

Chapter 12

The Metaverse Economy: Transforming Money With Digital Currency

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ABSTRACT

The Metaverse economy represents a paradigm shift in the realm of finance, poised to redefine the concept of money through the utilization of digital currency within virtual environments. Within the metaverse, digital currency facilitates transactions for shopping, gaming, and a diverse array of goods and services. To traverse the virtual realm using a virtual reality headset and controllers purely for recreational purposes, without any predefined objectives. The Metaverse offers unprecedented opportunities for businesses and individuals to engage the exchange, and accumulation. Through immersive experiences, luxury brands and retailers are already capitalizing to cater to evolving consumer preferences, with cutting-edge technologies such as augmented reality and artificial intelligence. The brand Gucci has initiated the sale of their products within the Metaverse, utilizing digital currency for transactions. As the metaverse continues to evolve through advancements in digital currency and technology, it promises to revolutionize the future of money and commerce.

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INTRODUCTION

The Metaverse Economy defines as the economic system that will exist within the Metaverse. It is a virtual universe, where individuals can interact, create, and trade digital assets. Digital currency is an electronic currency that is used, stored, and exchanged largely on digital platforms. Cryptocurrency, Central Bank Digital Currency (CBDC), and virtual currency are all examples of digital currencies. It is a new emerging concept that has paved the way to use currency. This article explores about the digital currency impact using metaverse platform among online consumers in order to develop a framework.

The Metaverse economy is swiftly evolving as an uncharted territory that holds the potential to revolutionize the landscape of currency. This virtual realm has introduced fresh avenues for both enterprises and individuals to innovate, exchange, and accrue value through unconventional means. As blockchain technology gains traction, the Metaverse emerges as a pivotal arena for financial experimentation and advancement, further amplifying its significance in the realm of finance.

The currency can only be accessed using an electronic device or mobile and is only available digitally. “Digital currencies also enable instant transactions that can be seamlessly executed across borders”. Indian retailers are already investigating the metaverse to give customers virtual experiences. Targeting high net worth individuals (HNIs) with tailored and immersive VR/AR shopping experiences is a priority for luxury brands in particular. Gucci Beauty was the first company to provide the beauty mode of Drest, the digital fashion app, which lets users try out 29 of its virtual beauty goods. Gucci Beauty entered the virtual world with this app.

Businesses may successfully analyse consumers’ purchasing behaviours by utilising big data analytics, predictive analytics, and algorithms. This allows them to provide highly customised and enjoyable brand experiences. India’s retail industry has seen significant shifts in the new millennium, with technology improvements being a major factor. The idea of “phygital,” which combines physical and digital retail experiences, is increasingly gaining traction as a substitute for traditional retail chains. Consequently, retailers are dedicating resources to pioneering technologies like augmented reality (AR), virtual reality (VR), mixed reality (MR), and AI-driven tools such as chatbots. Presently, discerning consumers, notably millennials and Gen Z, are in pursuit of personalized services and immersive experiences that go beyond conventional retail practices.

The Metaverse Economy has the power to completely change the world economy since it reduces the need for middlemen like governments and banks and enables people and organisations to deal on a global scale. New economic activities like social experiences, gaming, and virtual real estate development will be made possible by the Metaverse. As a result, there will be more chances for people and

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