METAVERSE-BASED DIGITAL BUSINESS STRATEGY: ENTREPRENEUR AND CONSUMER PERSPECTIVES IN THE FASHION INDUSTRY

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Abstract

This study aims to explore how entrepreneurs and consumers in the fashion industry utilize and respond to the development of the metaverse as a digital business platform. The metaverse, as a virtual space that enables digital interactions in various forms, opens up new opportunities for entrepreneurs to expand their markets, create innovative consumer experiences, and present exclusive digital fashion products. On the other hand, consumers gain easier and more interactive access to fashion products, including the ability to try products virtually and gain access to exclusive items. This study uses qualitative methods with in-depth interviews and case study analysis to explore the perspectives of entrepreneurs and consumers. The results show that despite challenges related to technological infrastructure and consumer adoption, the metaverse is able to provide significant added value for both parties, both in terms of marketing, sales, and shopping experiences. Thus, the metaverse has the potential to become a key channel in the development of digital business strategies in the fashion industry, leading to a faster and more inclusive transformation in the global fashion ecosystem.

***Keywords:** Metaverse, Fashion Industry, Digital Business Strategy, Entrepreneurs, Consumers, Shopping Experience, Digital Marketing, Technological Innovation, NFT, Digital Fashion.*

INTRODUCTION

Digital transformation has changed the way businesses operate in various sectors, including the fashion industry. The development of technologies, such as augmented reality (AR), virtual reality (VR), and metaverse, opens up new opportunities for entrepreneurs to create immersive interactive experiences for consumers. Metaverse, as a digital space that integrates the virtual world with real-world elements, is now one of the main trends in digital business strategy. The fashion industry, as one of the dynamic creative industries, faces the challenge of staying relevant in the digital era. The shift in consumer behavior that increasingly prioritizes virtual experiences and digital interactions has encouraged fashion brands to explore their presence in the metaverse. Not only as a marketing platform, but also as a space to design, produce, and sell their products.

For entrepreneurs, adopting a metaverse-based strategy offers an opportunity to increase brand engagement, expand market share, and create added value through personalized and unique experiences for consumers. However, the adoption of this technology also poses challenges, such as the need for large investments, understanding consumer behavior in the digital world, and increasingly fierce competition. On the other hand, consumers are experiencing a change in the way they interact with fashion brands. From traditional shopping experiences to exploring collections through digital avatars in the virtual world. Consumers are increasingly looking for immersive experiences, personalization, and access to exclusive products that are only available on digital platforms such as the metaverse. This phenomenon raises important questions about how entrepreneurs in the fashion industry can utilize the metaverse to create effective digital business strategies and how consumers respond to this new experience. This study is important to understand the perspectives of both parties, namely entrepreneurs and consumers, in adopting and adapting to the opportunities offered by the metaverse. On the one hand, fashion entrepreneurs are starting to utilize the metaverse to expand market share, increase consumer engagement, and present unique experiences through technologies such as virtual try-on or exclusive collections based on NFT (Non-Fungible Token). In the metaverse, brands can open virtual showrooms, hold digital fashion shows, or even create fashion products that only exist in the virtual world. This

strategy not only helps brands stay relevant in the digital era but also provides a competitive advantage in an increasingly global market. However, implementing a metaverse-based strategy is not without challenges. Large technological investments, the need for new digital skills, and data security risks are major obstacles for entrepreneurs. In addition, understanding consumer behavior in virtual spaces is key to success, considering that consumer preferences and expectations in the metaverse differ from traditional shopping experiences. On the consumer side, the adoption of the metaverse offers a new way to interact with fashion brands. Consumers can now try on clothes through digital avatars, attend virtual product launches, or own exclusive fashion items in digital form. However, not all consumers understand or are comfortable with this technology. The level of metaverse adoption by consumers depends on factors such as technological accessibility, trust in digital platforms, and the added value provided by virtual experiences.

With the emergence of the metaverse as a major trend in the digital business world, it is important to understand how fashion entrepreneurs are leveraging this opportunity and how consumers are responding to the change. This study will explore the strategies used by entrepreneurs in adopting the metaverse as well as consumer perspectives on the experiences offered, with the aim of providing in-depth insights to support the development of the fashion industry in the digital era. This phenomenon is driven by several main factors. First, the shift in consumer behavior towards a more personalized and interactive digital shopping experience. Consumers are now more interested in virtual experiences that allow them to try on clothes digitally through avatars before making a purchase. Second, the competitive pressure for entrepreneurs to stay relevant amidst technological changes, forcing them to adopt innovations such as the metaverse as part of their digital business strategy. However, behind the great potential offered by the metaverse, entrepreneurs in the fashion industry face various challenges. The investment costs to develop this technology are very high, ranging from creating a digital platform to training a workforce capable of operating the technology. In addition, not all entrepreneurs have the same access to technological resources, creating a competitive gap between big brands and small or medium businesses.

Another phenomenon that affects entrepreneurs is the level of consumer adoption of the metaverse. Although there is a market segment that is enthusiastic about this technology, many consumers are still skeptical about its benefits, especially due to issues of data security, privacy, and a lack of understanding of how metaverse platforms work. This poses a challenge for entrepreneurs to create strategies that are not only innovative but also able to build trust and increase consumer digital literacy. Furthermore, integrating the metaverse into a business strategy requires a new approach in marketing, production, and distribution. Entrepreneurs are required to think creatively in creating added value that can attract consumers, both in the real and virtual worlds. Thus, this phenomenon raises an urgent need to explore how entrepreneurs can overcome obstacles and take advantage of existing opportunities to support their business growth in the digital era. Advances in digital technology, especially with the emergence of the metaverse, have brought about major changes in the way consumers interact with the fashion industry. The metaverse, which combines elements of virtual reality and augmented reality, allows consumers to experience a more immersive, personal, and interactive shopping experience. This phenomenon is increasingly relevant along with the increasing consumer interest in digital technology and exploration of identity in the virtual world. One striking phenomenon is the shift in consumer preferences towards digital-based shopping experiences. Consumers can now virtually try on clothes using avatars, attend fashion shows in the digital world, and even purchase exclusive products in the form of Non-Fungible Tokens (NFTs). This not only offers convenience, but also gives consumers access to a global collection without geographical boundaries.

However, consumer adoption of the metaverse has not been without challenges. The adoption rate of this technology varies, depending on factors such as age, digital literacy level, access to supporting devices, and the perceived value offered by the metaverse experience. For some consumers, metaverse technology is still considered too complex or not relevant to their needs. In addition, concerns about the security of personal data and privacy in the digital space are major barriers for consumers to fully utilize these platforms. Another phenomenon that has

Khairun Nisa1, Royanti Lusiana Lumbangaol2, Nidya Banuari3, Debora Tambunan4

attracted attention is the role of exclusivity in attracting consumers to the metaverse. Many fashion brands offer unique digital products that can only be accessed in the virtual world. This creates a new dynamic in consumer behavior, where virtual status and identity become an important part of the purchasing decision. However, not all consumers see real value in these digital products, making it a challenge for brands to communicate the benefits and relevance of their products in an effective way. In addition, there is a segment of consumers who still prefer traditional shopping experiences over digital platforms. This shows a gap between brand expectations and the reality of consumer behavior, which needs to be bridged through an inclusive approach to education and innovation. With the increasing integration of the metaverse into fashion business strategies, this phenomenon creates a need to better understand how consumers are responding to this shift, what barriers they face, and how brands can create relevant and engaging experiences for their audiences in the virtual world.

LITERATURE REVIEW

Digital Business Strategy Concept

According to Kotler and Keller (2022), a digital business strategy is a series of plans and actions designed to achieve competitive advantage by leveraging digital technology as the core of business operations. In the context of the metaverse, this strategy includes product innovation, personalized consumer experiences, and the integration of technologies such as augmented reality (AR) and virtual reality (VR).

Definition and Concept of Metaverse

Metaverse, according to Lee et al. (2022), is a virtual space created through the integration of AR, VR, and blockchain technologies, where users can interact, transact, and create in a digital environment that approaches reality. Gartner (2022) predicts that by 2026, 25% of the global population will spend at least one hour per day in the metaverse to work, study, shop, or socialize.

Fashion Industry in the Digital Age

According to Okonkwo (2022), the fashion industry has undergone major changes due to digitalization, where leading brands are leveraging technology to create more inclusive and interactive experiences for consumers. The use of metaverse in the fashion industry allows brands to sell digital products such as NFT clothing, host virtual fashion shows, and strengthen brand identity through unique experiences.

Entrepreneurs' Perspective on Metaverse Adoption

Davis et al. (2022) stated that the adoption of metaverse by entrepreneurs is driven by the need to create competitive differentiation, expand markets, and increase consumer engagement. However, entrepreneurs also face challenges such as high costs, technological knowledge gaps, and resistance to organizational change.

Consumer Perspectives in the Metaverse

According to Schmitt (2022), consumers are looking for more immersive, interactive, and personalized shopping experiences in the metaverse. However, the adoption of this technology depends on factors such as digital literacy, trust in data security, and perception of the value of digital products.

Business Strategy Development Model in the Metaverse

Digital Ecosystem ModelAccording to Porter and Heppelmann (2022), entrepreneurs need to build a digital ecosystem that includes collaboration with technology platforms, digital designers, and user communities to create added value in the metaverse. Customer Experience JourneyPine and Gilmore (2022) emphasize the importance of designing unique consumer journeys in the metaverse to increase brand loyalty.

METHOD

This study uses a qualitative approach to deeply understand the perspectives of entrepreneurs and consumers in metaverse-based digital business strategies in the fashion industry. A qualitative approach was chosen because it allows researchers to dig deeper into the experiences, views, and challenges faced by both parties regarding metaverse adoption. According to Creswell (2022), qualitative research aims to understand social phenomena in the context of everyday life and provide deeper understanding through narrative and descriptive data interpretation. This approach is very suitable for exploring new phenomena such as the use of metaverse in the fashion industry, where new theories and understandings are developing.

This study uses a case study as a type of qualitative research. Case studies allow researchers to investigate a phenomenon in a complex and dynamic real-life context (Yin, 2022). In this case, the case study will focus on entrepreneurs and consumers in the fashion industry who are involved in the development and shopping experience in the metaverse.

Data Collection Techniques in this study were collected through two main techniques: in-depth interviews and participant observation. According to Patton (2022), in-depth interviews are a technique that allows researchers to explore individual views and experiences in more depth. Researchers will interview entrepreneurs and consumers in the fashion industry who actively use the metaverse platform. These interviews are semi-structured, allowing flexibility in exploring information related to their experiences, perceptions, and challenges in adopting this technology. Participant observation was conducted to obtain data on consumer behavior in the virtual world and how entrepreneurs manage their activities in the metaverse. This observation allows researchers to directly observe how interactions occur in the metaverse platform and provides additional insights into the data obtained from the interviews (Berg, 2022).

After data collection, analysis was carried out using thematic analysis. According to Braun and Clarke (2022), thematic analysis is a method that allows researchers to identify, analyze, and report patterns that emerge from data. The first step is to transcribe interview data and observation notes, then the data will be grouped into relevant themes, such as business strategy, consumer acceptance, challenges of technology adoption, and perceptions of the metaverse in the context of the fashion industry.

To ensure the validity and reliability of the data, this study will use data triangulation techniques, namely comparing data obtained through interviews, observations, and relevant literature. This triangulation aims to ensure that the research findings are reliable and describe a broader phenomenon (Flick, 2022).

The population of this study is entrepreneurs and consumers in the fashion industry who are involved in the use of metaverse. The sample will be selected purposively, namely entrepreneurs who have digital fashion businesses or who operate on metaverse platforms, and consumers who actively shop or interact in metaverses related to fashion products. Sample selection is carried out by considering characteristics that are relevant to the purpose of the study. This study will adhere to strict ethical principles, including obtaining explicit consent from respondents, maintaining the confidentiality of personal data, and ensuring that participation in the study is voluntary. Before the interview, each participant will be given full information about the purpose of the study and their right to withdraw at any time without consequence.

RESULTS AND DISCUSSION

How entrepreneurs in the fashion industry are leveraging the metaverse to develop digital business strategies

The metaverse, a virtual space that combines elements of technology such as augmented reality (AR), virtual reality (VR), and blockchain, has opened up significant new opportunities for entrepreneurs in the fashion industry. In recent years, more and more entrepreneurs have begun exploring the potential of the metaverse as part of their digital business strategy. Leveraging the metaverse allows them to create more interactive and immersive experiences for consumers, and to open up new markets that were previously unreachable by traditional businesses. One of the main ways that entrepreneurs in the fashion industry are leveraging the metaverse is by building a digital

Khairun Nisa1, Royanti Lusiana Lumbangaol2, Nidya Banuari3, Debora Tambunan4

presence that can connect them directly with consumers in the virtual space. Global fashion brands such as Gucci, Balenciaga, and Nike have opened virtual stores on various metaverse platforms such as Decentraland, Roblox, and The Sandbox. In these stores, entrepreneurs can not only showcase their clothing collections in interactive 3D forms, but also allow consumers to purchase digital products that only exist in the virtual world. For entrepreneurs, opening a virtual store in the metaverse offers several benefits, including reducing physical operating costs such as rent and staff. In addition, virtual stores allow them to reach a global audience without geographical boundaries, which provides greater opportunities for expansion. Big fashion brands can host virtual product launches and fashion shows that are accessible to anyone, anywhere, without having to organize expensive and limited physical events.

The metaverse offers entrepreneurs the opportunity to create more immersive and immersive brand experiences for consumers. Entrepreneurs in the fashion industry are increasingly using AR and VR technologies to enhance the customer experience, allowing them to virtually try on clothes using their avatars. This virtual try-on technology provides consumers with a more immersive shopping experience and reduces the uncertainty of buying fashion products online. Additionally, many fashion entrepreneurs are leveraging the metaverse to host virtual product launches and fashion shows. These events, which were previously limited to a select group of people, are now accessible to thousands, even millions of people around the world. For example, several brands have launched their exclusive collections on platforms like Roblox, which not only increases brand visibility but also creates a more direct interaction with young consumers who are accustomed to the digital world. Marketing strategies in the metaverse also involve elements of gamification and collaboration with game developers or digital influencers to increase audience appeal and engagement. Entrepreneurs can create gaming experiences involving their products, giving consumers the opportunity to purchase digital fashion items or even take part in challenges to gain access to exclusive collections. For example, a collection of NFT (Non-Fungible Tokens) clothing or accessories can be offered as virtual goods that can be exchanged or resold by consumers, adding exclusive value to the products offered.

One of the exciting aspects of the metaverse for fashion entrepreneurs is the emergence of digital fashion products that can be purchased and owned in the virtual world. These products can be clothing, accessories, or other items designed specifically for avatars in the metaverse. Several fashion brands have released clothing collections that are only available on certain virtual platforms, which can be purchased using cryptocurrency. NFTs are a key component in this, as they allow entrepreneurs to offer fashion collections in a unique, tradeable digital form. These NFT-based fashion collections provide entrepreneurs with the opportunity to create fashion items that have aesthetic value and exclusivity in the digital world. For example, brands like Prada and Dolce & Gabbana have launched clothing collections available as NFTs, which can be purchased and traded on NFT marketplaces like OpenSea. This not only expands the reach of fashion products, but also creates new revenue opportunities from the sale of these digital products. The metaverse also allows entrepreneurs to leverage new subscription-based business models, where consumers can pay for exclusive access to digital products or special content that is only available in the virtual world. This business model is gaining popularity because it offers convenience for consumers who do not have to buy physical products but can have fashion items in digital form that can be worn by their avatars on virtual platforms.

In order to maximize the potential of the metaverse, fashion entrepreneurs often collaborate with technology companies and digital platforms to create innovative products that can increase market appeal. Collaborating with metaverse platform developers allows brands to develop special features such as virtual showrooms, limited edition NFT-based collections, and other interactive experiences. One real-world example of this collaboration is the partnership between fashion brands and technology companies that develop AR/VR technology to allow consumers to try on clothes and accessories digitally. Fashion entrepreneurs need to innovate not only in product design but also in how those products are marketed and traded in the metaverse, where virtual experiences and interactivity are key factors in consumers' purchasing decisions. Overall, fashion entrepreneurs are leveraging the metaverse to create new opportunities in marketing, product sales, and consumer

engagement. By opening virtual stores, providing immersive shopping experiences, and offering exclusive NFT-based products, entrepreneurs can expand their market and grow their brands in an increasingly digital world. However, they must also overcome technological and consumer adoption challenges in order to maximize the potential of the metaverse.

What are the challenges entrepreneurs face in implementing metaverse-based strategies?

Although the metaverse offers a variety of opportunities for entrepreneurs in the fashion industry to develop innovative digital business strategies, its implementation is not without a number of challenges. Some of the obstacles that entrepreneurs must face include technological factors, human resources, consumer adoption, and regulatory issues. The following is a further explanation of these challenges:

One of the main challenges in implementing a metaverse-based strategy is the complexity of the technologies involved. To create an optimal experience in a virtual world, entrepreneurs must invest in sophisticated hardware and software. The metaverse involves technologies such as augmented reality (AR), virtual reality (VR), and blockchain, which require expensive and ongoing technological infrastructure development. Entrepreneurs must consider the high cost of developing quality digital content, especially in creating digital fashion products that can be worn by avatars in the virtual world. Designing and rendering fashion products in 3D requires sophisticated technical skills and software, which often requires significant costs to hire creative professionals and skilled technicians. In addition, existing metaverse platforms are still in the development stage and are not fully mature. Each platform has a different ecosystem and protocol, making it difficult for entrepreneurs to choose and integrate the right technology to support their shopping experience. Therefore, entrepreneurs must face uncertainty about the direction of metaverse technology development and the readiness of the infrastructure needed to support it.

The initial investment to build a digital presence in the metaverse can be quite high. The cost of developing a virtual storefront, creating a digital fashion collection, and paying for the servers and systems needed to support AR/VR experiences are often major barriers for entrepreneurs, especially those running small or medium-sized businesses. Operational costs can also increase, as entrepreneurs need to regularly update and maintain digital content, as well as keep up with the latest technology to stay competitive on the metaverse platform. If entrepreneurs cannot clearly measure their return on investment (ROI), this can be a deterrent to implementing a metaverse-based strategy, as the expected return may not be commensurate with the investment made.

Despite the huge potential of the metaverse, consumer adoption remains a major challenge. Many consumers find it difficult or uninterested to participate in virtual shopping experiences. The metaverse, with all its technological complexity, requires familiarity with devices such as VR headsets and specific applications, not all of which are readily accessible to everyone. Furthermore, most consumers do not yet feel the urgency to shop in a virtual world, especially those who are more comfortable shopping in brick-and-mortar stores or traditional e-commerce platforms. While younger generations are more open to the use of the metaverse, there is still a segment of the market that is reluctant to adapt to this new way of shopping. Therefore, entrepreneurs must work hard to raise awareness and educate consumers about the benefits of shopping in the metaverse, as well as how to use the platform. Another challenge related to consumer adoption is the issue of convenience and user experience. Entrepreneurs must create an easily accessible and engaging experience to attract consumers. This includes aspects of the user interface (UI), user experience (UX), and seamless integration between the metaverse platform and social media or other shopping applications.

One of the major concerns consumers face in the digital world, including the metaverse, is data security and privacy. Entrepreneurs must ensure that the personal data they collect during transactions or interactions in the metaverse is properly protected. In some cases, consumers may be uncomfortable sharing personal or financial information on virtual platforms that may be less transparent about their privacy and data protection policies. Additionally, transactions in the metaverse often involve digital currencies or cryptocurrencies, which can pose new risks related to online theft and fraud. Entrepreneurs should work with digital security service providers to ensure

that all transactions are conducted securely and that the protection of consumers' personal data is a top priority. Overall, while the metaverse offers many opportunities for entrepreneurs in the fashion industry, the challenges involved in implementing a metaverse-based strategy are diverse. From technology, cost, and consumer adoption, to security and regulatory issues, entrepreneurs must have a well-thought-out strategy and the flexibility to overcome these obstacles in order to successfully capitalize on the potential of the virtual world.

How do consumers perceive and accept metaverse-based fashion experiences?

As technology advances and digital platforms become more prevalent in everyday life, consumers are beginning to see new potential in the fashion world through the metaverse. However, consumers' perceptions and acceptance of metaverse-based fashion shopping experiences still vary widely, depending on a variety of factors, including demographics, technological knowledge, and comfort with the digital world. Therefore, it is important to explore more deeply how consumers view and accept the concept of fashion in this virtual world.

For many consumers, the metaverse offers an exciting and innovative experience in fashion shopping, especially for those who are already familiar with technology and the digital environment. They see the metaverse as an opportunity to enjoy a more immersive shopping experience, where they can interact with their favorite fashion brands in a more dynamic and interactive virtual space. One element that consumers find appealing is the ability to virtually "try on" products using their avatars. With augmented reality (AR) and virtual reality (VR) technology, consumers can see how certain clothes or accessories will look on their bodies in the digital world, without having to try on the physical product. This experience is considered more convenient and efficient, as consumers can try on a variety of products in a short time without having to visit a physical store or wait long for delivery. Additionally, younger consumers, especially millennials and Gen Z, are particularly attracted to the entertainment and gamification aspects that the metaverse offers. On platforms like Roblox or Decentraland, many consumers feel more connected to brands that offer interactive and creative experiences. They like the idea of collecting digital fashion items that can be used in games or as part of their virtual identity. With the concept of digital fashion such as exclusive and limited NFT (Non-Fungible Tokens) products, consumers feel more value in owning these items, both as a status symbol in the virtual world and as a form of digital investment that can be traded on the NFT market.

On the other hand, many consumers still have negative perceptions towards the fashion shopping experience in the metaverse, especially those who prefer a more traditional and tangible shopping experience. For this group, the idea of buying clothes or accessories that only exist in the digital world can feel strange and pointless. They tend to question the value and usefulness of digital fashion items that cannot be used in the real world. Older consumers or those who are not familiar with the digital world may find it difficult to understand how the metaverse works, making them hesitant to engage in virtual fashion shopping experiences. This factor is compounded by concerns about the security of personal data and online transactions that are more vulnerable to identity theft or digital fraud. In addition, some consumers may not see the metaverse as a space that can provide a shopping experience that is equivalent to a physical store. They feel that direct interaction with physical products, such as feeling the quality of materials and trying on clothes on their bodies, cannot be replaced by a virtual experience. For them, the metaverse shopping experience is considered less personal and cannot provide the same satisfaction as shopping in the real world.

The level of consumer acceptance of metaverse-based fashion experiences is greatly influenced by several key factors, including:

1. Technology Experience and Digital FamiliarityConsumers who are more comfortable with technology and the digital world tend to be more open to metaverse shopping experiences. Millennials and Gen Z, who are already familiar with social media, apps, and video games, are more receptive to metaverse platforms. They see the metaverse as a natural evolution of existing digital trends, such as e-commerce and social media.

2. Education and Understanding of the MetaverseLimited knowledge about how the metaverse works is a significant barrier for many consumers. Those who are less familiar with how to access and interact in the virtual world tend to be skeptical or even afraid to try. Therefore, entrepreneurs need to focus on educating consumers about how to use the metaverse and the benefits of shopping in the virtual world, such as convenience, comfort, and access to exclusive products.

3. Value and Use of Digital ProductsOne of the main factors that influence consumer acceptance is the value and utility of the digital product offered. Fashion products that can only be used in the virtual world, such as clothing for avatars, must have a certain appeal for consumers to be interested in buying. Many consumers will consider whether the product has aesthetic value or exclusivity that can increase their social status in the virtual world. Acceptance of these digital fashion goods is higher if consumers see them as goods that can be traded or as a form of investment.

4. Data Security and PrivacyConcerns about privacy and security of personal data are also important factors in consumer acceptance. Some consumers are concerned about the potential risk of data theft or unsafe transactions on metaverse platforms. Entrepreneurs in the fashion industry need to ensure that their platforms have strong data protection systems and transparency about the use of personal information, so that consumers feel more comfortable shopping on the metaverse.

5. Availability of Interactive and Engaging ExperiencesConsumers are more likely to accept a metaverse shopping experience if the platform they use offers a fun and immersive interactive experience. Experiences that involve elements of gamification, virtual events, or opportunities to interact directly with product designers, digital influencers, or even with other consumers, can increase appeal for many people.

The level of consumer acceptance of metaverse-based fashion experiences will affect how successful the digital business strategies implemented by entrepreneurs in the fashion industry are. If consumers are satisfied with the shopping experience they get in the virtual world, they will be more likely to participate further, purchase digital products, and share their experiences with others, which can expand the reach of the brand organically. Conversely, if consumers feel uncomfortable or uninterested in the fashion experience in the metaverse, entrepreneurs need to re-evaluate their approach and find ways to address these concerns, such as by improving the quality of the user experience or offering more attractive incentives.

What factors influence the successful adoption of the metaverse by entrepreneurs and consumers in the fashion industry?

The successful adoption of metaverse by entrepreneurs and consumers in the fashion industry depends not only on technological sophistication, but also on a series of interrelated factors. These factors can influence how both entrepreneurs and consumers accept and integrate metaverse into their business activities and consumption behaviors. Below are explained the main factors that influence the successful adoption of metaverse in the fashion industry. One of the most important factors in the successful adoption of metaverse is the readiness of the technology and infrastructure that supports the operation of the virtual platform. Entrepreneurs who want to take advantage of metaverse must ensure that they have adequate technological infrastructure, including powerful hardware to support the use of virtual reality (VR) and augmented reality (AR), as well as an effective security system to protect transactions and user data.

In addition, the metaverse platform chosen must have good compatibility with the devices used by consumers, such as PCs, smartphones, or VR headsets. The speed and quality of the internet connection also play a big role in the user experience, as lag or technical disruptions can reduce consumer convenience and satisfaction when shopping. For consumers, access to the technology needed to participate in the virtual world is a key differentiating factor in metaverse adoption. Consumers who do not own VR devices or are unfamiliar with metaverse-based applications may feel constrained in accessing digital shopping experiences. Therefore, entrepreneurs need to provide alternatives or more accessible platforms in order to reach a wider

audience. Fashion entrepreneurs who want to adopt a metaverse-based strategy must have a solid understanding of the technology and its potential benefits. The acceptance of the technology by entrepreneurs largely depends on how much they believe in the future of the metaverse and how they see the potential of virtual worlds in increasing the profitability of their businesses. For entrepreneurs who are more conservative or less experienced in technology, there is a possibility that metaverse adoption will be hampered. They may be more inclined to choose traditional marketing strategies or conventional e-commerce, which are considered safer and have proven to be successful. In contrast, entrepreneurs who are more open to new technologies and have a long-term vision of the digital transformation of the fashion industry will be more inclined to explore and invest in the development of innovative metaverse experiences. Entrepreneurs also need to have skills in managing the creative and technical aspects of creating digital fashion products that are relevant to the metaverse world. Without sufficient understanding, efforts to create virtual fashion collections or manage stores on metaverse platforms can face obstacles.

Consumers' level of understanding of the metaverse and the experiences they can have in the virtual world also greatly influences the success of adoption. Consumers who are more educated or who are already experienced with the digital world are quicker to understand and adapt to the use of metaverse platforms. Conversely, consumers who are less familiar with technology may feel confused or reluctant to try the virtual shopping experience in the metaverse. Proper education on how to access and utilize metaverse features is important to ensure consumers feel confident and comfortable shopping for fashion virtually. Entrepreneurs need to provide clear information about the benefits of using the metaverse, such as ease of shopping, the possibility of getting exclusive items, and a more immersive and enjoyable shopping experience. Demographic factors also influence the level of metaverse adoption by consumers. Younger generations, especially those born after 2000 (Gen Z and millennials), are more likely to accept and be interested in the concept of digital fashion and virtual shopping experiences. They tend to be more open to the use of new technologies and are more connected to the virtual world through social media and gaming platforms. In contrast, older consumers or those who prefer physical shopping may take longer to accept the concept.

Consumer adoption of metaverse in the fashion industry is heavily influenced by the aesthetic value and exclusivity offered by digital fashion products. In the virtual world, clothing and accessories for avatars not only function as functional objects, but also as symbols of digital identity. Consumers who value fashion as a form of self-expression tend to be attracted to digital products that are unique, creative, and have high aesthetic value. In addition, products offered in the form of Non-Fungible Tokens (NFT) or limited editions provide an attractive sensation of exclusivity for consumers. Metaverse users, especially those who are active on platforms such as Decentraland, Roblox, or Fortnite, see digital fashion items as investments or collections that have more value than ordinary products. The existence of exclusive and limited collections can also attract the attention of collectors or individuals who want to highlight their social status in the virtual world. Data security and privacy are very important factors in the success of consumer adoption of metaverse. Because transactions in the metaverse often involve the use of cryptocurrency or digital currency, consumers are very concerned about how their personal data and transaction information are protected. Entrepreneurs must ensure that the platforms they use are secure, with strong data protection protocols, and anti-fraud systems that can protect consumers from potential risks associated with using digital platforms. If consumers feel that their privacy and data security are not well maintained, they will be reluctant to participate in transactions in the metaverse. Therefore, transparency in privacy policies and personal data management is a very important factor in gaining consumer trust.

The success of metaverse adoption also depends on the extent to which entrepreneurs invest in creating an engaging and satisfying shopping experience for consumers. Entrepreneurs who involve consumers in the process of creating a digital shopping experience, such as through personalization features or interacting directly with designers and influencers in the virtual world, can create higher engagement. Entrepreneurs who also actively build a community around their brand in the metaverse, as well as host special events or promotions in the virtual world, can

Khairun Nisa1, Royanti Lusiana Lumbangaol2, Nidya Banuari3, Debora Tambunan4

increase consumer participation and expand their loyalty to the brand. This approach can motivate consumers to shop and interact more often in the metaverse, leading to higher adoption. Overall, the adoption of the metaverse by entrepreneurs and consumers in the fashion industry is influenced by various interrelated factors, ranging from technological readiness, consumer understanding and adoption, the aesthetic value of digital products, to security issues and entrepreneur involvement in creating an engaging shopping experience. The success of the metaverse as a business channel in the fashion industry depends largely on how entrepreneurs can overcome these obstacles and deliver relevant added value to consumers.

How the metaverse can create added value for entrepreneurs and consumers in the fashion industry

Metaverse has emerged as a new phenomenon that offers a variety of opportunities for entrepreneurs and consumers in the fashion industry. This concept provides a new platform for interaction, purchasing, and even value creation that was previously unattainable in traditional business models. In this chapter, we will discuss how metaverse can create added value for both parties—entrepreneurs and consumers—in a mutually beneficial and transformational way.

1. Added Value for Entrepreneurs in the Fashion Industry
   a. Global Market Expansion at Lower CostMetaverse provides an opportunity for entrepreneurs to reach a global market without geographical boundaries. In the physical world, entrepreneurs have to invest heavily in opening physical stores in different countries or cities to reach consumers in different locations. However, with metaverse, entrepreneurs can create virtual spaces, online stores, or fashion exhibitions that can be accessed by consumers all over the world. The cost of setting up and managing these virtual stores is much lower than setting up physical stores, and is not affected by logistical barriers.
   b. Innovation in Consumer ExperienceOne of the biggest benefits for entrepreneurs in using the metaverse is the ability to offer more immersive and innovative shopping experiences. Entrepreneurs can create unique and interactive experiences for consumers, such as allowing them to virtually try on clothes using avatars or participate in fashion shows that take place in a virtual world. These experiences increase consumer engagement, strengthen their relationship with the brand, and drive higher purchases.
   c. More Creative Marketing and BrandingMetaverse provides a platform for entrepreneurs to explore marketing and branding in a more creative way. Through collaborations with virtual influencers or hosting virtual events such as fashion shows or product launches in virtual spaces, entrepreneurs can introduce their products to a wider audience. Additionally, entrepreneurs can offer digital or limited edition fashion items that are only available in the metaverse, giving consumers a greater sense of exclusivity and encouraging them to purchase.
   d. More In-Depth Data CollectionOne of the advantages of using a digital platform like the metaverse is the ability to collect consumer data in real-time. Entrepreneurs can observe consumer behavior in depth, from the products they see, interact with, to what they ultimately buy. This data can be used to analyze consumer preferences, purchasing patterns, and direct feedback that helps entrepreneurs design more targeted marketing and product strategies in the future.
   e. Diversification of Income SourcesThe metaverse allows entrepreneurs in the fashion industry to explore various revenue streams that were previously unavailable. One prime example is through the sale of digital fashion products, such as clothing or accessories for avatars in the virtual world. In addition, these products can be packaged in the form of NFTs (Non-Fungible Tokens), which provide added value to entrepreneurs because they offer additional revenue opportunities through digital commerce transactions.

2. Added Value for Consumers in the Fashion Industry
   a. A More Convenient and Practical Shopping ExperienceMetaverse allows consumers to enjoy a fashion shopping experience without having to leave their homes. Consumers can access virtual stores anytime and from anywhere, without being tied to physical store hours or geographical restrictions. This provides more convenience for consumers, especially those who live in remote areas or who have high busy schedules.
   b. Ability to Virtually Try and Evaluate ProductsOne of the biggest challenges in online shopping is the inability to physically try on products. In the metaverse, consumers can use their avatars to virtually try on clothing or accessories, seeing how the product will look on their body in a digital world. Using augmented reality (AR) and virtual reality (VR) technologies, consumers can get a more accurate picture of the product before making a purchase decision, reducing hesitation and increasing customer satisfaction.
   c. Access to Exclusive and Limited Edition ProductsThe metaverse allows consumers to gain access to fashion products that are not available in the physical world. Many fashion brands in the metaverse offer limited edition products that are only accessible in the virtual world, or even digital fashion items that can be worn on specific metaverse platforms. These products provide a high sense of exclusivity for consumers, who feel they are getting items that are more valuable or rare than those available in the real world.
   d. More Interactive Social InteractionsIn addition to shopping, the metaverse provides opportunities for consumers to interact with other users in a virtual space. They can attend fashion shows, participate in product launches, or even interact directly with their favorite brands and designers. This social engagement creates a stronger sense of community and makes for a more enjoyable and entertaining shopping experience.
   e. Involvement in Product Creation and PersonalizationThe metaverse allows consumers to be more involved in the process of creating or personalizing products. Some fashion brands allow consumers to design their own clothing or accessories in a virtual world, which can be personalized and worn in the metaverse. This gives consumers a sense of control and ownership over the products they choose, increasing their satisfaction and loyalty to the brand.
   f. A More Affordable Shopping ExperienceShopping in the metaverse may offer a more affordable shopping experience for some consumers, especially since digital fashion items sold in the metaverse are typically cheaper than physical items. Additionally, digital products do not require physical production, shipping, or storage costs, making them more affordable for consumers looking to purchase fashion virtually.

The metaverse creates new opportunities for entrepreneurs and consumers in the fashion industry, providing mutually beneficial value. For entrepreneurs, the metaverse paves the way for greater innovation in marketing, sales, and product development. In addition, they can also gain financial benefits from selling digital and exclusive products that cannot be found in the real world. For consumers, the metaverse offers a more personalized, interactive, and immersive shopping experience. Consumers can enjoy the convenience of online shopping while feeling more engaged with brands and products. It also gives consumers access to exclusive and limited edition products that they cannot find in physical stores. Overall, the metaverse creates a mutually beneficial ecosystem for entrepreneurs and consumers in the fashion industry, where both can experience the immense benefits of technology that is changing the way we shop and interact with fashion brands.

CLOSING

Conclusion

From the discussion that has been done in the previous chapters, it can be concluded that metaverse has great potential in changing the business paradigm in the fashion industry, both for entrepreneurs and consumers. Metaverse not only offers innovation in marketing and sales aspects, but also provides a more interactive, personal, and immersive shopping experience. Entrepreneurs

can use metaverse to expand the market, reduce operational costs, and create new experiences for consumers. On the other hand, consumers get easier, more convenient, and more exclusive access to fashion products through the virtual world.

For entrepreneurs, the metaverse provides an opportunity to explore new business models, such as selling digital fashion products, collaborating with virtual influencers, and hosting online events. Entrepreneurs can also collect more in-depth consumer data, which can be used to improve marketing strategies and create more relevant products. However, the challenges faced by entrepreneurs in implementing metaverse-based strategies include technological readiness, required investment, and adequate understanding of the virtual world.

Meanwhile, for consumers, the metaverse provides a more practical and enjoyable shopping experience, with the ability to virtually try on products and access exclusive products. Younger and more digitally educated consumers are likely to be quicker to adopt the metaverse as their primary shopping channel, but broader adoption may require more education and infrastructure improvements.

Overall, the metaverse has the potential to become a significant business channel in the fashion industry, offering mutually beneficial added value to both parties. The success of metaverse adoption will depend largely on the ability of entrepreneurs and consumers to adapt to the technology, as well as the industry's readiness to overcome various technical, financial, and social challenges.

Suggestions and Acknowledgments

Investment in Technology and InfrastructureEntrepreneurs in the fashion industry need to invest in technological infrastructure that supports the metaverse, including VR/AR devices and robust data security systems. This will enable them to create better experiences for consumers and reduce potential technical issues. Education and Training for Internal TeamsEntrepreneurs need to ensure that their teams have a solid understanding of how the metaverse works, both technically and creatively. Training in digital product design and virtual platform management is critical to creating a superior experience for consumers.

Improving Digital LiteracyConsumers, especially those who are not yet familiar with the virtual world, are advised to increase their understanding of new technologies such as VR, AR, and blockchain. This understanding will accelerate their adoption of the metaverse shopping experience. Adopting Digital Shopping HabitsConsumers can take advantage of the opportunities the metaverse provides to virtually try on products, gain access to exclusive collections, and interact directly with the brands they love. This will open up a more personalized and enjoyable shopping experience. Participate in Virtual CommunitiesConsumers can also participate in online communities in the metaverse, such as attending fashion events or interacting with other users, to enrich their shopping experience and gain new insights into fashion trends.

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