Wendy's, Netflix, Coca-Cola, Gucci, Louis Vuitton, Balenciaga, Clinique, and Nike have created targeted content for the first online 3D and extended reality (XR) contexts to appear on our digital surface. The digital worlds offered by Roblox, Epic Games, Snap, NVIDIA, and Unity (among others) create significant chances to improve brand awareness and tap new income sources for many of the businesses increasingly investing in metaverse strategy (Karpel-Nicholas, 2022).

To better understand the potential that marketing can have within the metaverse, I conducted interviews on the subject with both communication experts and scholars of the metaverse. Several interesting insights emerged from the interviews.

On the existence of the metaverse itself, questions and differing opinions arose.

According to Marco Orsini and Gianluca Comandini, gaming platforms such as Roblox and Fortnite cannot be considered metaverse, something that many people tend to believe lately.

Both tend to speak very cautiously when referring to the opportunities that brands can take advantage of in the metaverse. In particular, Gianluca Comandini argues that while the short-term advantages are obvious, the benefits that can (if they can) be gained in the long term are still not entirely clear.

Otherwise, in an interview with Andrew Faridani, it emerged not only that these gaming platforms can be regarded as private metaverses, but also that brands can gain long-term advantages, comparing it with online advertising in the early 2000s. Initially, many were skeptical but it has since turned out to be a winning strategy in the long run.

In the second chapter, I went more specific by analyzing the forms of communication that brands can use in the metaverse, also mentioning the gaming industry.

Current virtual worlds have the potential to become new channels for marketing information and products by including 'v-commerce' or 'virtual e-commerce.' Virtual Worlds vividly highlight how, as humans engage with digitally generated things, the borders between the actual and virtual are becoming increasingly flexible (Nikolaou, 2010). Among the different users of these virtual worlds, Generation X will be the one to come into contact with web 3.0 defined as a decentralized, blockchain-inspired web architecture that allows users more control over their digital content and cash and places significantly less reliance on trusting a central authority such as a bank or a tech platform operator (Sullivan, 2021).

Different brands seem to have realized that the ways in which they can communicate to these target groups in the metaverse are innumerable. Among the most popular ways of communicating with brands, not only in the digital world but now also in the metaverse, is native advertising. This is a distinct type of internet advertising in which the consumer grants the advertiser permission to connect with them, because the communication is desired, and the ad structure minimizes interruption to the user experience in which it is placed (Campbell & Marks, 2015).

Advertising is interruptive and in certain situations can even bore the consumer. Inserting content naturally into a platform avoids distracting the consumer from the experience they are living and native in-game advertising is one way of doing this. Brands such as Coca-Cola, Volkswagen, and Samsung have included virtual billboards in games such as football manager and Hyper Scape, resulting in a 95% increase in gameplay realism and a 12% increase in purchase intention (Mileva, 2022b).

As technology has continued to advance, native advertising has also evolved to match one of the main characteristics of the metaverse's platforms - interactivity. In the metaverse, native VR advertising has the most promise for marketers. Brands can design full-scale experiences that weave a story, enable visitors to engage with their product, and finally make a purchase — all while remaining in the metaverse.

Nikeland on Roblox, a VR game platform and metaverse corporation, is a fantastic example. Nikeland lets you interact with the game and explore the company's footwear, clothes, and accessories in VR (Team, 2022). Inserted in the Roblox platform, Nikeland is a metaverse no different from the others in the sense that users can play many mini-games such as dodgeball and "the floor is lava"; however, the particularity of this world lies in the fact that it reproduces the real-life Nike headquarters with stadiums, fields, and arenas, using a native advertising strategy aimed at capturing the attention of users, without disturbing them in the activities they are performing (Cadelon et al., 2022).

A similar communication strategy was adopted a few years ago on another virtual platform, Animal Crossing, by a brand in the food sector, KFC Philippines. Once on the platform, users could land on an island completely dedicated to Colonel Sanders' brand, featuring typical fast food. In addition, users who came across the Colonel's virtual avatar during their gaming experience were entitled to a discount voucher to be used in physical stores in the Philippines (Burton, 2020).

This strategy aims at not completely separating the metaverse from the physical world, which is what all the brands that are slowly entering this new world are trying to do.

However, a brand that decides to place itself in the metaverse can also highlight its core values in reality, again using a native strategy; and this is exactly what Wendy's brand has done on Fortnite. Rather than interfering with the audience's enjoyment, Wendy's opted to make its advertising the audience's entertainment. The players' goal, which is usually to eliminate all opponents until they are left alone, in this case, turned into the destruction of all burger freezers from the game. The game is being used as a vehicle for the company's fundamental brand slogan of 'fresh, never frozen beef' (The Drum, 2020).

Certainly, native advertising is not the only type of communication that brands have used and will use in the metaverse. In the virtual world, many brands, in particular person brands, in the field of music and entertainment have resorted to branded content defined as "any output fully/partly funded or at least endorsed by the legal owner of the brand which promotes the owner's brand values, and makes audiences chose to engage with the brand based on a pull logic due to its entertainment, information and/or education value" (Branded Content Marketing Association, 2016).

Given the sectors taken into consideration, one could speak of branded events rather than branded content in this case. One of the first to understand the potential of this type of content on virtual platforms was US rapper Travis Scott, adopting a pull logic based on entertainment. The US rapper used the online platform

Fortnite to perform a 15-minute virtual concert with his avatar, recording 12 million live streams (BBC News, 2020).

Due to the latter's popularity, several musicians have chosen to give virtual live concerts a go, performing alongside their digital avatars. Cardi B, Michael Bublé, Justin Bieber, and Ariana Grande are among them. Rhianna utilized her avatar to market her firm "Fenty" when Sony Music teamed with Roblox, a company that specializes in building online "worlds" and selling virtual things using their digital currency Robux (Fraser, 2022).

So, profits are also linked to the possibility of selling merchandise online, but not only that. This type of virtual branded event offers the possibility of reaching a larger number of people, millions and millions of people who could not be reached with a real concert. In addition, costs are also lower than for a real-world event. Although given the hype of the moment, they are expected to rise.

Even the world of entertainment was not indifferent to this type of communication. In fact, in December 2019 an event was held on Fortnite for the presentation of the film "Rise of Skywalker" which would debut in cinemas shortly afterward (Webster, 2019). In this case, therefore, in addition to the entertainment aspect, there is also the informative aspect characteristic of branded content.

The reasons why brands are adopting this strategy in the metaverse are different, and can also vary depending on the product being sponsored and the platform being used. On the Roblox platform, Hasbro, a company specializing in children's games, offered users the chance to fight with Nerf Bluster line guns, the famous toy guns with rubber bullets (Takahashi, 2021). In this case, given that Roblox is a platform used mostly by children, 29% of users are between 9 and 12 years old (Statista, 2021), and that Hasbro's guns are aimed at children of that age group, it is clear that the company intends to increase the attitude towards product/brand among young consumers through product placement.

Other companies have used this strategy to bring young consumers closer to the brand and increase brand awareness. This is exactly what Balenciaga has done by launching its products on Fortnite. This type of communication, however, is not real product placement. Users, in addition to visiting the virtual shops on the platform, can also buy digital goods, exchanging the real currency for the virtual one.

It is precisely this type of business that luxury brands are monitoring, and in this case, we can talk about virtual interactive experience. Among the brands that were the first to move into this world, taking the advantage of first-comers such as lower prices, is Gucci, an Italian clothing brand founded in 1921 by Guccio Gucci. Last year, to celebrate its 100th anniversary, the Italian brand created the virtual garden experience on Roblox, a virtual gaming platform. This experience allowed users to purchase 3 limited-edition virtual items, and to move through avatars in a virtual space that recreated the gardens and rooms of the Gucci Bloom campaign (Petridou, 2021).

Many high-fashion brands now seem to want to use this type of virtual experience to get in touch with a new audience of young consumers, but not only. The opportunities are greater, and the target audience that these brands address in the real world can also be incorporated. In this regard, on the Metaverse platform Decentraland, the first Metaverse Fashion Week will take place on 24 March 2022 with showrooms, stores, talks, and events during the four-day virtual event (McDowell, 2022). Such an event is aimed not only at the traditional users of the platform but at all fashion enthusiasts, thus involving a wider audience. Taking part in this experience will give users the possibility to buy digital goods in the form of NFTs, and some brands will also send to the buyers the brand's physical complement. A non-fungible token (NFT) is a "certificate of ownership. It is a digital asset that records the ownership of intangible, digital (e.g. videos, images, tweets) or tangible items (e.g. real-world artwork, event tickets) using blockchain technology" (Wilson et al., 2021).

Of course, while communicating in the virtual world, brands cannot stop communicating in the real/digital world. Brand-customer connections have fundamentally transformed as a result of the widespread adoption of digital technology in marketing: today's interactions are no longer one-way but are built on the following important factors: progressive interaction, dialogue, communication, and consumer responses.

Brands are attempting to take advantage of this new way of interacting with the public not only by quickly providing customers with tailored products and services, but also by attempting to establish effective and long-lasting relationships based on the following assumptions: sharing of experiences, opinions, values, and objectives; emotional engagement of the client; and Brand Activism in relation to major issues such as the environment, politics, society, and economics (Bauman, 2007). As a result, promotional activities like Brand Placement or Product Placement, as well as Native Advertising, can be considered more effective marketing strategies than simple promotional messages because they allow brands to reach a wider audience because they are perceived as less invasive and intrusive than traditional advertising activities.

With regard to communication in the world of Gaming, the phenomenon is of fundamental importance, considering that today the main consequence deriving from the frequent interaction by users and brands in the digital world is Gamification. Through Gamification, users are encouraged to participate and overcome comparisons, competitions, and challenges within a playful context. In this way, the user is stimulated to live unique experiences and to deepen greater participation and commitment in carrying out a task or an action.

Gamification is a business tool that exploits gaming activities with the aim of improving the involvement and attention of users and encouraging the purchase of products or the use of certain services and, in this way, constitutes an effective customer engagement and loyalty tool.

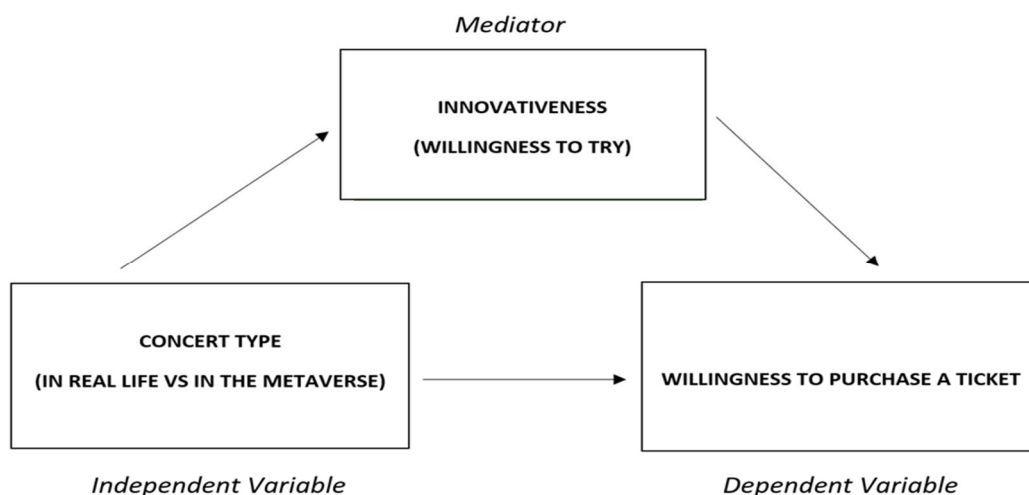
Brands may engage people in a social entertainment atmosphere through gaming.

Simultaneously, Brands may develop an emotional and enjoyable link with consumers through user interaction, which can evolve through the establishment of consumer communities (and, as noted, sub-

communities) that interact with one another and, as a result, boost Brand visibility. Brands may implement loyalty with users and build more solid and enduring relationships with them (Ortolani, 2020).

In the third and final chapter, to more directly analyze consumer attitudes towards the metaverse, I proposed a study to test how innovativeness mediates the relationship between the type of concert (in real life vs. in the metaverse) and the intention to purchase a ticket for this concert.

Based on a previous study in which innovativeness acted as a mediator between the type of product (physical and virtual) and the intention to purchase the product on an online site (Cha, 2011), I presented the following model with the following assumptions:



H1: “Metaverse concert” flyer increases consumers’ purchase intention of a ticket more than “Real life concert” flyer.

H2: People with a higher level of innovativeness are more likely to purchase a ticket for a Metaverse concert.

In order to better understand the effectiveness of two types of concert flyers on purchase intention and what factors influence this relationship, an English language survey was created and distributed via the Amazon MTurk platform.

The survey consists of 15 questions in total and was submitted to a reference sample of **287** respondents.

The two scenarios used in the questionnaire represented a flyer of a concert in the real world and a flyer of a concert in the metaverse, and are the following ones:

REAL-WORLD CONCERT FLYER

METaverse CONCERT FLYER



Subsequently, after adapting the scale used to measure innovativeness (using an 8-item sub-scale on willingness to try) and that for purchase intention, I conducted a factor analysis and performed reliability for both scales using SPSS software.

Finally, to test the two hypotheses, I ran PROCESS 4.0 and obtained the following results: when analyzing the results of the effect of X on Y, and thus of the independent variable on the dependent variable, the $p\text{-value} > 0.05$ (0.7928), **the hypothesis H1 was rejected due to non-significance**. Moreover, analyzing the significance of the impact of the mediator, this is not verified. Taking into account the LLCI and ULCI factors, their range goes from -0.3447 to 0.3167. Being of opposite signs, this range includes 0 and consequently, the relationship is not verified. Moreover, considering the $p\text{-value}$, this takes the value of 0,9336. For these reasons, being $p\text{-value} > 0,05$, the relation is not confirmed and **hypothesis number 2 is not verified**.

The only significant effect that emerged from the study was that of innovativeness on purchase intention in general (not taking into account the difference between the concert in the real world and that in the metaverse)

These results can be explained by the fact that, as the metaverse is still at a preliminary stage in which it has not yet developed (some interviews supported even casting doubt on its actual existence), people are skeptical about this new reality (and about innovations in general).

From a managerial point of view, this implies that company managers cannot consider communication in the metaverse as a substitute for communication in the real/digital world.

For this reason, although we have seen that traditional means of communication can also be applied in the virtual world, these tools still have (and will continue to have at least in the near future) greater effectiveness in the real world, where contact is more direct.

Moreover, the results of the study also showed that most people are wary of adopting novelty. In this regard, before introducing a novelty, such as a concert in the metaverse, managers must educate consumers on the acceptance of these novelties.

Another option for introducing people to this new virtual reality is to do it gradually. In a nutshell, virtual reality should be introduced into brick and mortar stores, as many high-fashion firms are doing with the introduction of hi-tech applications, tablets, and interactive screens.

However, this study has limitations concerning sample size, average age, and the way the scenarios were presented. So, for a possible future study, it would be better to be able to select a larger sample. Moreover, the study could be conducted again, but exclusively considering college students because younger people are more likely to adopt innovations.

Furthermore, having presented a flyer depicting a specific artist, Justin Bieber, many participants may have been influenced by this in their answers. In a future study, it would be better to avoid this type of bias by presenting the event in a more general way. Even better would be to propose a stimulus that best represents an experience with the metaverse, e.g. through the use of headsets and virtual sensors.

Drawing the conclusions, in this thesis, we have shown and analyzed that it is possible for brands to apply new and traditional forms of communication in the metaverse, with the potential to attract more users.

However, due to the fact that we are still in a preliminary phase of the metaverse where there is no certainty about the profits that brands could gain, and due to people's mistrust of innovativeness, traditional communication in real life is and will continue to be the best strategy for brands for quite some time.