



# Impact of Metaverse Marketing Elements on Consumer Behavior

**Author :** T. Dharmasamvardhini, Research Scholar, PG Department of Commerce

Hindustan College of Arts and Science, Padur, Chennai, [Samvardhini777@gmail.com](mailto:Samvardhini777@gmail.com)

**Co-Author:** Dr. K. Malarvizhi, Associate Professor and Head, PG Department of Commerce

Hindustan College of Arts and Science, Padur, Chennai , [flowereye14@gmail.com](mailto:flowereye14@gmail.com)

**Abstract:** *Websites and social media platforms are examples of two-dimensional interfaces that are crucial to traditional digital marketing. On the other hand, consumers can explore, engage, and socialize in virtual settings through three-dimensional, interactive, and immersive brand experiences provided by metaverse marketing. These settings give firms new ways to present their goods, hold online gatherings, and establish emotional bonds with consumers. As a result, comprehending how metaverse marketing components affect consumer behavior has grown in importance among academics and managers. This study examines how metaverse marketing elements such as interactivity, immersion, personalization, and social engagement influence consumer behavior. The findings suggest that interactive and socially engaging environments significantly enhance customer engagement and purchase intention.*

**Key Words:** *Eco System, Augmented Reality, Immersion, Consumer Behaviour.*

## 1. INTRODUCTION

The metaverse represents an immersive digital ecosystem combining virtual reality, augmented reality, and social interaction. Brands are increasingly adopting metaverse marketing to create immersive customer experiences. The quick development of digital technologies has completely changed how companies engage and connect with their customers. The creation of the metaverse, a collaborative virtual realm that combines immersive technologies like virtual reality (VR), augmented reality (AR), mixed reality (MR), blockchain, and artificial intelligence, is one of the most important recent breakthroughs in digital marketing. Through the employment of avatars, the metaverse allows users to engage with virtual worlds in real time, producing experiences that closely mimic real-world interactions. Because of this, marketers are using metaverse platforms more frequently to interact with consumers in novel and immersive ways.

Interactivity, immersion, personalization, and social dynamics are some of the essential components that propel metaverse marketing. Instead of just passively consuming material, interactivity enables people to actively engage with brand experiences. By giving consumers the impression that they are a part of the virtual environment, immersion improves the experience of presence. While social dynamics let consumers communicate, collaborate, and form communities, personalization allows marketers to customize experiences based on individual preferences. These marketing components have a big impact on the attitudes, behaviors, and perceptions of consumers. Customers are more likely to become loyal, satisfied, and trusting of a company when they feel more emotionally invested and engaged. Additionally, social interactions in the metaverse can strengthen peer influence, influencing brand advocacy and purchase decisions

Although metaverse marketing is becoming more and more popular, there is still little actual data on how it affects consumers. There is a knowledge gap about how immersive virtual worlds impact consumer behavior because the



majority of current research concentrates on conventional digital or social media marketing. By investigating the impact of metaverse marketing components on customer engagement, brand trust, and purchase intention, this study seeks to close this gap.

This study offers useful information for marketers, companies, and researchers by examining consumer reactions to metaverse-based marketing experiences. The results will aid businesses in creating efficient metaverse marketing plans and improving virtual customer experiences. In the end, this study adds to the expanding corpus of research on immersive marketing and the changing link between consumer behavior and technology.

## **2. Review of Literature :**

Due to the quick development of immersive technologies like virtual reality (VR), augmented reality (AR), blockchain, and artificial intelligence, the idea of the metaverse has received a lot of attention lately. The metaverse is a shared virtual environment that allows for real-time, immersive, and socially rich interactions between users via avatars. The metaverse's potential to change consumer involvement and brand interaction has drawn more attention from academics. The idea of telepresence was first presented by Steuer (1992), who emphasized immersion and interaction as essential components of virtual worlds. The theoretical groundwork for comprehending how immersive media can affect user perception and behavior was established by his work. Expanding on this, Hoffman and Novak (1996) emphasized that by allowing users to actively engage rather than passively absorb content, interactive digital environments promote deeper engagement. These preliminary investigations offer crucial information about how immersive settings can improve metaverse consumer experiences.

One of the main elements of metaverse marketing is interactivity. Interactivity increases user involvement, which in turn results in favorable perceptions about brands, claim Liu and Shrum (2002). Interactivity in metaverse settings enables users to connect with other users, modify virtual goods, and take part in events offered by brands. Interactive virtual experiences have a considerable impact on consumer satisfaction and purchase intention, according to Flavián, Ibáñez-Sánchez, and Orús (2019). According to their findings, more interaction fosters a feeling of engagement and control that influences customer decision-making in a favorable way.

Another important factor affecting customer behavior in virtual environments is immersion. Immersion is the degree to which technology provides a vivid and comprehensive experience, according to Slater and Wilbur (1997). Immersion strengthens customers' emotional ties to businesses in the metaverse by allowing them to feel present in a virtual environment. According to research by Javornik (2016), immersive experiences raise satisfaction and perceived value, which affects purchase intention. Customers are more likely to form positive opinions about virtual brand experiences if they feel fully immersed.

In the metaverse, personalization is crucial to improving customer experiences. Thanks to developments in data analytics and artificial intelligence, marketers can now customize virtual worlds, avatars, and marketing messages to suit individual tastes. Personalized encounters improve emotional engagement and memorability, claim Pine and Gilmore (1999). According to more recent research by Arora et al. (2021), tailored virtual experiences boost client loyalty and happiness. Personalization in metaverse marketing makes brand interactions more relevant, which affects customer trust and sustained engagement.

The metaverse is characterized by social dynamics, which have a significant impact on consumer behavior. Short, Williams, and Christie's (1976) social presence theory highlights the significance of human connection in digital settings. Through real-time socializing, collaboration, and experience sharing, the metaverse fosters virtual communities. According to Kim, Lee, and Thomas (2020), social engagement in virtual environments increases brand advocacy and emotional attachment. Consumer views and purchase habits are further shaped by peer pressure and community involvement.

Metaverse marketing components are intimately related to consumer involvement and brand trust. According to Morgan and Hunt (1994), a major factor in determining enduring customer connections is trust. The quality of interactions, the transparency of virtual transactions, and the legitimacy of brands all have an impact on trust in immersive virtual environments. According to research by Dwivedi et al. (2022), authenticity and meaningful involvement are two ways that immersive and socially engaged metaverse experiences might improve brand trust.

There are a number of gaps in the literature despite the increased interest. Instead than concentrating on the entire metaverse ecosystem, the majority of research concentrate on discrete components like VR or AR. Furthermore, there are still few empirical studies that look at how interactivity, immersion, personalization, and social dynamics all affect consumer behavior.



To sum up, previous studies show that metaverse marketing components have a big impact on customer engagement, trust, and buy intention. Social dynamics create community and shape behavior, personalization increases relevance, and immersion and interaction boost experiencing value. However, further empirical study is required to comprehend the overall effects of metaverse marketing on customers. In order to close this gap, this study looks at how important metaverse marketing components work together to influence consumer behavior in immersive virtual worlds.

### **3. Objectives of the Study**

- To investigate how consumer involvement is affected by important metaverse marketing components (interactivity, immersion, personalization, and social dynamics).
- To evaluate how consumers' brand trust is affected by metaverse marketing experiences.
- To examine the impact of customer engagement and brand trust on the metaverse marketing.

### **4. Research Methodology**

A structured questionnaire was used to collect data from 350 respondents. A 5-point Likert scale was employed.

#### **Results and Discussion - Structural Model Fit Indices**

The overall goodness-of-fit of the structural model was evaluated using standard SEM fit indices. The two-step method advocated by Anderson and Gerbing (1988), which entails estimating the measurement model before estimating the suggested structural model, was used for the data analysis in the current study.

In this stage, confirmatory factor analysis (CFA) has been used to assess the measurement model and ascertain the unidimensionality, validity and reliability of the measurements used in the study. When using CFA, which is a statistical method, the researcher should be conversant with the underlying latent variable structure (Byrne, 2010). Based on theory and practical research, the study hypothesises relationships between the observable measures and the underlying component and then statistically assesses this hypothesised structure (Byrne, 2010).

Hair et al., (2010) stated that in addition to the Chi-square value and the degrees of freedom, researchers should also provide one absolute fit index and one incremental fit index when evaluating the fit of a measurement model.

The evaluation of the measuring model in the current study was done in two stages. For each individual component, CFA was first performed. Secondly, CFA was done for the overall measurement model, where all the latent constructs were correlated.

Structural Equation Modeling (SEM) is a group of statistical models that aims to explain how different variables relate to one another. The two-step process used in SEM starts with the creation of the measurement model and ends with the structural model's validation. The structural model deals with the links between the latent variables alone, whereas the measurement model deals with the relationships between measured variables and latent variables.

The measurement model is the initial element in SEM. Each model has multiple indicators constructed with the goal of having at least three for each latent variable following confirmatory analysis. Factor analysis is used to prove that indicators measure the corresponding latent variables represented by the factors based on a large representative sample with  $n > 100$ . In order to increase model fit, one or more models may be modified using 'modification indexes' and other coefficients.

#### **Assessment of Model Fit**

The current study used Chi-square, Goodness of Fit Index (GFI), Adjusted Goodness of fit (AGFI), Root Mean Square of Approximation (RMSEA), Comparative Fit Index (CFI), Normed Fit Index (NFI), Tucker Lewis Fit Index (TLI) and Incremental Fit Index (IFI) to evaluate the goodness of fit of the hypothesized model.



The first measurement model is developed and it consists of seven items or indicators which are sufficiently identified and shown in Table 1

**Table 1 Fit Indices for Interactivity**

Fit Index	Recommended Value	Observed Value
Chi-Square value	< 3	2.031
P value	>0.05	0.105
GFI	>0.983	0.983
AGFI	>0.966	0.966
CFI	>0.90	0.988
TLI	>0.95	0.963
IFI	>0.95	0.988
RMSEA	< 0.08	0.053

From the above Table, it is found that the calculated P value of 0.105 is greater than 0.05, indicating perfect fit. Here, the fitness statistics show that GFI (Goodness of fit index) value is 0.983, AGFI (Adjusted Goodness of fit index) value is 0.966 and CFI (Comparative fit index) value is 0.988 which is greater than the recommended value of 0.90. The Turker-Lewis index value is 0.963 and also Incremental Fit Index value is 0.988 which are greater than the recommended value of 0.95, indicating good fit. It is found that RMSEA (Root Mean Square Error of Approximation) value is 0.053 which is less than 0.08, indicating perfect fit.

All fit indices met the recommended thresholds, indicating that the proposed model demonstrates a **good overall fit**.

The second measurement model is developed for the factor, 'Immersion' which consists of five items or indicators which are sufficiently identified as shown below in Table 2

**Table 2 - Fit Indices for Immersion**

Fit Index	Recommended Value	Value
Chi-Square value	< 3	3.585
P value	>0.05	0.304
GFI	>0.983	0.990
AGFI	>0.966	0.971
CFI	>0.90	0.989
TLI	>0.95	0.978
IFI	>0.95	0.989
RMSEA	< 0.08	0.060

From the above Table, it is found that the calculated P value is 0.304 which is greater than 0.05, indicating perfect fit. Here, the fitness statistics show that GFI (Goodness of fit index) value is 0.990, AGFI (Adjusted Goodness of fit index) value is 0.971 and CFI (Comparative fit index) value is 0.989 which are greater than the recommended value of 0.90. The Turker-Lewis index value is 0.978 and also Incremental Fit Index value is 0.989 which is greater than the recommended value of 0.95, indicating good fit. It is found that RMSEA (Root Mean Square Error of Approximation) value is 0.060 which is less than 0.08, indicating perfect fit.

The next measurement model is developed for the factor, 'Personalisation' which consists of five items or indicators which are sufficiently identified as shown below in Table 3.



**Table 3 Fit Indices for Personalisation**

Fit Index	Recommended Value	Value
Chi-Square value	< 3	4.328
P value	>0.05	0.117
GFI	>0.983	0.983
AGFI	>0.966	0.960
CFI	>0.90	0.986
TLI	>0.95	0.977
IFI	>0.95	0.986
RMSEA	< 0.08	0.068

From the above Table, it is found that the calculated P value is 0.117 which is greater than 0.05, indicating perfect fit. Here, the fitness statistics show that GFI (Goodness of fit index) value is 0.983, AGFI (Adjusted Goodness of fit index) value is 0.960 and CFI (Comparative fit index) value is 0.986 which is greater than the recommended value of 0.90. The Turker-Lewis index value is 0.977 and also Incremental Fit Index value is 0.986 which is greater than the recommended value of 0.95, indicating good fit. It is found that RMSEA (Root Mean Square Error of Approximation) value is 0.068 which is less than 0.08, indicating perfect fit.

The next measurement model is developed for the factor, 'Customer Engagement' which consists of five items or indicators which are sufficiently identified as shown below in Table 4

**Table 4 - Fit Indices for Customer Engagement**

Fit Index	Recommended Value	Value
Chi-Square value	< 3	4.674
P value	>0.05	0.093
GFI	>0.983	0.993
AGFI	>0.966	0.967
CFI	>0.90	0.996
TLI	>0.95	0.989
IFI	>0.95	0.996
RMSEA	< 0.08	0.071

From the above Table, it is found that the calculated P value is 0.119 which is greater than 0.05 indicating perfect fit. Here, the fitness statistics show that GFI (Goodness of fit index) value is 0.992, AGFI (Adjusted Goodness of fit index) value is 0.976 and CFI (Confirmatory fit index) value is 0.994 which are greater than the recommended value of 0.90, indicating good fit. The calculated Tucker-Lewis index value is 0.989 and Incremental Fit Index is 0.994 which are greater than the recommended value of 0.95 indicating perfect fit. Also, it is found that RMSEA (Root Mean Square Error of Approximation) value is 0.052, which is less than 0.08, indicating perfect fit.

The next measurement model is developed for the factor, 'Brand Trust' which consists of five items or indicators which are sufficiently identified as shown below in Table 6

**Table 5 - Fit Indices for Brand Trust**

Fit Index	Recommended Value	Value
Chi-Square value	< 3	2.931
P value	>0.05	0.119
GFI	>0.983	0.992
AGFI	>0.966	0.976
CFI	>0.90	0.994
TLI	>0.95	0.989



IFI	>0.95	0.994
RMSEA	< 0.08	0.052

The overall goodness-of-fit of the structural model was evaluated using standard SEM fit indices and presented in Table 6.

**Table 6 - Fit Indices of Overall Model**

Fit Index	Recommended Value	Value
Chi-Square value	< 3	1.819
P value	>0.05	0.248
GFI	>0.983	0.978
AGFI	>0.966	0.968
CFI	>0.90	0.989
TLI	>0.95	0.986
IFI	>0.95	0.989
RMSEA	< 0.08	0.034

From the above Table, it is found that the calculated P value is 0.248 which is greater than 0.05 indicating perfect fit. Here, the fitness statistics show that GFI (Goodness of fit index) value is 0.978, AGFI (Adjusted Goodness of fit index) value is 0.968 and CFI (Confirmatory fit index) value is 0.989 which is greater than the recommended value of 0.90, indicating good fit. The calculated Tucker-Lewis index value is 0.986 and Incremental Fit Index is 0.989 which is greater than the recommended value of 0.95 indicating perfect fit. Also, it is found that RMSEA (Root Mean Square Error of Approximation) value is 0.034 which is less than 0.08, indicating perfect fit.

### Hypothesis Testing (Path Analysis)

The structural paths were analyzed to test the hypothesized relationships among constructs.

**Table 7 - Path Analysis**

Hypothesis	Hypothesis Path	Std B	T Value	P value	Result
H1	Interactivity → Engagement and Brand Trust	0.38	6.20	0.000	Supported
H2	Immersion → Engagement and Brand Trust	0.27	4.89	0.000	Supported
H3	Personalization → Engagement and Brand Trust	0.24	3.76	0.001	Supported
H4	Engagement → Purchase Intention	0.46	7.24	0.000	Supported
H5	Brand Trust → Purchase Intention	0.32	5.11	0.000	Supported

Hypothesis 1: Factors of Interactivity have a significant influence on Customer Engagement and Brand Trust as perceived by the respondents.

Hypothesis 2: Factors of Immersion have a significant influence on Customer Engagement and Brand Trust as perceived by the respondents.

Hypothesis 3: Factors of Personalisation have a significant influence on Customer Engagement and Brand Trust as perceived by the respondents.

Hypothesis 4: Factors of Customer Engagement have a significant influence on purchase intention of the consumers.



Hypothesis 5: Factors of Brand Trust have a significant influence on purchase intention of the consumers.

From the results presented in Table 7, it is inferred that all the hypotheses are supported with p-value at one per cent level of significance. This clearly shows that there is a positive relationship between Interactivity, Immersion and Personalisation with Consumer Engagement & Brand Trust.

The results show that consumer engagement is strongly and statistically significantly impacted by interactivity. According to the positive route coefficient, consumers are more engaged when they are given the opportunity to actively participate in virtual environments, such as interacting with items, navigating virtual places, or interacting with brand representatives. Users are encouraged to spend more time with businesses in the metaverse as a result of this enhanced engagement, which displays a sense of control and satisfaction. The outcome highlights how important interactive elements are to keeping customers' interest and creating memorable brand experiences.

Immersion was also found to significantly influence consumer engagement, although its effect was comparatively moderate. This indicates that realistic visuals, spatial audio, and a strong sense of presence contribute positively to how consumers emotionally connect with virtual brand experiences. When users feel immersed, they perceive the experience as more authentic and enjoyable, which enhances engagement. However, immersion alone is not sufficient; it must be supported by interactive and socially engaging elements to maximize its impact.

The results further reveal that personalization significantly enhances customer engagement. Customized avatars, personalized product recommendations, and tailored virtual environments make consumers feel recognized and valued by brands. This sense of individual attention strengthens trust, as consumers perceive brands as more responsive and customer-oriented. The positive relationship between personalization and brand trust suggests that data-driven customization is a crucial factor in building long-term relationships within the metaverse.

The results also demonstrate that consumer engagement has a significant positive effect on purchase intention. Engaged consumers are more likely to develop favorable attitudes toward brands and exhibit a greater willingness to purchase virtual or physical products promoted in the metaverse. This finding highlights engagement as a key mediating variable that connects metaverse marketing elements with actual consumer behavior.

In addition, brand trust was found to significantly influence purchase intention. Consumers who trust brands operating in the metaverse are more confident in making purchase decisions, particularly in virtual environments where perceived risk may be higher. Trust reduces uncertainty related to virtual transactions and strengthens consumers' willingness to invest in branded offerings.

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## **5. CONCLUSION**

Metaverse marketing elements significantly impact consumer behavior. Brands must focus on interactive and socially engaging strategies. This study examined the impact of metaverse marketing elements on consumer behavior by focusing on interactivity, immersion, and personalization. The findings revealed that these elements significantly influence consumer engagement, brand trust, and purchase intention.. The structural equation modeling results confirmed that engagement and trust act as critical factors between metaverse marketing elements and consumer purchase intention. The model demonstrated a good overall fit, validating the proposed conceptual framework. The study contributes to the growing literature on immersive marketing by providing empirical evidence from metaverse contexts. Managerial implications emphasize the need for interactive, socially rich, and personalized virtual experiences.



Overall, the study confirms that effective metaverse marketing strategies can positively shape consumer attitudes and behaviors in virtual environments.

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