

Sales Management - Lesson5

Metaverse in sales marketing.

Selling for companies in the next digital frontier.

Marketing Funnel	Sales Funnel
Used to advertise and generate leads	Used to convert prospects into paying customers
It is placed at the starting of a funnel	It is placed at the ending part of a funnel
It focuses on creating awareness	It focuses on qualifying and converting leads
It focuses on promotion	It focuses on the negotiation
Generating interest is the target	Closing sales is the target



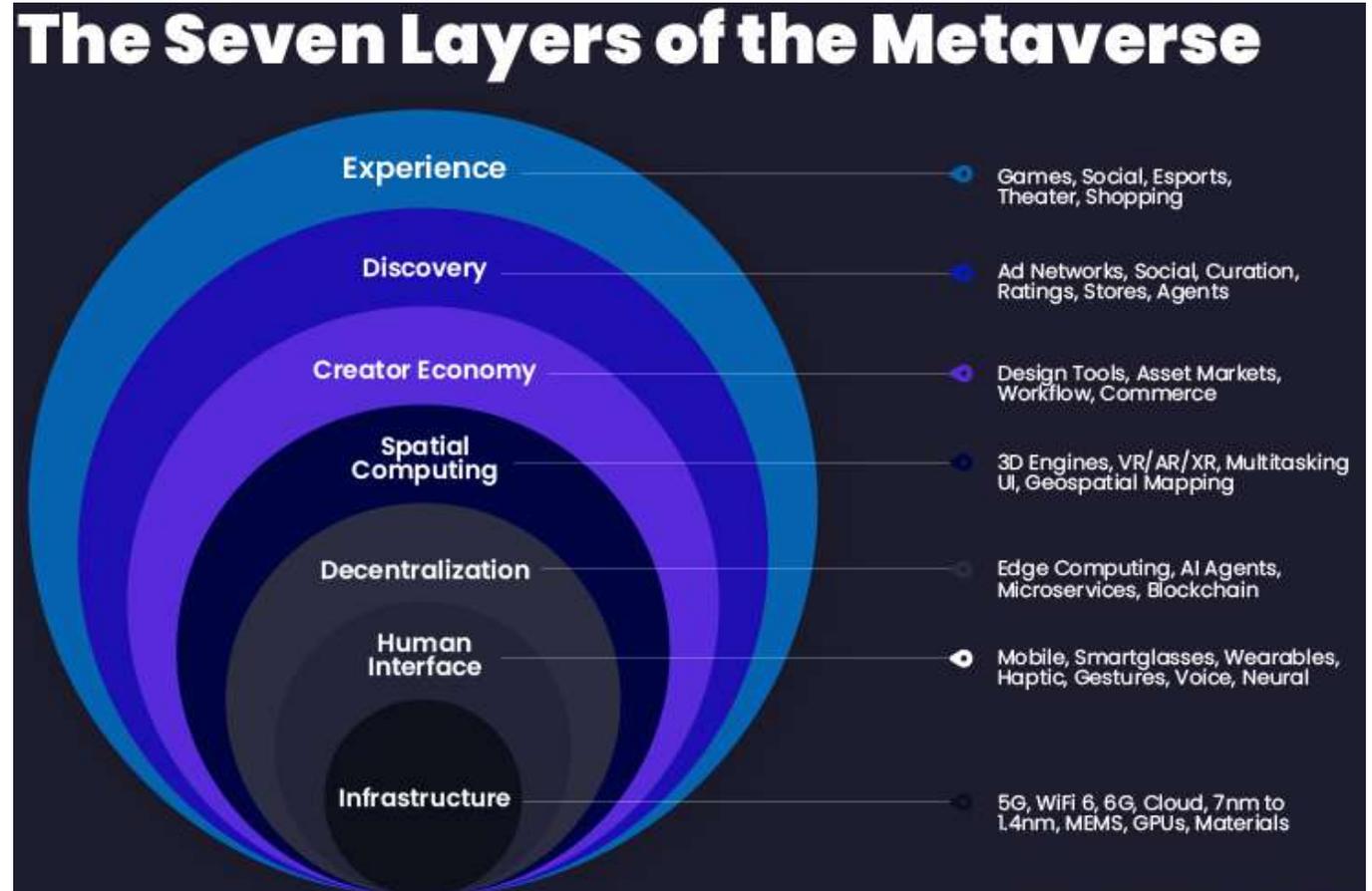
How Metaverse creates value? The Metaverse Value Chain

Layer 1 - Experience

Dematerialization of physical space, distance, and objects. Includes **3D games like Fortnite** on our game consoles, Beat Saber in our virtual reality headsets, and Roblox on our computers.

Layer 2 - Discovery System

Most discovery systems can be classified as either **inbound** (the person is actively seeking information) or **outbound** (marketing that was not specifically requested by the person, even if they opted in).



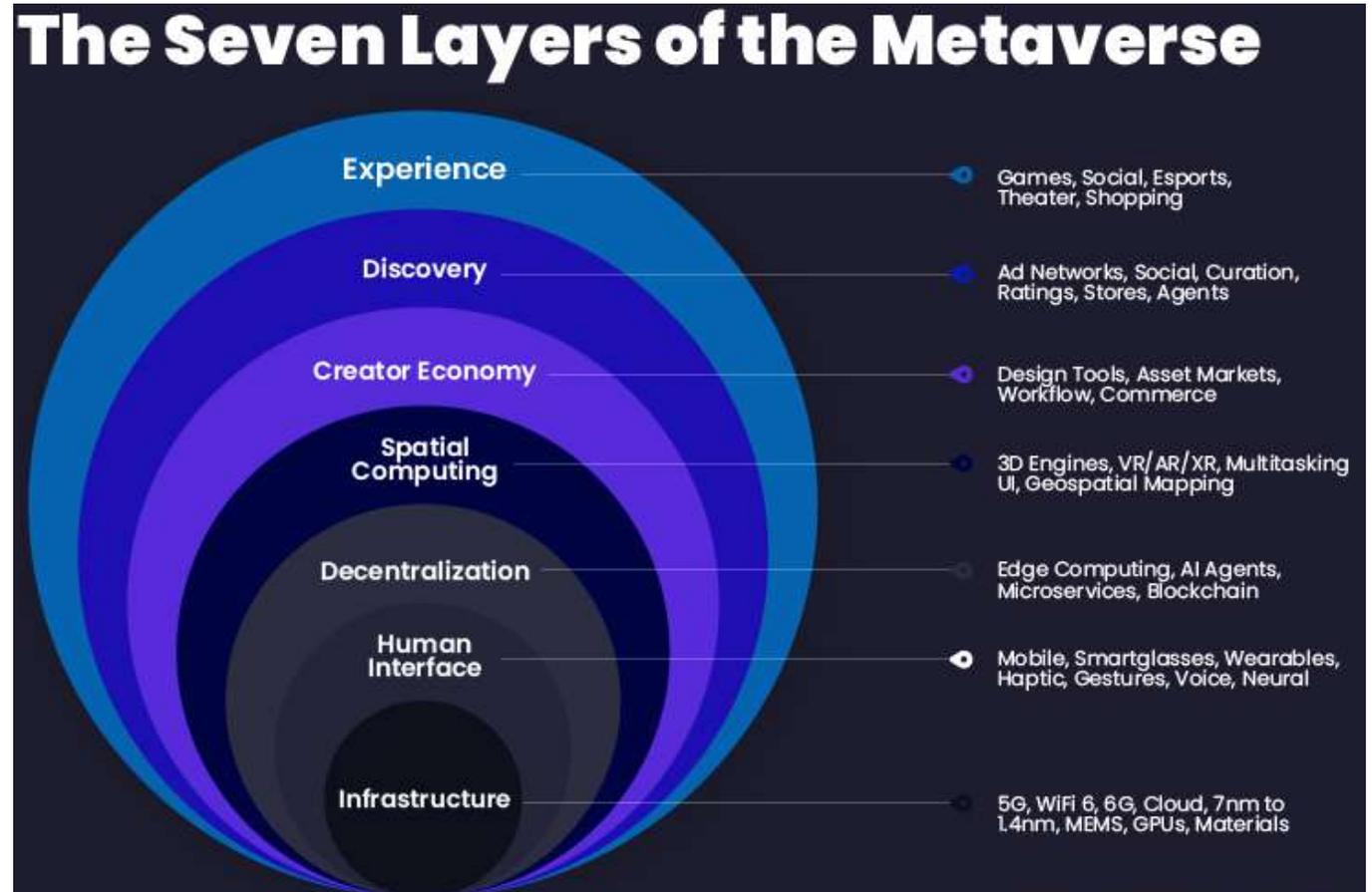
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Layer 3 - Creator Economy

Not only are the experiences of the metaverse becoming increasingly **immersive**, social, and real-time, but the number of creators who craft them is increasing exponentially.

Layer 4 - Spatial Computing

Has exploded into a large category of technology that enables us to enter into and **manipulate 3D spaces**, and to augment the real world with more infos and experience. Includes all software, Human Interface is the hardware.



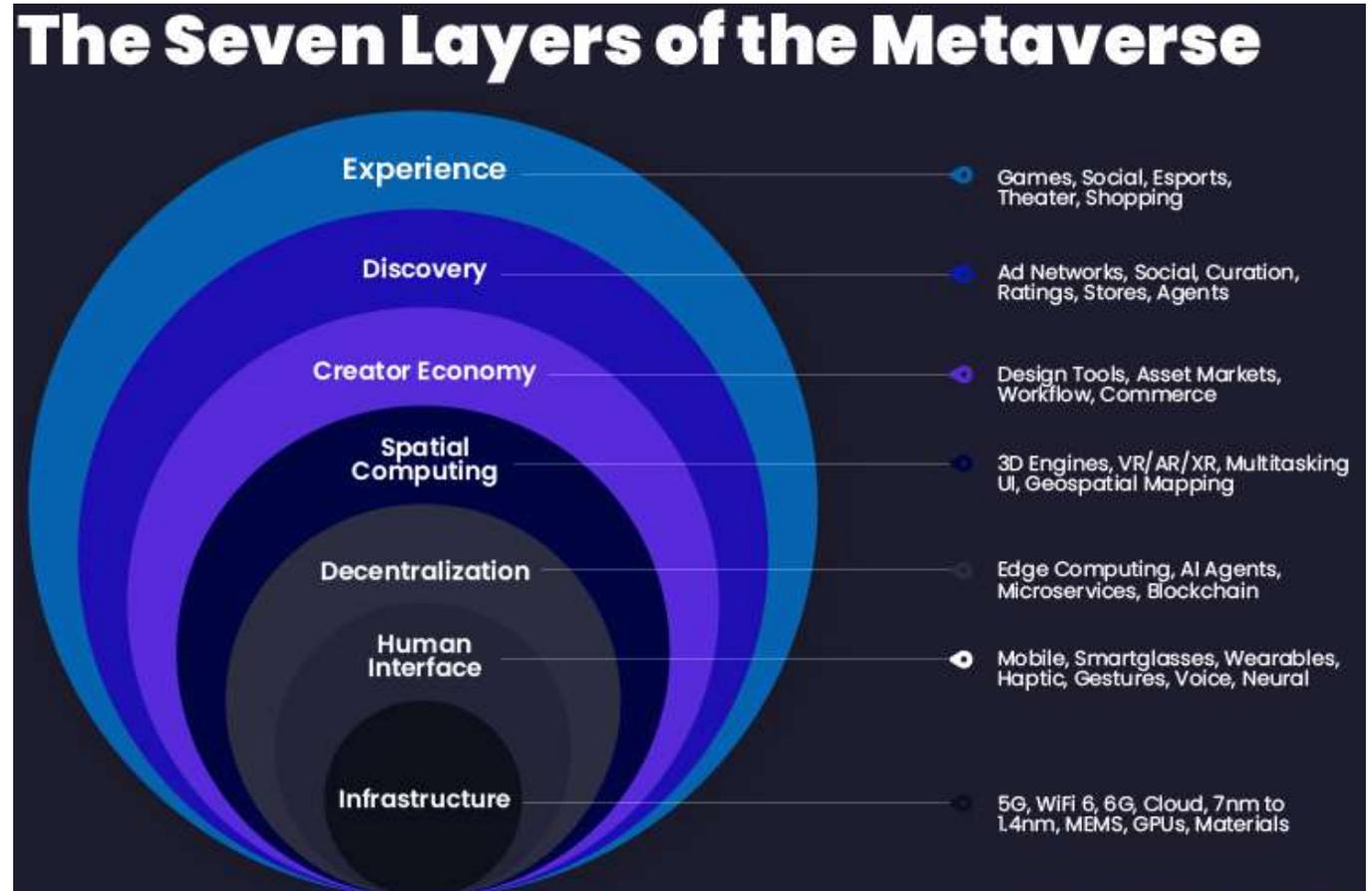
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Layer 5 - Decentralization

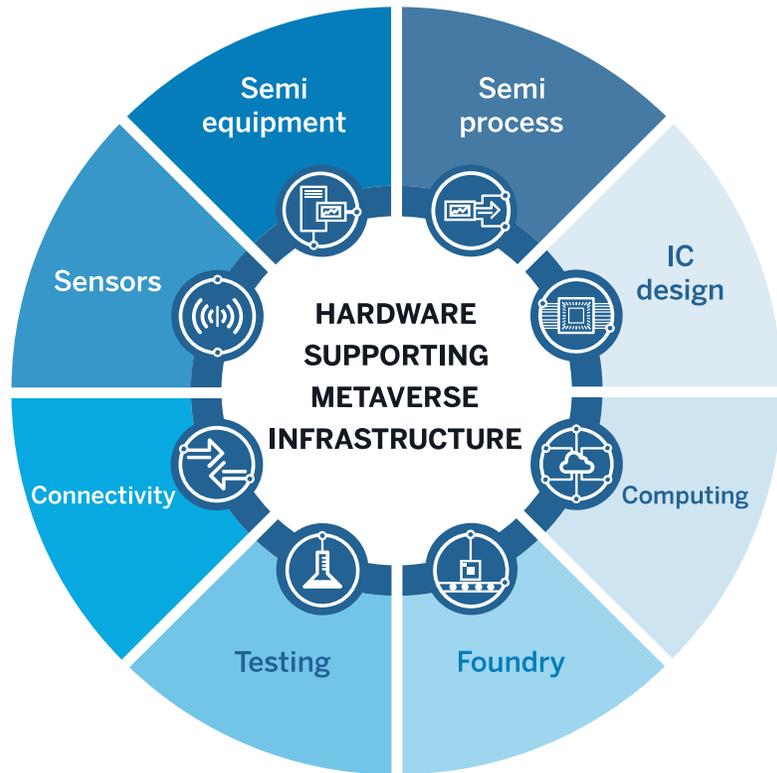
Distributed computing and **microservices** provide a scalable ecosystem for developers to tap into online capabilities without needing to focus on building or integrating **backend capabilities**.

Layer 6 - Human Interface

The Oculus Quest is essentially like a smartphone refactored into a **Virtual Reality device**; In a few years the Quest 2 ought to be reminiscent of the mobile brick-phone from decades past



How Metaverse creates value? The Metaverse Value Chain



Layer 7 - Infrastructure

The infrastructure layer includes the technology that enables our devices, **connects them to the network, and delivers content.**

5G networks will reduce network contention and latency. **6G will increase speeds by yet another order of magnitude.**

Enabling the untethered functionality, high performance, and miniaturization required by the next generation of **mobile devices, smartglasses, and wearables** will require increasingly powerful and tinier hardware.

"The metaverse is not a metaverse. It is the next generation of the Internet: a multiverse, the Internet 3.0"



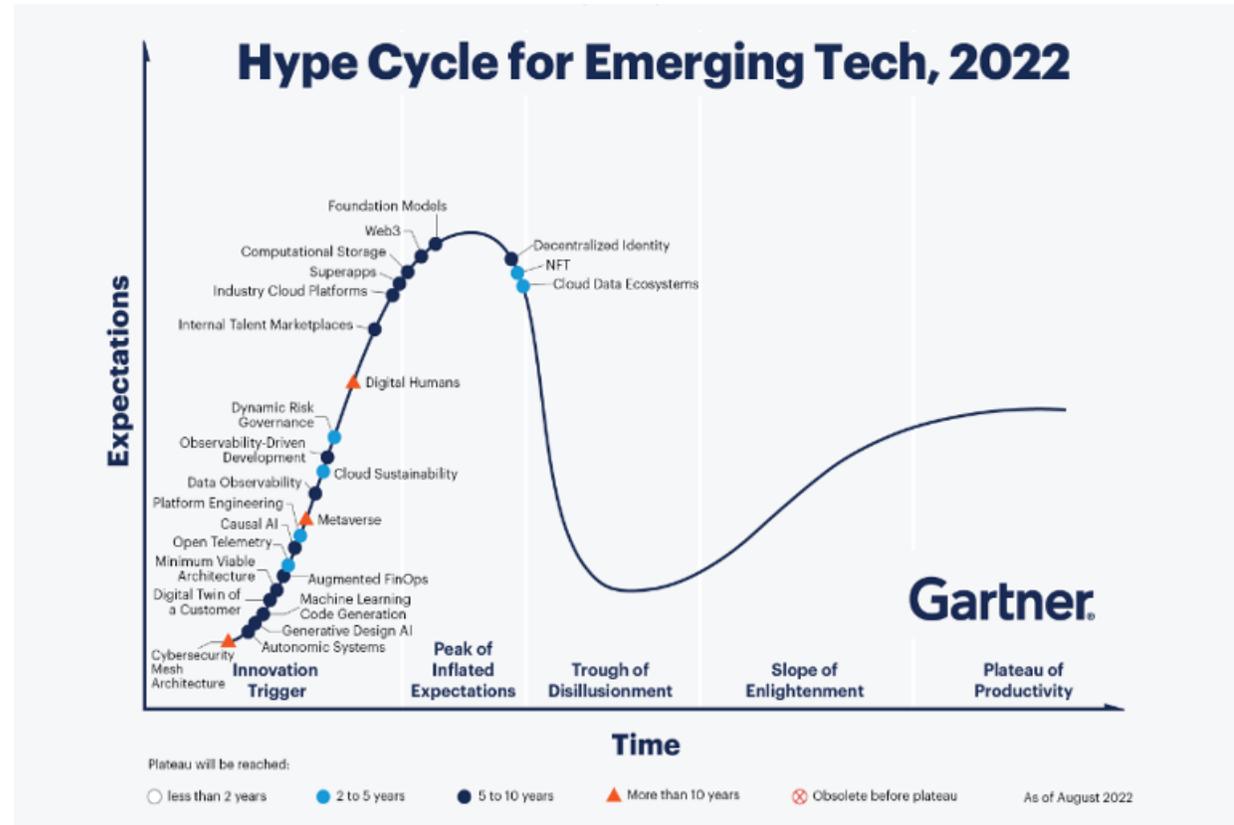
Introduction to Sales in the Metaverse

- **The Metaverse as the next frontier for fashion sales and marketing.**
- **Integrating traditional sales tactics with virtual environments.**
- **Understanding customer behavior and purchasing patterns in digital realms.**



The hype cycle of emerging technologies

- **Expectations are above the capabilities of the technology implemented**
- **Risk of an investment bubble**



Megatrends: global scenarios and trends

The map of web3 platforms and services is expanding:

Dapps, decentralized apps based on blockchain, are increasingly widespread

+75 companies globally as of October 2022

160+ companies in 11 categories

The category that is growing the most is "loyalty", with Dapps based on customer/user loyalty programs



Marketing in the metaverse: the 9 pillars according to Mckinsey

- **Product launches and demonstrations:** Companies can use the metaverse to showcase their new products or services, allowing users to experience them in a virtual environment.
- **Virtual Events:** Companies can host virtual events in the metaverse, such as conferences, trade shows, and product launches.
- **Virtual Showrooms:** Businesses can create virtual showrooms to showcase their products and allow customers to interact with them in a virtual environment.
- **In-game advertising:** Companies can place ads in the virtual world, such as billboards or branded items.
- **Branded virtual experiences:** Companies can create branded experiences, such as virtual amusement parks or games, that allow users to interact with their brand in a fun and engaging way.



Marketing in the metaverse: the 9 pillars according to Mckinsey

The metaverse is a virtual reality, defined as a new digital dimension

It offers the possibility of:

creation of new business models based on completely digital experiences and services.

creating immersive social experiences for users

explore virtual worlds that would otherwise be impossible to visit.

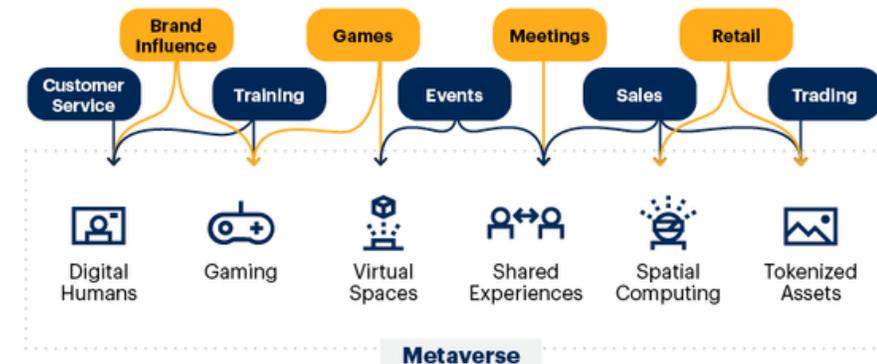
build custom avatars and environments to express your personality and creativity.

new remote working opportunities

offer solutions for environmental sustainability problems, for example through simulation

conception and creation of innovative contents that would not be possible in physical reality.

Opportunities in a Metaverse (Now and in the Future)



gartner.com

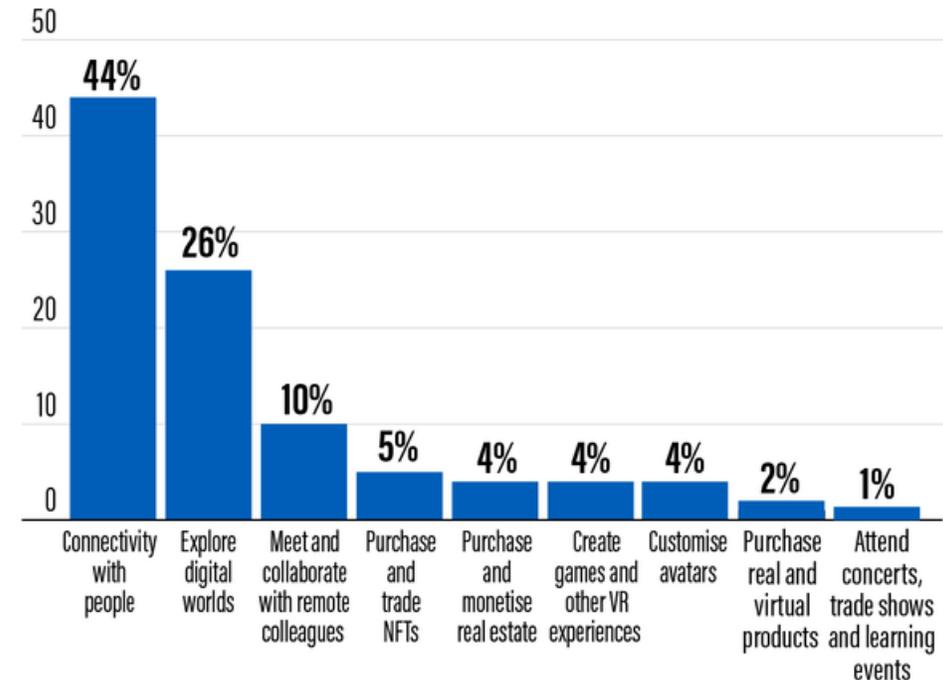
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Gartner.

Marketing in the metaverse: the 9 pillars according to Mckinsey

- **Virtual Influencer Marketing:** Businesses can partner with virtual influencers in the metaverse to promote their products or services.
- **Virtual product placement:** Companies can place their products in virtual environments, such as TV shows or movies, to promote them to users.
- **Virtual Pop-Up Stores:** Businesses can create virtual pop-up stores that allow customers to purchase their products in the metaverse.
- **Virtual Customer Support:** Businesses can provide virtual customer support via chatbots or avatars in the metaverse.

DRIVERS OF EXCITEMENT FOR CONSUMERS WHO PREFER METAVERSE



marketing in the metaverse: the 9 pillars according to Mckinsey

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Marketing vs Sales - The difference funnel



- The rise of Web3 and the Metaverse revolutionizes fashion branding.
- Digital platforms become arenas for fashion integration.
- Engaging Gen Z through immersive experiences is pivotal.
- The Metaverse offers global reach and branding innovation.
- Personalized experiences cater to a digitally native audience.



Marketing Personalization in Virtual Worlds



- The Metaverse allows for unprecedented levels of marketing personalization.
- Interactive avatars facilitate personalized recommendations.
- Virtual pop-up events are tailored to individual consumer preferences.
- Artificial intelligence predicts and adapts to user behavior in real-time.



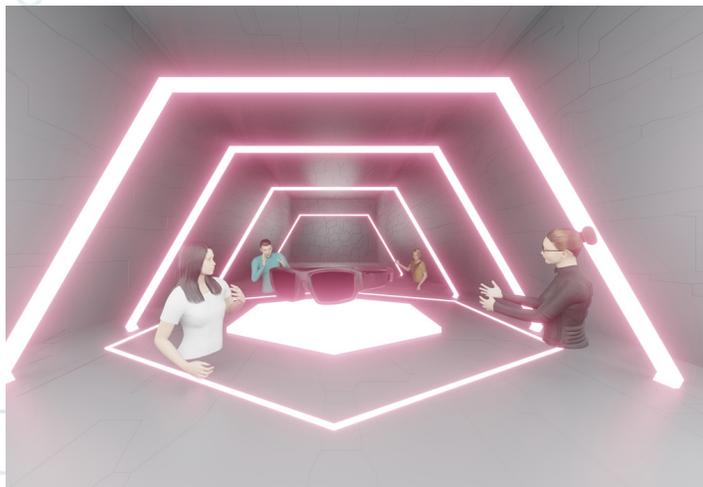
Marketing Strategies for Virtual Stores



- Best practices for setting up virtual stores in platforms like Roblox and VRChat.
- Leveraging live events and exclusive releases to drive traffic and sales.
- Utilizing data analytics from virtual stores to refine marketing approaches.



Enhancing Customer Experience through Technology



- Implementing AR/VR to offer immersive trial experiences.
- Personalizing the shopping journey with AI and machine learning.
- Using blockchain for authenticity verification to enhance brand trust and sales.

NFTs and Digital Collectibles as Sales Tools

- Launching limited-edition NFTs to create buzz and generate revenue.
- Employing NFTs for customer loyalty programs and long-term engagement.
- Integrating NFT sales with physical product redemption to bridge virtual and real-world sales.



Social Selling in the Metaverse

- Utilizing social platforms within the Metaverse for peer-to-peer sales.
- Influencer partnerships and their impact on brand visibility and sales.
- Strategies for creating community-driven sales campaigns.



Pricing Strategies for Virtual Goods

- Establishing pricing models for virtual goods in comparison to physical counterparts.
- Dynamic pricing strategies based on virtual world economics.
- Psychological pricing techniques to enhance perceived value and drive sales.



Analytics and Sales Performance in the Metaverse

- Tracking sales performance and customer engagement through Metaverse analytics.
- Adapting sales strategies based on virtual world trends and data.
- Forecasting future sales trends by analyzing Metaverse market dynamics.



The Sales Funnel in the Metaverse

- Brands leverage the sales funnel stages within virtual spaces.
- Integration of digital storytelling amplifies consumer desire.
- Virtual items and experiences lead to physical and digital purchases.
- The Metaverse sales funnel extends from awareness to purchase.
- Innovative integration is key to guiding customers through the sales journey.

The Future of Virtual Sales in Fashion

CRAFT WINNING **DIGITAL SALES STRATEGY** IN THE METAVERSE

- ✓ Immersive Shopping
- ✓ Personalized Avatars
- ✓ Interactive Stores
- ✓ NFTs & Limited Editions
- ✓ Metaverse Partnerships
- ✓ AR Product Presentation
- ✓ Blockchain Security
- ✓ Virtual Events
- ✓ Global Content
- ✓ Data-Driven Refinement



The Future of Virtual Sales in Fashion

- Sales strategies must adapt to Metaverse technology and paradigms.
- Community engagement and interactive content are crucial.
- The synergy of digital and physical experiences defines future sales.
- Brands are encouraged to embrace innovative strategies for consumer engagement.

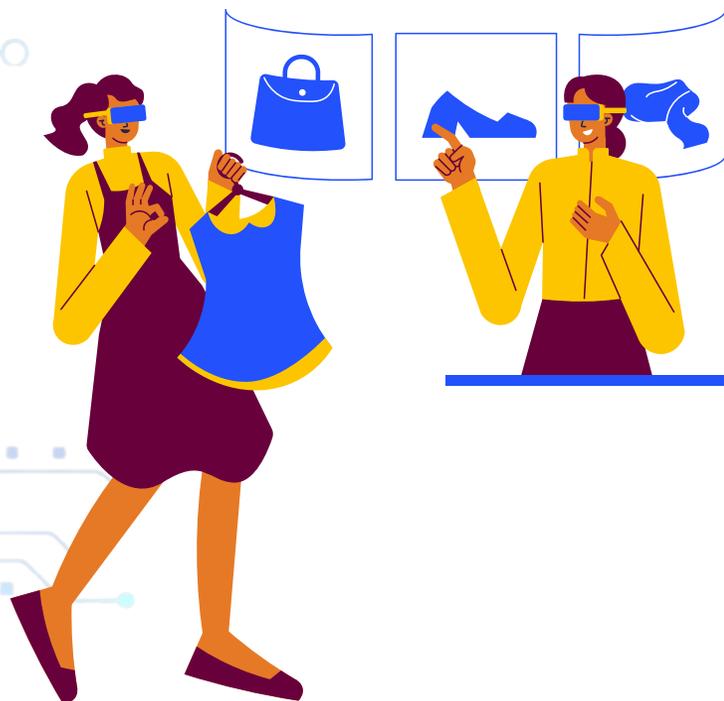
Consumer Behavior in Digital Spaces

- Consumer behavior analysis becomes critical in the Metaverse context.
- Virtual environments influence traditional buying patterns.
- Emotional engagement through storytelling enhances brand loyalty.
- Data-driven insights shape personalized Metaverse experiences.
- User-generated content in virtual worlds informs product development.





Metaverse Branding in Fashion: An Overview



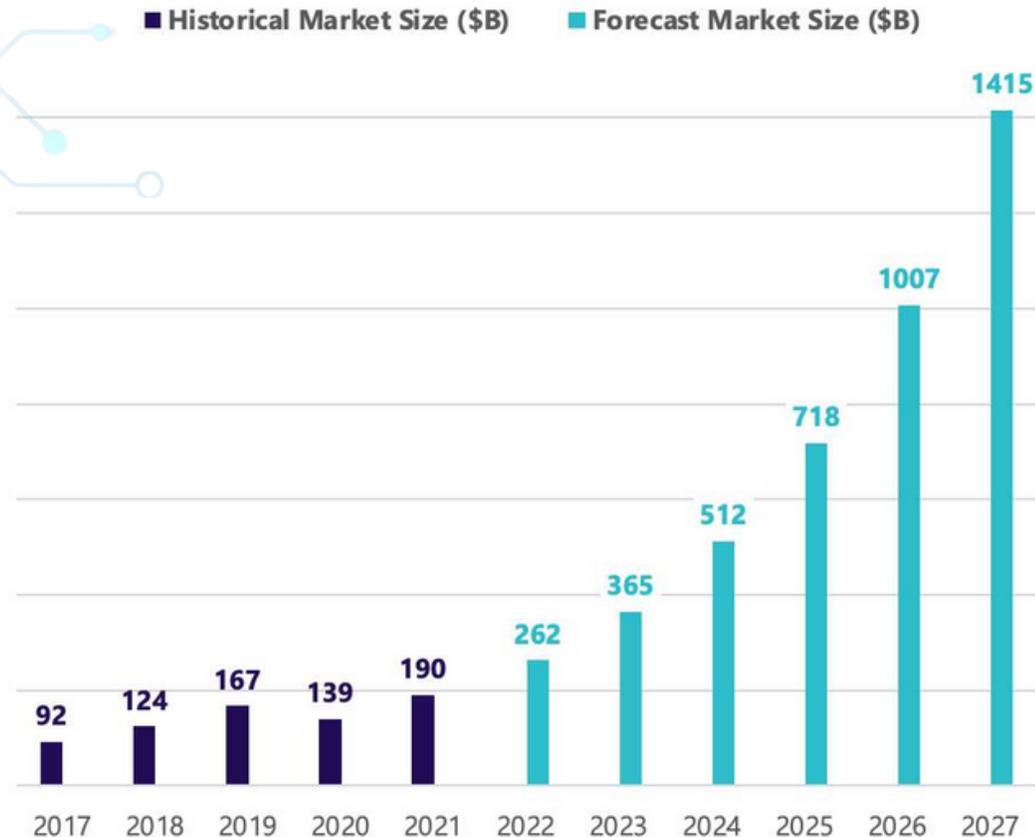
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The Role of AI in Metaverse



- Artificial intelligence revolutionizes design and customer service.
- AI-driven analytics optimize inventory and reduce waste.
- Chatbots and virtual assistants provide seamless customer support.
- Machine learning algorithms predict trends within the Metaverse.

The projection economics of the metaverse



- The global metaverse market was valued at \$262.49 billion in 2022 and is estimated to grow to \$1,414.84 billion in 2027 .
 - This will create an incremental growth opportunity worth \$1,152.35 billion between 2022 and 2027, which translates to approximately 440% of the market size in 2022.
 - This nonetheless represents significant growth opportunities for suppliers. Suppliers can continue to grow by taking advantage of the inherent growth opportunities available within the market while avoiding direct competition.
- The overall growth of the global metaverse market is based on steady growth in all years of the forecast period between 2022 and 2027. Year-over-year growth will vary between a range of 39.12% and 40.47%

Other forecasts:

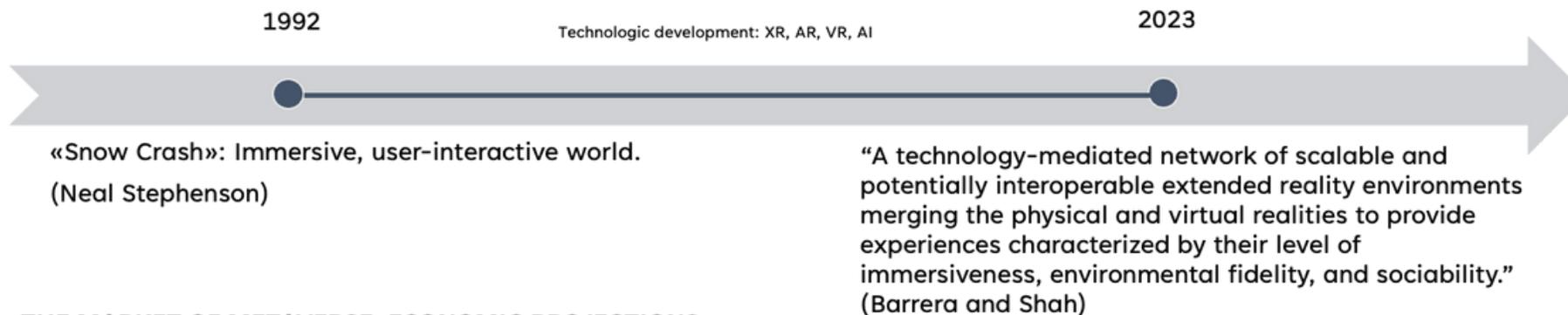
Bloomberg Intelligence : 800bn by 2024

BCG: 250-400bn for 2025

EY: up to 1000bn by 2030

McKinsey : spin-off of \$5bn by 2030

Source: Technavio (2022)



THE MARKET OF METAVERSE: ECONOMIC PROJECTIONS

Global Market

- GDP contribution: amplify annual GDP between \$1500-4500 billion by 2030 (Analysis Group, 2023).
- Job generation: approximately 23 million new jobs by 2030 (McKinsey, 2022).
- Expected Market Worth: US\$490.4 billion by 2030 and 1.461 billion users (McKinsey, 2022).

European Market

- GDP contribution: amplify annual GDP by €259-€489 billion by 2035 (Research & Markets, 2023)
- Metaverse Market: + 44.6% by the end of 2023, achieving a value of \$36.8 billion; forecasted CAGR of 32% from 2023 to 2030, elevating market value to \$256.6 billion by 2030 (Research & Markets, 2023).

Italian Market

- Metaverse market: reach between €28-52 billion by 2035 (Meta, 2023).
- Digitalization Fund: earmarked €6.1 billion for public administration: 18th of 27 in the 2022 DESI Index (Meta, 2023)

PLATFORMS

Decentraland, Fortnite, Minecraft, Roblox , The Sandbox, Unity Technologies.

**METaverse
EXPERIENCES**

Gaming, Social connections, Esports, remote collaborative working, remote training, real world simulations, artificial assistants, avatars, virtual events and parties, NFT marketplace.

TECHNOLOGIES

Augmented Reality, Virtual Reality, Mixed Reality, Extended Reality, Artificial Intelligence, Blockchain, Smart Contracts, Web 3.0, NFT, Smartphones, Wearables.

TARGET

Generations X, Y, Z, Alpha.

Areas of application: Retailing, education, technology, innovation, medicine, communication, marketing etc.

Metaverse through the **Analytic, Strategic and Operative Marketing** dimensions

ANALYTIC MARKETING

Insights about different human behaviors in the virtual world.

STRATEGIC MARKETING

Raise brand awareness, bring closer to consumers, and amplify the customer experience, providing a comprehensive marketing communication strategy

OPERATIVE MARKETING

Promising new channels for brand communication and customer engagement.

THE 4C MODEL OF CUSTOMERS IN THE METAVERSE

CUSTOMER

Fostering new and stronger brand relationships through co-generation and interaction.

COST TO SATISFY

Offering economically cheaper digital items which sometimes bear more emotional and inspirational value.

CONVENIENCE TO BUY

Utilizing virtual and AI assistants for informed decision-making.

COMMUNICATION

Prioritizing user-generated content that has emotional or literal ownership.

THE 5As OF CUSTOMER JOURNEY MODEL IN THE METAVERSE

AWARE

Reaching new markets and demographics.

APPEAL

Inspiring and generating new needs among customers.

ASK

Facilitating customer inquiries through artificial assistants.

ACT

Engaging consumers in content creation and in-platform purchases.

ADVOCATE

Building trust and turning users into brand evangelists.

Marketing and Communication projects in the Metaverse Brands Agencies



Hyundai Motor

- First virtual showcase on future mobility in the Metaverse
- Virtual living experiences and alternative mobility



Wendy's

- Marketing campaign where they joined a food battle live on Twitch
- Communication on the 'always fresh' ingredients of their burgers



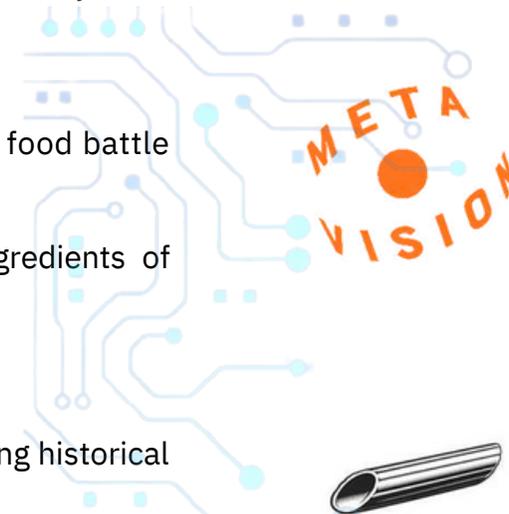
Coca Cola

- Creation of a collection of NFTs representing historical bottles
- Sale of 3D collections with iconic brands of the brand
- Open to payments in Ethereum



Publicis Poke

- Communication agency active in various metaverses
- Create AR and VR campaigns for brands



Metavision

- It bills itself as a study of the Metaverse
- Design brand experiences for virtual worlds



Al Dente

- Already famous agency based in Rome and Paris that is entering the Metaverse
- He bought physical spaces on Roblox
- all -in-one" packages to brands

200% Sales Volume Increase in Decentraland

- DappRadar reports a 200% surge in sales volume
- Major events drive significant revenue for active companies



Roblox's ever-growing Metaverse

- Roblox is attracting the attention of brands and users beyond its child audience with projects that go beyond just gaming.
- It plans to diversify and optimize revenue sources, focusing on increasing transactions via credit cards and prepaid cards.
- It has established successful collaborations with brands such as NASCAR, Vans and Gucci, demonstrating the effectiveness of its metaverse approach and its ability to attract users of all age groups
- Despite the positive results, Roblox recognizes the risks and uncertainties related to factors such as the pandemic, regulatory changes and platform security, but remains optimistic about the future.

- Revenue was \$655.3 million, up 22% from the prior year.
- Bookings were \$773.8 million, up 23% year over year. Europe 18% of the total value.
- Average daily active users ("DAU") were 66.1 million, up 22% compared to the previous year (Under 13 - 43%. Over 13 - 56%). Europe 29% of the total value.
- Hours of engagement were 14.5 billion, up 23% from the previous year (2.4 hours/day)

Revenue		Average Daily Active Users (DAUs)	
\$655.3M	22%	66.1M	22%
<small>Was</small>	<small>Grew YOY</small>	<small>Were</small>	<small>Up YOY</small>
Bookings*		Engagement Hours	
\$773.8M	23%	14.5B	23%
<small>Were</small>	<small>Grew YOY</small>	<small>Totalled</small>	<small>Up YOY</small>

The potential of AI for companies in various sectors

Intangible assets always similar to physical assets. The Gucci case



- He auctioned off his first NFT
- He launched his first virtual sneakers
- It has staged virtual brand activations on Roblox and The Sims
- Creating resources for PokemonGo and Animal Crossing

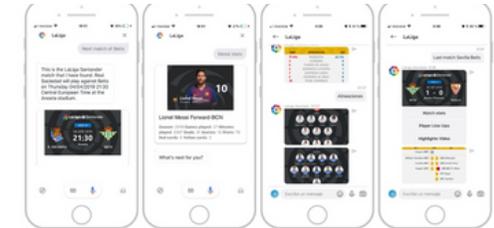
The Coca-Cola Multiversell retail: Decathlon UK Sport entertainment: La Liga



- Coca-Cola has dedicated a web space entirely to the Multiverse in collaboration with Marvel
- Every purchase offers a chance to win Coca-Cola and MARVEL merchandise, tech and more

Decathlon UK improves its customer experience by combining human expertise with conversational AI

- Combination of human skills and AI
- Quick response to customer questions.
- Personalization of interactions
- Continuous improvement of conversational AI



- Improved user experience
- Scalability and flexibility
- Content customization
- Improved intelligence and interaction

Manchester City and the first stadium of the Metaverse



“The whole point we could imagine of having a metaverse is you can recreate a game, you could watch the game live, **you are part of the action in a different way** through different angles and you can fill the stadium as much as you want because it’s unlimited, it’s completely virtual.”

“I think **the traditional image of someone sitting on a sofa, watching a screen, is something we cannot imagine is going still be the reality** not even in 10 years, maybe in five years’ time already. Things move much faster than we think.”

Nuria Tarre, Chief marketing and fan engagement officer

JP Morgan, the first bank to enter the Metaverse

JPMorgan Is the First Bank Into the Metaverse, Looks at Business Opportunities

The Wall Street bank has opened a lounge in blockchain-based Decentraland.

By Ian Allison · Feb 15, 2022 at 5:39 p.m. · Updated Feb 16, 2022 at 9:44 p.m.



"There is a lot of client interest to learn more about the metaverse"

"In time, the virtual real estate market could start seeing services much like in the physical world, including credit, mortgages and rental agreements," said the JPMorgan report.

Christine Moy, JPMorgan's head of crypto and the metaverse



Gucci Ancora: Pioneering Virtual Luxury



- Gucci Ancora launches in Roblox and ZEPETO in September 2023.
- Introduction of exclusive digital collectibles and NFTs.
- Virtual runway events and interactive art installations captivate audiences.
- The brand sets a precedent for luxury fashion's digital identity.

Testing Luxury's Opportunities in the Metaverse. The case of Gucci.

An overview on Gucci's 2021.

Luxury brands raced to get a foothold in NFT, Metaverse and Blockchain-based technologies, **fast-evolving virtual worlds**, and Gucci was one of those leading the charge.

How Gucci faced this new worlds?

Auctioned off its first NFT

Issued its first-ever virtual sneakers

Staging virtual brand activations on the Roblox and The Sims

Created assets for Pokemon Go and Animal Crossing

**GUCCI
SNEAKER
GARAGE**

Inspired by designs from the House's archive and contemporary shapes, presenting all the sneaker styles by Gucci's creative director Alessandro Michele, as well as an exclusive virtual sneaker.



ULTRAPACE R



SCREENER

SPORTSWEAR BRANDS AND ENGAGEMENT THROUGH THE METAVERSE

Swoosh platform for selling digital products and various collectible gadgets such as IRL Token-Gated events and other virtual activities (November 2023)

Nikeland, Metaverse to create your own sports games in a common courtyard (December, 2021)

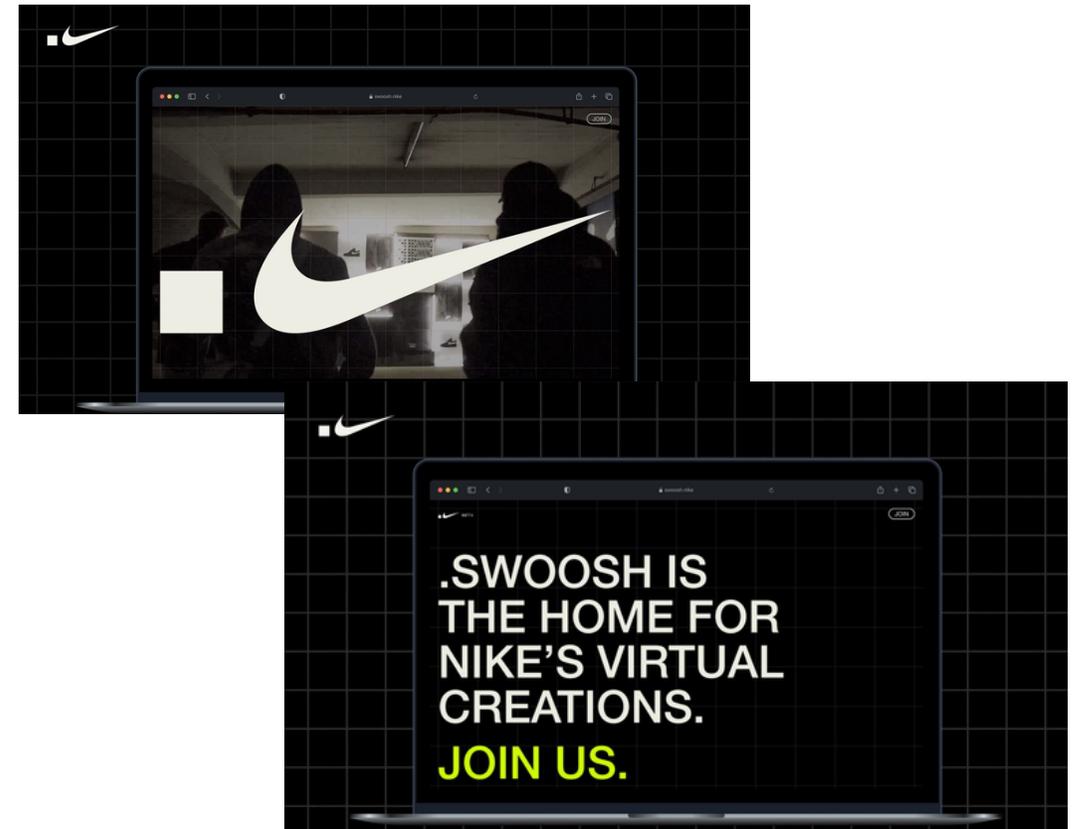


To encourage adoption of the Shoowsh platform, Nike will offer Web3 education courses with a tour of six cities in the USA (December 2022)

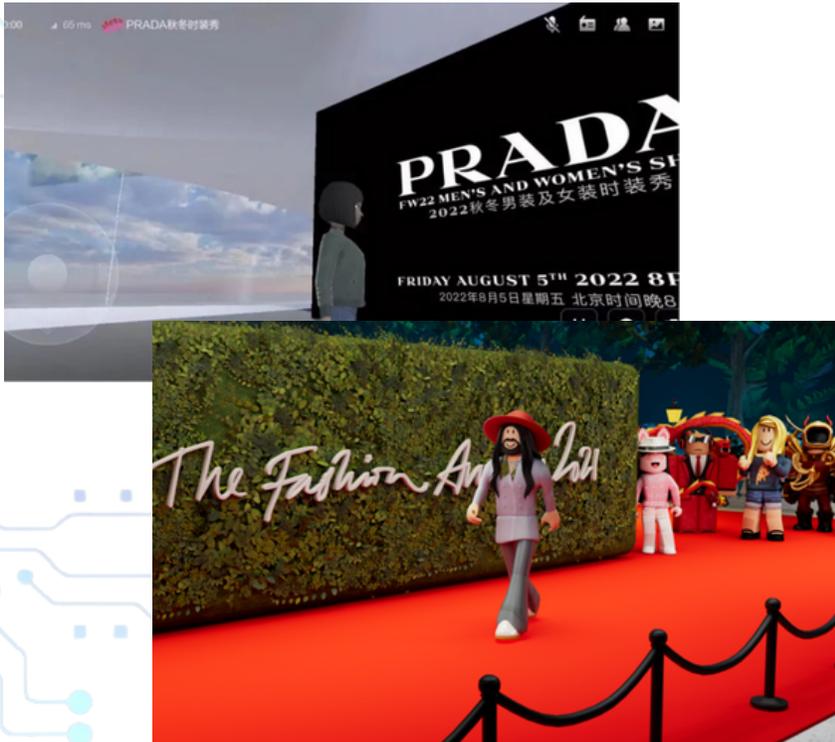


Nike's .SWOOSH: Co-creation in the Metaverse

- Nike introduces .SWOOSH for customer engagement and design collaboration.
- The platform fosters a bridge between digital collectibles and physical products.
- Community-based design initiatives lead to unique virtual and tangible offerings.
- Nike emphasizes the co-creative power of the Metaverse.



Prada's Meta-Concept Stores



- Prada debuts meta-concept stores, bridging digital art with fashion.
- Limited edition NFTs serve as keys to unique virtual rooms and events.
- The stores function as evolving digital art exhibitions, featuring collaborations.
- Prada's initiative reimagines the storefront in the digital era.

Merging Realities for Maximum Sales Impact

- Summarizing key takeaways for sales and marketing in the Metaverse.
- Strategies for maintaining a competitive edge in digital fashion retail.
- Future considerations for a holistic approach to sales in the Metaverse.



MAIN SKILLS TO BE TRAINED

1. **Customer Experience Design:** Design immersive experiences for sports fans, such as virtual reality sports simulations or augmented reality experiences that allow fans to feel more involved in the game.
2. **App development:** Professionals who develop applications and software for the metaverse will be increasingly important in the industry.
3. **Marketing and Business Intelligence:** In a digital environment like that of the metaverse, data collection and analysis will be fundamental to better understand fan behavior and develop more effective engagement strategies.
4. **Content Creators:** As sports video games grow in popularity, designers who create gaming apparel and accessories will become increasingly important, creating products that are diverse and tailored to gamers' needs.



THANKS!

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