

STEP-BY-STEP GUIDE

# The Metaverse: A Strategic Play, Not a Passing Trend



# Forward

#### The Metaverse: A Strategic Play, Not a Passing Trend

The metaverse may not dominate headlines as it did in 2021, but it's quietly becoming one of the most dynamic, immersive environments in digital advertising for the right brands. Platforms such as Roblox and Fortnite are still growing, driven by digitally native users who are comfortable hanging out in virtual spaces and connecting with friends and brands through avatars. These platforms aren't speculative; they're live, active, and full of creative potential.

At Orange 142, we don't believe in chasing trends for novelty. We aim to help brands understand which emerging channels are worth exploring, and when. The metaverse isn't for everyone yet, but the opportunity is real for marketers willing to experiment, learn, and plan for the long game.

The Orange 142 Emerging Channels Council created this guide to help brands and agencies separate the signal from the noise. You'll find practical insights into platform selection, campaign design, privacy considerations, measurement strategies, and tips for creating meaningful, results-driven experiences. Whether you're just curious or already investing, we hope this guide helps you make smarter, more strategic moves in the metaverse.

#### About the Orange 142 Emerging Channels Council

The Emerging Channels Council is a thought leadership body within Orange 142 that focuses on educating, guiding, and encouraging independent brands and agencies to experiment and excel in underutilized and innovative channels. The council will help Orange 142 clients obtain strategic growth through collaboration, data-driven insights, and practical resources through sustainable digital advertising practices.

To access all of the Emerging Channels Council resources, please visit: <u>https://orange142.com/emerging-channels-hub</u>

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# 1. The Metaverse Opportunity

The metaverse may no longer be the media darling it was in 2021. Still, reports of its demise are premature, especially for brands and advertisers who know where to look for the opportunities.

Interest in the metaverse has declined sharply since its peak hype cycle (generative Al and the suite of tools that came to market took over the news). Google Trends data shows that searches for "metaverse" have hit a four-year low, suggesting that mass adoption predictions were overly ambitious. To wit: virtual land prices have cratered—<u>plots in The Sandbox</u>, once priced at \$15,000, now go for closer to \$1,500. Even McKinsey's 2022 oft-touted projection that the metaverse would drive <u>\$5 trillion in value</u> by 2030 now seems far-fetched.

But the sentiment that the metaverse is irrelevant is not universally held. In certain corners of the internet, metaverse platforms are thriving, adored by consumers, and delivering serious reach and engagement for brands.

#### The Key Platforms

Every day, hundreds of millions of people enter the metaverse to spend time, play games, attend concerts, engage with brands, and shop. The big ones include:

Platform	Description	Notable Features	Examples of Brand Collaborations
Roblox	A massive online platform where users create and play games built by other users. It functions like a UGC-powered metaverse.	<ul> <li>79.5M daily active users (<u>O2 2024</u>)</li> <li>In-game currency (Robux)</li> <li>Brand-owne d worlds and avatars</li> </ul>	Gucci Town, Nike's Nikeland, Spotify Island, Dentsu House of Creators, WPP partnership
Fortnite	Originally a battle royale game, now a	• <u>650 million</u> <u>users</u>	Travis Scott concert, Star Wars events,

	full entertainment platform with concerts, branded spaces, and UGC tools.	<ul> <li>V-Bucks economy</li> <li>Creative Mode for branded worlds</li> <li><u>Multiple</u> game modes</li> </ul>	LEGO Fortnite, branded skins for Marvel & NFL
Decentraland	A decentralized virtual world where users buy, build, and monetize virtual land as NFTs.	<ul> <li>Blockchain-b ased ownership</li> <li>DAO governance +</li> <li>Desktop access (not mobile-frien dly)</li> </ul>	Sotheby's, Samsung, Metaverse Fashion Week (Dolce & Gabbana, Tommy Hilfiger)
The Sandbox	A <u>voxel-style</u> ** metaverse where players build games and experiences, with NFT-based land ownership.	<ul> <li>Ethereum-ba sed assets</li> <li>Partner integrations with IPs</li> <li>Emphasis on gamification</li> </ul>	Gucci Cosmos Land, Warner Music, Atari, Adidas, Ubisoft
Meta Horizon Worlds	A social VR platform by Meta for creating immersive 3D experiences, accessible through Meta Quest headsets.	<ul> <li>VR-first experience</li> <li>Custom worlds</li> <li>Tied to Meta ecosystem</li> </ul>	NBA VR games, virtual comedy clubs, branded creator worlds

+ Decentralized Autonomous Organization, i.e., users, not a central company, vote on key decisions, such as platform updates, policy changes, or how treasury funds are used.

\*\* Voxel-based metaverses are virtual environments constructed from tiny 3D cubes, similar to digital building blocks, known as voxels. These cubes shape everything from landscapes to objects, giving the world a distinctive, blocky visual style that's creative and easily customizable.

#### Augmented Reality (AR)

The rise of AR-enabled devices, expected to reach 1.73 billion globally in 2024, creates new on-ramps into the metaverse. Unlike virtual reality (VR), which immerses users in fully virtual environments, augmented reality overlays digital content onto the physical world, blending both in real time.

AR creates new ways for brands to reach customers daily using 3D interactive experiences. Through AR, people can see how products look on them or in their homes, play brand-related games, or interact with company content, all through their phone screen while looking at the real world around them.

Capabilities	Definition	Examples
Real-World + Digital Integration	AR uses devices like smartphones or wearables to layer visuals, sounds, and interactive elements over the real world.	IKEA and Sephora use AR to let users visualize furniture in their homes or try on makeup virtually.
Real-Time Interaction	Users can engage with digital content as they move through physical spaces, creating responsive, personalized experiences.	AR filters and effects on Snapchat and Instagram respond to user movement and input, creating immersive ad experiences
3D Spatial Accuracy	AR uses mapping data to anchor digital elements to real-world surfaces like tables, walls, or streets.	Pokémon GO places digital characters in specific real-world locations, enhancing gameplay through spatial awareness.

#### Capabilities and Use Cases of AR

AR's flexibility and growing adoption make it a critical piece of the metaverse ecosystem. It lowers the barrier to entry, offers more utility in everyday life, and gives brands another path to build immersive, memorable experiences outside of traditional VR worlds.

The takeaway? While the hype may have cooled, the metaverse is far from irrelevant. Success is possible for brands willing to experiment, but it requires smart execution, targeted engagement, and platform-specific creativity.

# 2. What is Metaverse Advertising

Metaverse advertising connects brands with audiences through immersive virtual environments, using technologies like VR and AR to create interactive experiences that engage consumers in new ways.

Metaverse campaigns are catered to each platform, as each offers different levels of openness, audience demographics, creative flexibility, and measurement capabilities. Choosing the right strategy and platform depends on your brand's objectives and the experience you want to create.

But keep in mind, whichever platform you choose, a metaverse campaign isn't just about visibility, it's about immersion into a world where consumers choose to spend time.

#### From Virtual Billboards to Branded Worlds

Brands can engage with the metaverse in a variety of ways:

- Branded virtual spaces. Gucci created a permanent digital presence in Roblox called <u>Gucci Town</u>, which includes mini-games, a virtual store, and community areas. Consumers can buy various virtual products, including exclusive outfits, hats and sunglasses, and collectibles inspired by Gucci's real-world designs.
- Virtual product experiences. Streetwear retailer <u>Footdistrict launched Outer</u> <u>Shelf</u>, a self-contained metaverse where users dress custom avatars in Footdistrict gear, compete in challenges, and purchase items tied to exclusive drops.
- Interactive events. From concerts to fashion shows, metaverse platforms host live experiences attracting millions of attendees and offering branded integrations. For instance, Fortnite has a history of hosting in-game concerts featuring popular artists, with events like the "Remix: The Finale" concert featuring Snoop Dogg, Ice Spice, and Eminem, drawing over 14 million concurrent players.

These experiences enable brands to do more than just advertise; they become integral parts of the consumer's environment.



#### Why Immersion Matters

Today's consumers crave engagement. Whether online or offline, they gravitate toward brands offering more than a transaction. They want a story, a vibe, and a sense of belonging.

The metaverse caters to this shift. It lets brands build worlds that speak directly to their audiences—places where people can see, hear, and interact with products and values. This isn't just marketing—it's world-building.

For example, while we can't touch or smell products through a screen, immersive environments can simulate those sensations. The proper lighting, soundscape, and visual cues can imply texture or aroma. This level of sensory storytelling deepens emotional connections and influences purchase decisions.

Let's say you're a shoe brand that offers shoes in various categories: active wear, work shoes, and dress shoes. You can create a virtual store with separate rooms for each category, each with its own lighting, color palette, music, and vibe. This is a far more immersive experience than looking at product details pages.

#### **The Big Picture**

Metaverse advertising is still evolving, but the early signs are clear: immersive marketing has moved from novelty to necessity. In a crowded digital landscape,

experiences, not impressions, break through. And the metaverse offers the most expansive canvas yet.

# 3. Benefits of Metaverse Advertising

Metaverse advertising opens up fun, interactive ways for brands to connect with people, build loyalty, and learn in real time. Some of its benefits include:

Highly Immersive Experiences	Users can enter virtual stores, walk through departments, and experience a customized ambiance that deepens brand connection.
Building Lifelong Loyalties	Persistent and meaningful interactions can turn users into brand advocates over time, and virtual worlds allow brands to do this at scale.
Global Reach	Metaverse platforms can transcend geography, giving brands access to a worldwide audience.
Enhanced Engagement through Avatars	Users can express themselves with branded wearables, extending brand visibility across experiences.
Direct Interaction with Brand Reps	Avatars can converse with live or AI brand ambassadors, replicating real-time customer service.
Real-Time Campaign Optimization	Al-driven systems can adjust experiences and messaging on the fly based on user behavior.
First-Party Data Collection	Brands gain access to behavioral data in context, helping refine targeting and creative strategies.
Educational & Experiential Marketing Opportunities	The metaverse lets brands create interactive learning experiences, ideal for industries like travel, finance, or healthcare that need to inform and inspire, not just sell.
Gamified Brand Experiences	Challenges, quests, and virtual rewards make advertising feel interactive and rewarding.
Community Building	Branded social hubs and events help fans connect and engage through ongoing experiences or one-time activations.
Seamless Social Commerce	Users can try, share, and buy products without leaving the metaverse environment.
Brand-Safe Environments	Custom-built experiences allow brands complete control over visuals, messaging, and placement.
Extended Campaign shelf Life	Virtual experiences can persist indefinitely, offering ongoing engagement beyond traditional media timelines.
Lite	engagement beyond traditional media timelines.

Test & Learn Sandbox	Brands can pilot new ideas, test digital products, or
	experiment with messaging in a low-risk, creative
	environment before broader rollouts in the real world.

# 4. Challenges to Metaverse Advertising

#### **High Costs of Entry**

The high price of VR headsets and AR-compatible devices remains a significant barrier for many consumers. Requiring expensive technology to access immersive metaverse experiences limits participation primarily to wealthier demographics.

#### User Experience Issues

Trust and safety concerns (such as trolling, harassment, or inappropriate content) can put users and brands at risk. The immersive and real-time nature of metaverse platforms presents unique challenges for content moderation. While tools like muting, blocking, and reporting are available, their effectiveness is often limited by the rapid evolution of user interactions and the vastness of virtual environments.

#### Ad Identification & Disclosure

In the metaverse, advertising often uses "advergames" or branded virtual spaces, seamlessly integrating ads into the experience (e.g., virtual billboards, branded environments, or interactive gameplay). This integration makes it harder for users, especially children, to distinguish between entertainment and advertising.

#### Understanding the Audience

<u>Research shows</u> that users often create avatars that represent idealized versions of themselves, rather than accurately reflect their real-world identities. For example, adults may choose younger, more fashionable avatars to explore aspirational identities or express creativity. This phenomenon complicates advertising strategies because brands must decide whether to target the real-world individual or the digital persona.

Complicating matters further, <u>studies show that avatars</u> influence purchasing decisions in virtual environments and the real world. For instance, users may buy virtual Gucci items for their avatars as a form of self-expression, even if they wouldn't purchase Gucci products in real life.

#### **Platform Fragmentation**

There's no single metaverse. Brands must decide which platforms to prioritize (e.g., Roblox, Fortnite, Meta Horizon Worlds, Decentraland, etc.), each with different user bases, capabilities, and creative requirements.

#### Incomplete Transactional Ecosystems

Some platforms don't support end-to-end shopping experiences, making it hard for users to go from brand discovery to purchase without leaving the metaverse. For example, a DMO launched a promotional experience in the metaverse to attract travelers, but ran into friction when local hotels and venues didn't support bookings or transactions in that environment. The result was a disjointed user journey; guests could explore the destination virtually, but had to leave the metaverse to book rooms.

#### **Audience Fit Issues**

Even with strong creative and solid funding, metaverse campaigns can underperform if the target audience isn't digitally native or active in the environment. A visually impressive tourism experience didn't gain traction because its core audience wasn't large or engaged enough in the metaverse at the time.

#### **Creative Fatigue & High Expectations**

Users expect immersive, polished, and often gamified experiences. Basic activations can fall flat if they don't meet the bar, requiring significant investments in design and storytelling.

#### Legal & Regulatory Uncertainty

The rules around IP, data privacy, influencer disclosure, and digital goods are still evolving. Brands face legal gray areas, especially with younger audiences. (See Data and Privacy Concerns section for more discussion.)

#### **Scalability Issues**

Multiple metaverse platforms have scalability challenges due to limits on the number of concurrent users they can support. For instance, Second Life limits regions to about 40 users per 256m x 256m area, with total concurrent users ranging between 30,000 and 55,000 across all regions. Decentraland allows only 200–300 users per shard, with total concurrent user counts typically between 1,000 and 2,600. Newer platforms, such as The Sandbox, face similar challenges.

While limiting concurrent users can create exclusivity (e.g., VIP events or limited-access spaces), it inherently restricts scalability and reach for broader audiences. This trade-off can hinder brands or events aiming for mass engagement.

# 5. Emerging Technology & Trends

New technologies are reshaping the metaverse, making experiences more immersive and interactive, and are likely to make commercial opportunities more attractive to brands.

User Experience & Interaction	Al-Powered Virtual Assistants and Avatars	Intelligent avatars and assistants enhance user experiences through personalized interactions and support.
	Immersive Social Platforms	Platforms like <u>Kawaii World</u> enable virtual concerts, conferences, and social gatherings in shared virtual spaces.
	Hyper-Realistic Virtual Reality	Advancements enable VR to mimic real-world sensations like smell, temperature, and touch for deeper immersion.
	Haptics & Sensory Tech	Wearables like <u>haptic gloves</u> and suits allow users to feel textures, pressure, or motion inside virtual environments.
	Volumetric Video & 3D Capture	High-resolution 3D video tech creates realistic avatars and environments for interactive storytelling.
Infrastructure & Accessibility	Spatial Computing	Merges physical and digital worlds to create immersive interactions, as with Apple Vision Pro and similar mixed-reality devices.
	Edge Computing & 5G	Reduced latency and faster processing enable smoother, more responsive metaverse experiences, especially on mobile.
	Cross-Platform Interoperability	Users will soon be able to move avatars, digital assets, and currencies seamlessly between metaverse platforms.
Commerce, Ownership & Economy	Blockchains & NFTs	Used for verifying ownership of digital goods, creating scarcity, and enabling secure in-world transactions.

Digital Fashion & Wearables	Brands are launching tradable virtual clothing and accessories for avatars—part fashion statement, part digital asset.
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# 6. Data & Privacy Considerations

The Metaverse offers new ways to engage consumers and introduces new privacy risks. Unlike traditional digital environments, these platforms collect more than clicks or pageviews. They gather biometric signals and other data, such <u>as head</u> <u>movements, eye tracking, facial expressions, and room layouts</u> data that can reveal a person's mood, health, and behavior patterns. As a marketer, it's critical to understand how this data is collected, stored, and potentially used if you plan to advertise in this ecosystem.

Marketing in the Metaverse means navigating a new layer of responsibility. You may not be collecting the data directly. However, if your brand is participating in metaverse campaigns, especially on platforms with minimal oversight, you're still accountable in the eyes of your customers.

Key considerations include:

- Transparency matters. Work with platforms that disclose what data is collected and how it's used.
- Consent must be meaningful. Ensure users opt in with a complete understanding of what they're sharing.
- Your brand is on the hook. Partnering with a platform that misuses data can damage trust in your brand, even if you weren't directly involved.

Biometric data is especially sensitive. It can't be changed or reset like a password and is far more personal. Targeting users based on emotional cues or physical responses may seem like a breakthrough, but it also crosses ethical lines if not handled carefully.

The regulatory landscape is lagging. Consumer data privacy regulations such as GDPR and CCPA <u>weren't built for immersive, body-based data collection</u>. Until frameworks catch up, you'll need to scrutinize how your campaigns are built and how your partners handle privacy.

To safeguard your brand and your audience:

• Vet platforms for their data handling practices.

- Avoid experiences that rely on invasive or unnecessary data.
- Monitor developments in privacy regulation, especially around biometric and immersive technologies.

The bottom line: building brand equity in the Metaverse means respecting user boundaries. Privacy isn't just a legal box to check—it's part of the user experience, and a reflection of your values.

#### A Bigger Digital Footprint, Bigger Security Risks

As campaigns become more immersive and data-rich, they also become more vulnerable. The more data points, connected devices, and complex experiences, <u>the more opportunities there are for things to go wrong</u>.

Security risks to keep in mind:

- Biometric data breaches could expose sensitive information users can't reset or replace.
- Hijacked avatars and credentials could damage brand experiences or be used for fraud.
- Virtual currencies and NFTs are frequent targets of scams and phishing attempts.

Protecting against these threats requires stronger security practices across the board.

# 7. Measurement & Attribution

Measurement in the metaverse is still evolving. Unlike traditional web or mobile environments, virtual spaces collect entirely new behavioral and biometric data types, such as head movements, gaze direction, spatial positioning, and more.

These immersive experiences require new methods for tracking user engagement, understanding intent, and connecting exposure to outcomes. While platforms like Meta are working on new measurement tools, marketers need to rethink what metrics matter and how to tie them to business goals.

Eye-Tracking Engagement	Tracks where and how long users look at in-world ads, helping gauge attention and emotional response.
Head Movement & Gaze Duration	Measures whether a user's head or gaze aligns with an ad's placement, often used as a proxy for viewability.
Ad Dwell Time	The duration a user remains near or looking at an ad object in a virtual space.
Ad Interaction Rate	Tracks how often users click on, move toward, or engage with an ad unit (e.g., pick up an item or enter a store).
Viewability (3D Standards)	A developing standard that may include on-screen time, angle of view, and object visibility in a 3D space, more complex than flat-screen metrics.
<u>Engaged View</u> (Meta concept)	A proposed model that credits ads based on active engagement behaviors, not just impressions.
Spatial Map Analysis	Analyzes how users navigate virtual spaces and whether they enter or avoid branded environments.
Virtual Foot Traffic	Counts unique avatars entering a branded experience or area.
Urchin Tracking Module (UTM) Parameters	URL tags are applied to links inside virtual spaces to track traffic sources and campaign performance across platforms.
Conversion Tracking	Measures whether users complete a desired action (e.g., purchase, sign-up) after interacting with a metaverse ad.

#### **Metaverse Measurement Metrics**

#### Attribution Methods in the Metaverse

Attribution in the metaverse involves adapting familiar models to account for immersive environments, cross-channel journeys, and new behavioral signals.

- Multi-Touch Attribution (MTA). With users interacting across devices and virtual spaces, single-touch attribution isn't enough. MTA considers multiple interactions, such as a user visiting a branded VR store, clicking a social ad, and finally making a purchase, giving a more complete picture of influence.
- Position-Based Attribution. The first and last touchpoints receive heavier weight, with credit distributed among the middle steps. This is useful when users enter a metaverse world, explore it, and later return to convert through a different channel.
- Eye-Tracking Based Attribution. Early-stage experiments explore whether gaze direction and duration can signal higher intent or serve as a soft conversion metric in immersive environments.
- Urchin Tracking Module (UTM)-Based Tracking. UTM tags applied to portals, event invites, or in-world objects help marketers trace where traffic comes from, even inside a complex metaverse experience.
- Platform-Integrated Analytics. Meta and others are working on integrating in-world events with broader analytics tools, so that movement, interaction, and conversion data can be tied directly to ad platforms and dashboards.

# 8 . Tips for Successful Metaverse Campaigns

Metaverse campaigns work best when immersive, intentional, and matched to the right audience. The ecosystem is still evolving, which means success depends on how well your brand adapts to the platform, the technology, and users' behavior. These practical tips will help guide your metaverse strategy.

- 1. Start with Clear Goals. Before you build anything, know what success looks like. Defining KPIs up front will shape the creative and platform decisions that follow, whether it's brand lift, engagement, or conversions.
- 2. Determine if Your Audience is Actually There. Metaverse platforms such as Roblox and Fortnite skew young and digitally fluent. If your core audience isn't already using these platforms, consider whether this is the right time or what kind of activation makes sense for them.
- **3.** Support End-to-End Experiences. Users should be able to complete the whole journey, from discovery to transaction, within the platform. Brands that sell digital goods or can offer seamless in-world rewards perform best.
- 4. Match the Platform to the Message. Each metaverse platform offers something different. Choose the one that fits your audience and campaign goals. Roblox is great for immersive storytelling. Decentraland supports more open exploration. Don't try to force a one-size-fits-all creative.
- 5. Make the Experience Worth It. Respect users' time. Whether it's a branded space, a virtual try-on, or an interactive event, your activation should offer entertainment, meaningful utility, or both.
- 6. Design for Interaction, Not Just Impressions. This isn't display advertising. Build creatives that invite users to engage, step into a space, try something on, solve a challenge, or connect with others.
- 7. Think Long-Term, Not Just Launch Day. The metaverse is a slow build. Early efforts should be used to test, learn, and create brand familiarity. Don't expect

massive scale overnight, but understand that your early moves will matter significantly in the long run.

- 8. Use Data, But Be Transparent. The metaverse offers rich behavioral and spatial data, but users are increasingly privacy-conscious. Be transparent about what you collect and how you use it, and always prioritize user trust.
- 9. Work with the Right Creators. Influencers and creators who understand the platform can help you reach users more authentically. They also bring credibility and can drive traffic to your activation outside the metaverse.
- **10. Respect Privacy.** Users will reveal much about their moods and emotions while engaging with the metaverse. While data privacy regulations don't universally limit these data types, building brand trust demands that you respect them.

# 9. About Orange 142

Orange 142 is a digital marketing and advertising company with offices across the US. We help marketers of all sizes grow their reach and revenue through data-driven media strategies. We also partner with agencies and execute campaigns on behalf of their clients.

Our team of experts deeply understands the digital landscape and the latest advertising and marketing technologies. We work closely with our clients to develop and execute custom advertising and marketing campaigns that meet specific goals.

We are committed to providing our clients with the highest service and transparency. Open communication and collaboration are essential to the success of every advertising and marketing initiative.

Want to learn how this can work for you? Orange 142 helps SMBs navigate and maximize emerging advertising channels with strategic guidance and best practices. Let's connect to explore the right approach for your goals. <u>Contact us today!</u>