

# The Effectiveness of Meta-Universe on Beauty Brands

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**Abstract.** Famous worldwide corporations have used the meta-universe marketing technique in recent years: Givenchy built a virtual beauty salon, Givenchy Beauty House, and Mac linked virtual idols. AYAYI, Estee Lauder launched the world's most famous paintings of digital collections, L'Oreal created Reds of Worth Non-Fungible Token (NFT) art, and so on, leading to the research question: how does the meta-universe empower beauty businesses to achieve greater marketing and sales? The study concluded that: First, the quality of the consumer environment is strongly tied to sales via the employment of Virtual Reality (VR) and Augmented Reality (AR) technologies to enhance the realism of the consumer environment in the meta-universe scene. Second, as the meta-universe community is built to suit customers' social requirements, social demands are becoming increasingly prominent in consumer demand. Third, the added value of the brand is to increase market competitiveness through the integration of IP and NFT promotions to increase the added value of the brand. The main contribution of this article is to propose new ideas for beauty brands to boost brand creation and consumption using meta-universe marketing.

**Keywords:** Marketing, Beauty, Meta-Universe, Branding, Consumption.

## 1. Introduction

In 2021, also known as the "Year of the Metaverse," social networking giant Facebook announced a name change to Meta. The concept of meta-universes is once again being widely debated, and the industry's involvement in them is heating up. The "meta-universe" is a fashionable issue, and the beauty industry is no exception. As a result of this trend, big brands have entered the "meta-universe" to capitalize on the chance for growth. Such as Estee Lauder launching the world's famous paintings digital collection, L'Oreal creating Reds of Worth NFT art, Mac linking virtual idol AYAYI, Givenchy opening a virtual space beauty salon, Givenchy Beauty House, and so on. All of the above tactics have produced excellent marketing outcomes, as proven by the rise of meta-universe-powered beauty marketing.

The metaverse was first imagined as a parallel universe to the real world in Neal Stephenson's science fiction novel *Snow Crash*, allowing people to engage with their avatars in natural ways such as socializing, shopping, and so on [1]. The metaverse has evolved conceptually over time, from "literary cyber-imagination" to "video game interaction" to "digital living space" to "immersive, border-eliminating, integrated, and symbiotic virtual reality" [2]. It is a comprehensive new technology built on blockchain, the Internet, NFT, and digital twin technology that employs technological equipment to connect with the user and enable "real" interaction in virtual reality [3]. NFT, also called non-homogenized tokens, is a blockchain-based system that allows for the creation of authenticated, unique, and tamper-proof crypto-artistic digital financial products that may be freely distributed and sold on the public chain [4]. The digital collection is a localized product of NFT China, which is a digital cultural and creative product made using NFT technology for personal collecting and limited gratuitous transfer only, with secondary trade prohibited [5].

Wang et al. discussion of metaverse concerns [6]. Hua and colleagues focus on metaverse research and the new paradigm of teaching and learning in the field of education in the research issue of modern remote education [7]. There are additional studies in a variety of sectors, such as gaming, sports, and so on. However, the significance of meta-universe building in the marketing of beauty brands has been overlooked to some extent, and the topic of meta-universe application in the field of beauty has not yet been properly examined. There is also a knowledge gap. Many enterprises' attempts in the meta-universe consumption mode lack theoretical guidance and are still in the exploratory

phase, so there is an urgent need for more comprehensive and systematic theoretical models and analytical suggestions to provide ideas for their future development [8].

To fill a gap in meta-universe research in the field of beauty, this study explores meta-universe marketing in the field of beauty and raises the related research question: What applications of the meta-universe can enhance brand awareness and the loyalty of the consumer body to the brand? To fully understand the new operation mode and innovation path of meta-universe-empowering beauty brands. To provide reference and inspiration to beauty brands that want to enter the metaverse market in the future and realize benign development.

## 2. Case Study

As the meta-universe fervor continues to climb, leading beauty companies have begun to enable marketing strategies that integrate with the meta-universe, but because the large-scale construction of meta-universe worlds has yet to be realized, the current meta-universe marketing practices of beauty brands primarily utilize elements of the virtual world:

As a pioneer in utilizing NFT's digital collection for marketing and publicity, on August 25, Estée Lauder Group's T-mall Super Brand Week launched the "The Beauty of Yuan Creation" digital collection of famous paintings, which recreates the images of six classic female characters in classical art. L'Oréal Group followed suit by launching its lipstick-based NFT project in December 2021, commissioning five female artists to create NFT art in the new L'Oréal Red collection of lipsticks, Reds of Worth NFT. Their NFTs are up for auction from December 13 to 15, 2021, on the Open Sea platform. The minimum starting bid for each NFT is \$1,500.

The meta-universe also continued to heat up in 2022. On February 21, 2022, M-A-C Charming launched Tmall Super Brand Day, announcing the endorsement of the phenomenal virtual character AYAYI. During the period from February 17 to February 22, M-A-C Meeko T-mall Super Brand Day officially opened the light fantasy future space station in the center of Magic City. There were also a hundred KOLs inspired by the meta-universe signal issued by M-A-C, cosplaying AYAYI's exclusive "meta-universe light fantasy makeup", assembling and launching a grand parade on the spot, attracting passersby to stop and watch, and becoming a major visual point of an explosion on the spot.

Givenchy, one of the world's leading beauty brands, also utilized the meta-universe elements of virtual space to launch an immersive beauty experience for the first time on the meta-universe gaming platform Roblox on June 13, opening the Givenchy Beauty House, a virtual beauty salon. The virtual world combines Givenchy's brand story and brand values. The virtual world incorporates Givenchy's brand story and values, allowing users to create their own virtual image with virtual fashion items and participate in fashion competitions. In the end, more than 12,000 people collected the works, and more than 1.4 million visits were made to the works, which brought huge brand traffic.

## 3. Analysis of Problems

### 3.1. Reasons on Immersive Experiments

Immersive encounters in the meta-universe can provide a sense of authenticity in the consumption environment and improve consumption quality. As a result, Givenchy takes full advantage of the meta-universe's immersive real qualities for the first time on the meta-universe game platform Roblox to introduce an immersive beauty experience space, the Givenchy Beauty House. The final work received over 12,000 favorites and over 1.4 million visits, resulting in significant brand traffic. Not only is this a fact, but studies have shown that consumers value an immersive consumer experience.

On the topic of meta-universe immersive technologies, Kovacova et al. draw on a wide range of theoretical and empirical analyses through data visualization to demonstrate that immersive environments and machine vision algorithms can increase customer numbers and customer stickiness to create brand awareness online [8]. In the subject of game consumption, Rao and Zhou draw on the model of technological acceptance and utilize questionnaire research to argue that games satisfy

human aesthetic needs by rendering multi-sensory environments so that players can be immersed in them, resonate with the game and imagine it, and get full physical and mental pleasure [9].

### **3.2. Reasons on Interaction**

The meta-universe has important social characteristics and can construct social communication settings to suit the social demands of consumers and promote purchases. As a result, MAC capitalized on the meta-universe's strong social features and created T-mall Super Brand Day on February 21. MAC announced a collaboration with the spectacular virtual character AYAYI to embark on a voyage into the beauty realm, allowing the public to witness the collision of the virtual and real worlds through real-world "light" and "translucent" makeup effects. The event drew public and fashion media attention, infiltrating several circles and becoming a hot site and topic of discussion around the city.

In the psychology of needs, McLeod, S., expands the analysis based on Maslow's five-stage theory of the primitive hierarchy of needs, where the need for love and belonging grows as the hierarchy of needs rises; belonging refers to the human emotional need for interpersonal relationships, a sense of belonging, connectedness, and to be part of a group [10].

In conclusion, it is feasible for other beauty businesses to establish a meta-universe social space station that facilitates tailored engagement between consumers and brands, as well as fostering social connections and enhancing emotional satisfaction. There exists a positive correlation between the frequency of customer-brand communication and the strength of their relationship. As this relationship strengthens, consumer loyalty towards the brand increases, thereby leading to a higher propensity to purchase the brand's products.

### **3.3. Reasons on Value Added**

Metaverse has the characteristics of open creation (economic system stability) and can utilize the scarcity of NFT digital collections to promote the value of the brand. L'Oréal Group then took advantage of the meta-universe's open-ended creation and the stability of the economic system by launching the NFT project in December 2021, using lipstick as an entry point, and commissioning five female artists to create NFT art in the new L'Oréal Red range of lipsticks, Reds of Worth NFT. Their NFTs are up for auction on December 13–15, 2021, on the Open Sea platform. The minimum starting bid for each NFT is \$1,500.

Not only is this a fact, but research also confirms that consumers are drawn to branded products with added value. Although digital art objects can be replicated, NFT ensures that each copy belongs only to the purchaser and cannot be exchanged for another, increasing the attraction of digital art to art lovers, collectors, and even investors [12]. Chen et al. extended tests from the scarcity-expensive-demand model to show that product scarcity increases perceived uniqueness for consumers and drives them to buy [13]. Both international businesses take advantage of the scarcity of NFT digital collectibles by collaborating with influential artists and designers to create one-of-a-kind NFT digital collectibles that are only available in limited quantities. Holders of specific NFTs can get special rights, perks, or rewards, such as virtual commodities, virtual assets, and priority access to brand activities, in order to increase the added value and attractiveness of the items and boost consumers' desire to purchase them.

## **4. Suggestions**

### **4.1. Suggestion on Utilization of AR and VR Technology**

AR and VR technologies can link the real world with the virtual world of meta-universe games, thus creating an augmented reality interaction [14]. Beauty brands can use this to build a more realistic consumer environment.

VR technology creates a completely virtual environment that allows players to immerse themselves immersivity in the virtual world. Players wearing VR helmets can feel the environmental scene in a 360-degree surround and interact with the virtual world. By clicking on the virtual goods,

in addition to a detailed description of the goods, users can also manually drag the size of the product and 360° view the details of the material of the goods.

AR technology allows virtual elements to be superimposed on the real world, and through devices such as cell phones and AR glasses, players can experience the virtual world in a real environment. This technology allows for the integration of virtual elements into the player's daily life. For instance, Snap's AR shopping mall enables users to make more effective purchasing decisions, and after scanning a room with a lens, you can drag and drop furniture into a virtual room that the software has modeled to see if the piece of furniture fits your decorating style. Users can also try on clothes or makeup through AR to determine how well a piece of clothing or beauty product shows up.

The use of VR technology in meta-universe games enables the simulation of various environments, such as virtual cities, futuristic planets, and fantasy realms. By generating immersive environments, VR technology can enhance the emotional experience of the gamer. VR and AR technologies can provide a platform for virtual creation and interaction, such as constructing virtual places, characters, objects, and so on, allowing players to experience the joy of creation in the virtual world.

Beauty brands can learn from the above brands and use VR/AR technology to enhance the quality of the consumption environment and realize immersive and realistic interactions, thus enriching the virtual consumption experience and increasing brand sales.

#### **4.2. Suggestions on Building Branded Meta-universe**

At this point, various digital community platforms have gone live both at home and overseas. In the meta-universe, a virtual place is created, which can be a virtual city, community, shopping center, and so on. Users can freely explore, socialize, communicate, and participate in activities in this virtual area. The community has rich social features that allow users to add friends, send messages to each other, plan parties, participate in conversations, and so on, as well as form social groups, forums, activities, and so on to boost user communication. Allows users to customize their avatars, places, and other aspects so that they feel unique and distinct. This can include personalizing characters, homes, virtual items, and so on. Create a variety of virtual events, challenges, and contests to stimulate user participation. Brand-related activities include brand promotions, sweepstakes, virtual goods purchases, and so on. Create incentives for engaged users to receive virtual awards, privileges, or offers. This can encourage people to return to the community and contribute more regularly. Incorporate brand components such as a virtual store, branded event spaces, branded displays, and so on into the virtual community. Make sure, however, that the brand blends in seamlessly and does not interfere with the user's experience. The Metaverse Digital Community should be kept alive, with new activities, services, and information added on a regular basis to keep users engaged. Encourage people to participate in the community's development, solicit input, and make adjustments and optimizations depending on user demands.

Building a vibrant, experience-rich digital community platform for the brand's meta-universe can effectively enhance consumer stickiness and build deeper emotions and connections between consumers and the brand.

#### **4.3. Increase The Added Value.**

Nowadays, most products are becoming increasingly homogenized, and creating subjective added value for brands is the key to breaking the dilemma [15]. NFT is based on the fact that scarcity of supply affects perceived exclusivity, which helps consumers satisfy their demand for uniqueness [16]. A well-known IP will attract a lot of traffic and fan attention. For example, in 2022, Binance announced an exclusive multi-year NFT licensing deal with soccer superstar Cairo to link up with the star's Ips. As part of the partnership, Crowe will release a series of NFT collectibles on the Binance platform. By signing the partnership, Binance will launch a global marketing campaign designed to introduce Web 3 to Crowe's hundreds of millions of fans and use it as an opportunity to draw fans into the world of NFT.

On November 18th, Crowe's first NFT with Binance was officially launched, containing seven animated statues divided into four rarity levels: SSR, SR, R, and N. The design of the statue depicts many iconic moments in Crowe's career. Blockchain and Web3 elements also add a touch of uniqueness to the 2022 FIFA World Cup in Qatar compared to previous editions. Not only did Crypto.com Exchange become an official sponsor, but FIFA also launched the official NFT platform FIFA + Collect and four blockchain-based soccer games, which attracted the attention of a large number of fans, greatly increasing brand traffic and promoting consumer spending.

To sum up, beauty brands can follow this "NFT+IP" marketing promotion form, using NFT in line with the brand's positioning to cultivate an emotional connection with consumers and IP linkage activities to publicize its added value to stimulate consumer desire and induce consumers to make purchases to realize promotions.

## 5. Conclusion

In this paper, the concept of the meta-universe gradually enters the public's field of vision. Major brands have entered the meta-universe in the background for beauty brands to carry out research on consumer and marketing strategies to explore the meta-universe-enabled beauty brand marketing strategy.

This article aims to address the existing research gap in the field of beauty brands pertaining to the meta-universe. It also seeks to contribute to the expansion of new concepts in digital marketing research within the meta-universe. Simultaneously, this article offers references for prominent beauty businesses to develop practical marketing tactics, enhance their brand value and loyalty establishment, and facilitate sales promotion within the meta-universe framework.

However, there are some limitations to this article. As the marketing field changes frequently and the meta-universe technology is constantly updated and iterative, the study may only represent the situation at a certain point in time. The long-term sustainability of the results may require more research to validate them. In future research, changes in market trends and consumer behavior will be tracked through long-term studies with careful research design, data collection, and analysis methods to minimize that impact.

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