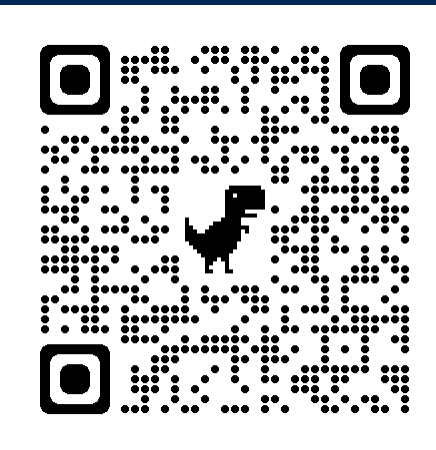




MOVING TOGETHER INTO WEB 3.0: GLOBAL BRAND USE AND CONSUMER KNOWLEDGE AND PERCEPTIONS OF BRAND NON-FUNGIBLE TOKENS AND THE METAVERSE



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Abstract

We found that less than 25% of the top 100 global brands have non-fungible tokens (NFTs) or are in the Metaverse. Findings from interviews show (1) little knowledge but some promise for the interactivity and creativity imagined in the Metaverse; (2) barriers to brand NFTs (technical, value of digital goods).

Background

- It's estimated that by 2026, two billion people will spend at least one hour per day in the Metaverse socializing, shopping, learning, and more; further, about 33% of global brands will have products in the Metaverse, creating a marketplace of \$200 billion (Whitman, 2022).
- NFTs are minted on the blockchain, which is a virtual ledger that records all transactions in "unaltered perpetuity" (Ad Age, 2022). These virtual possessions may play a self-extension role (Belk, 1998) that enables people to display and express identity to others in virtual spaces (Schau & Gilly, 2003).
- Past literature showed that participants of the virtual environment imagined heightened active control, two-way communication and synchronicity (Liu & Shrum, 2002).
- Yet not much is known about these technologies and consumers' perceptions. We explore brand participation in the Metaverse and NFTs and gauge what consumers know and feel about these concepts.

Research Questions

- What is the level of global brand participation in NFTs and the Metaverse?
- What do consumers know and feel about the Metaverse and brand Non-Fungible Tokens (NFTs)?

Method

- Study 1: Analysis of NFT usage/Metaverse among the top 100 global brands in 2021 (Interbrand.com).
- Study 2: Zoom Interviews with 13 consumers (30-60 minutes) including undergraduate and graduate students, university staff, and faculty members.
- Range of projective questions was guided through brand NFT examples (e.g., Nike, Gucci, Papa John's and Samsung)
- 216 pages of interviews were transcribed and coded inductively and deductively by multiple coders based on the descriptive and in vivo codes.

Findings

Out of Top 100 Global Brands...

22

Global brands minted NFTs, 5 (Automobile), 7 (Food/Beverages), 2 (Financial Services), 1 (Entertainment), 1 (Electronics) and 6 (Fashion)

7

Brands facilitated NFT to be used in Metaverse

19

Brands utilized Metaverse regardless of minting status of NFTs

Consumers' Knowledge and Perceptions of the Metaverse and NFTs

"I want to create beautiful spaces to retreat to. If I am trying to go to a virtual space, I kind of want to escape. So, I would create flower gardens or a place with a bunch of virtual kitties. I can hangout with some cats in the virtual space." (Informant 4)

"It is a really hard concept for me to digest. I know my husband talked about it, the cyber currency and he is talking about investing in it, and I am like, 'I don't understand what you are saying. So, this is a very puzzling concept for me.'" (Informant 8)

"I would prefer a physical sneaker over a digital sneaker. I mean, a digital sneaker is just...not a real sneaker. It is just a picture or a good visual representation of a sneaker which is not the same thing as the sneaker itself." (Informant 2)

"If it comes with free hot dogs and pizza in the real world, I might get it. But like, if it's not doing anything in the real world, I would not want to get it because first of all the bag looks ugly and it does not have anything in real value. I would not get it anyway." (Informant 5)

"I think that this will be more attractive to people who will have an avatar, the place they visit and those who want to show off their goods. I can see it being attractive to them. For someone who does not have an avatar, who does not visit Metaverse or virtual space, this will not be of a lot of use to me." (Informant 10)

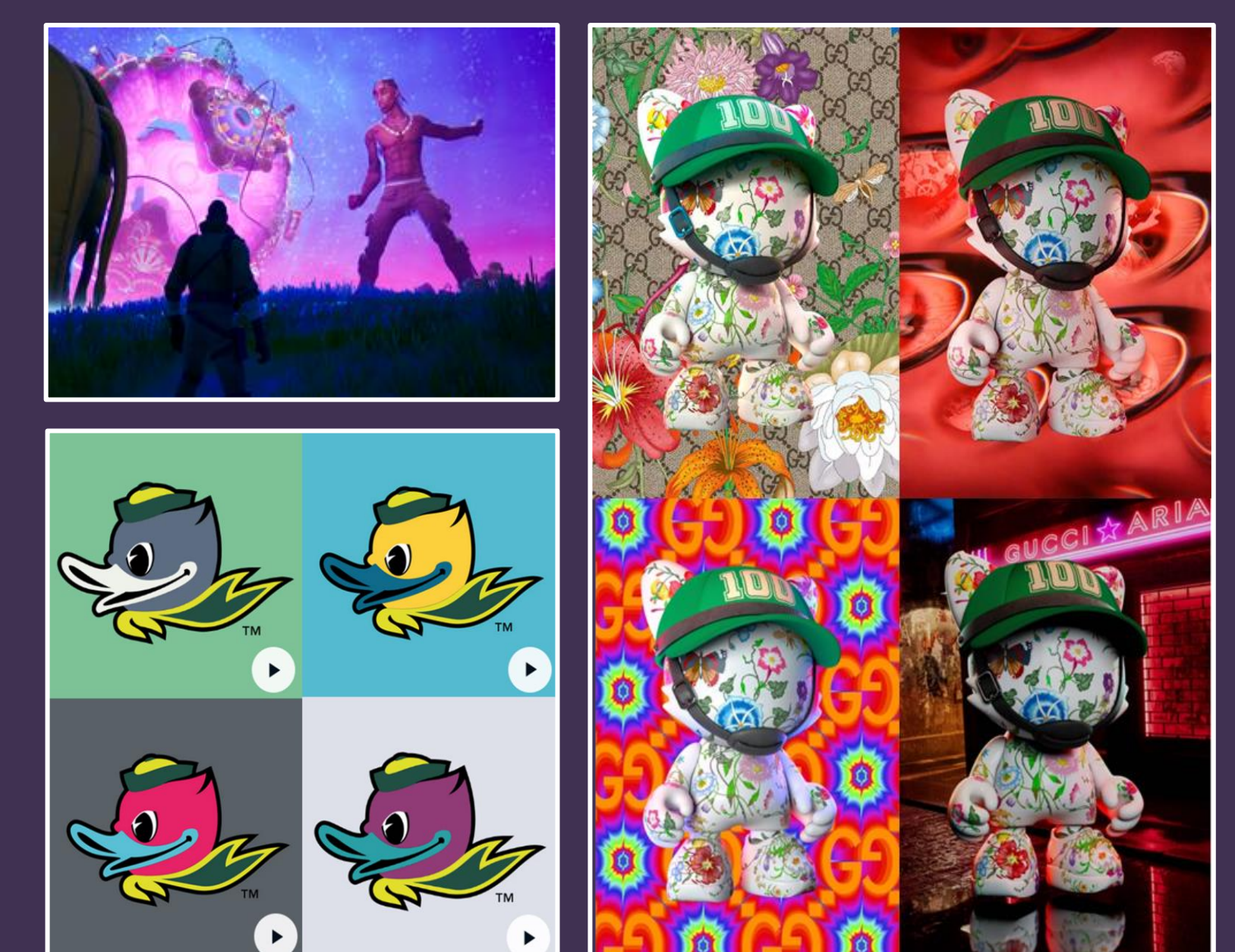
"Cool, it looks cool, but...it does not appeal to me where I am right now in my life. Like those are cute little things. And maybe, it's like you know, 13-year-old girls, 'I want to be cute, just to have it.' Maybe they are going to look at it sometimes. But I don't think I will keep them." (Informant 9)

Brand Opportunities and Dark Sides

- Participants preferred seamless, non-intrusive ads.
- Participant showed the desire for "real life" benefits like cause-related marketing, or tangible representation.
- Ethical issues mentioned by the participants included the lack of regulation, possibility of scams, addiction, and privacy issues.

Discussion

- Consumers' perceptions of what their experiences could be like in the Metaverse revealed unlimited possibilities, with two themes: interactivity and creativity.
- Consumers had low awareness and superficial knowledge of NFTs and associated them with digital ownership, cryptocurrency, art, and money.
- Findings suggest that brands should consider the holistic consumer journey of consumption experiences in these new virtual spaces (Kang, 2022).



BLUE DIAMOND FUELS METAVERSE APES WITH ALMOND MILK-THEMED NFTS



Conclusion

The Metaverse and NFTs are in their early phases of adoption among consumers and brands, with imagined possibilities for creativity and interactivity.

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