

4 ways to managing privacy and risk when marketing in the metaverse

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Despite the numerous benefits and exciting new developments presented by the metaverse, "it could be the most dangerous tool of persuasion humanity has ever created".



Source: Bankless [Bankless](#) Semona Pillay of WJ gives four ways to managing privacy and risk in the metaverse

This is according to Dr Louis B. Rosenberg, a computer scientist and the current CEO of Unanimous AI.

The metaverse is a collective virtual shared space that is created by the convergence of physical and virtual reality and it is becoming an increasingly popular platform for businesses to market their products and services.

Although novel and exciting, metaverse marketing poses inherent risks that might involve extreme violations of privacy that consumers are not even aware of.

Metaverse marketing advantages

In the metaverse people can create, own, and trade virtual assets as well as communicate with others in real time through avatars. The advantages of marketing in the metaverse are numerous, such as the ability to reach a global audience and allow businesses to collect valuable data on user behaviour to improve marketing strategies and to create more targeted and effective campaigns.

It is more cost effective than traditional marketing methods, as it requires less investment in physical infrastructure and advertising. Through metaverse marketing, business can increase brand awareness and loyalty which appeal mainly to Generation Z consumers.

Generation Z and the metaverse

Generation Z are highly comfortable with technology and are early adopters of new trends and platforms, thus, they are a key demographic for businesses that are looking to market in the metaverse.

One of the ways that businesses can appeal to Generation Z in the metaverse is by creating immersive and interactive experiences that allow them to engage with products and services in a more personalised way. These could include virtual events, games, and simulations that allow users to experience products and services in ways that are not possible and connect with others in a meaningful way.

For example, Nando's virtual version of one of its restaurants allows users to order virtual meals and interact with other users in a virtual environment.

Another example is Mr Price, which launched nine 'one of a kind' non-fungible tokens (NFT using blockchain technology) to offer customers collectable virtual goods that generate brand engagement, unlock new experiences, foster a community, and add revenue to the bottom line).

Most dangerous tool

But, Rosenberg says metaverse marketing platforms go beyond simply tracking where users click: they also monitor where users go, who they are with, and what they look at.

These platforms measure pupil dilation, track and monitor posture, and determine facial expressions – all of which goes beyond the 'average' risk and privacy concerns that many South African consumers face while interacting online.

To add to this, cyber security is a major concern for consumers, as South Africa is ranked in the top five countries with the highest cyber-crime rates in the world. How, then, do South African marketers manage the privacy and risk concerns related to metaverse marketing?

4 ways to managing privacy and risk in the metaverse

Some recommendations and strategies for managing privacy and risk concerns in metaverse marketing:

1. Build a digital community to protect your brand by requiring unique skins or pairing accounts with an NFT to prevent identity fraud and make it difficult for cybercriminals to duplicate identities in the metaverse.
2. Use AI cybersecurity to alert users to abuse, misconduct, and other negative behaviours, and expelling members of the metaverse who do not comply.
3. Provide users with a security and privacy policy that outlines user data and access to personal information, describes user rights regarding communication in the virtual and physical worlds, and includes rules about the ownership of virtual digital goods, avatar skins, and NFTs (to name a few) through blockchain, which tracks and monitors content ownership.
4. Include policies that govern 'immersive rights', which include the right to experiential authenticity, meaning that

consumers are able to distinguish promotional experiences by sponsors from authentic experiences. Immersive rights might also include the right to emotional privacy. Given that consumers are monitored and tracked regularly, informed consent should be required before using emotional analysis for promotional purposes.

Businesses that adopt metaverse marketing strategies and invest in the necessary technologies and infrastructure are likely to be the ones that succeed in this new era of marketing.

By conducting a risk assessment and devising ways to manage risks and privacy concerns in the metaverse, marketers could successfully employ metaverse strategies to increase engagement, loyalty, and promotional opportunities among Generation Z consumers.

(References available on request.)

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