Chapter 12 The Rise of Virtual Influencers in the Metaverse: A New Era of Customer Engagement

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ABSTRACT

The metaverse, an immersive digital world that combines augmented reality (AR) and virtual reality (VR), offers unique opportunities for consumers to experience brands in a new and interactive way. Virtual influencers, characters that exist solely within the Metaverse, are increasingly being used to connect with consumers and engage with them on a new level. The chapter examines the role of virtual influencers in the Metaverse, including their impact on consumer behavior and their potential to create new value exchanges and revenue streams. The chapter also discusses the challenges that arise when implementing virtual influencer campaigns and how these can be addressed. The potential of the Metaverse to enhance consumer engagement through the use of virtual influencers is analyzed, and recent trends in this area are discussed. The chapter concludes with a discussion of the future of influencer marketing in the Metaverse, including the role of virtual influencers and the opportunities and challenges that lie ahead.

1. INTRODUCTION

Metaverse is a term that has gained popularity in recent years, particularly in the tech industry. The Metaverse is a term used to describe an immersive digital world that combines augmented reality (AR) and virtual reality (VR), offering a unique, interactive experience for consumers, who can interact with each other and digital objects [AlGhaili et al., 2022]. There is no clear and widely accepted definition of the Metaverse, as it is a concept that is still evolving. However, a popular definition is that the Metaverse

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is a collective virtual shared space, created by the convergence of physical and VR, where consumers can interact with a computergenerated environment and with other consumers in realtime [Dwivedi et al., 2022c]. This virtual world is designed to provide consumers with a sense of presence and immersion, enabling them to engage with digital objects, and interact with each other as if they were in the physical world. The Metaverse is not a single technology or platform but rather a collection of interconnected platforms and technologies, including VR headsets, AR devices, social media, and gaming platforms. The Metaverse is not limited to a single application or industry but is expected to have a broad range of applications in fields such as education, entertainment, commerce, and social networking [Paulauskas et al., 2023]. The emergence of the Metaverse is being driven by advancements in technology, particularly in AR and VR. The growth of 5G networks, which will enable faster internet speeds and lower latency, is expected to accelerate the development of the Metaverse [Cai et al., 2022]. The COVID19 pandemic has accelerated the adoption of digital technologies, including VR and AR, as people seek new ways to connect and engage with each other [Gasmi and Benlamri, 2022]. As such the Metaverse represents a new frontier for digital innovation, offering a world of opportunities for businesses and individuals alike. As the Metaverse continues to evolve and expand, it is expected to have a significant impact on the way we interact with each other and the digital world around us.

Influencers/opinion leaders have been around us for centuries, but it has taken a new form in recent years with the emergence of social media platforms [Koay et al., 2022]. Influencers are individuals who have a large following on social media and are able to sway the opinions of their followers with their posts and endorsements [Farivar and Wang, 2021]. Brands have recognized the power of influencer marketing and have been using it as an effective way to reach out to their target audience. At the same time, there has been a rapid growth of technology in the form of the Metaverse, which has created new opportunities for businesses to engage with their consumers. The use of Metaverse technology in influencer marketing is a relatively new concept but is gaining momentum [Giang Barrera and Shah, 2023, Dwivedi et al., 2022a]. Brands are now exploring ways to use virtual influencers who exist solely within the Metaverse to connect with consumers and promote their products. These virtual influencers are computergenerated characters that have their own unique personalities and styles, and they can interact with consumer s just like human influencers [Conti et al., 2022, RodrigoMart´ın et al., 2021, da Silva Oliveira and Chimenti, 2021].

The use of virtual influencers has many advantages, including the ability to create new value exchanges and revenue streams. Businesses can use virtual influencers to provide unique experiences for their consumers that cannot be replicated in the physical world. They can also use virtual influencers to promote new products and services and to engage with their consumers in a more personalized way. There are also challenges associated with the use of Metaverse technology in influencer marketing [Rosnberg, 2022]. One of the biggest challenges is the need for businesses to understand the Metaverse and its technologies to effectively use them in their marketing campaigns. There is also a need for new metrics and analytics to measure the success of influencer marketing campaigns in the Metaverse. Therefore, the emergence of Metaverse technology has opened up new possibilities for businesses to engage with their consumers in a more immersive and interactive way. As the technology continues to evolve, we can expect to see more businesses exploring the use of virtual influencers and other Metaverse technologies in their marketing campaigns.

The novelty of this chapter lies in its exploration of the emerging trend of virtual influencer marketing within the Metaverse. The Metaverse is a relatively new concept that combines AR and VR technologies to create an immersive digital world. Virtual influencers are fictional characters that exist solely within

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