

Fashion and the metaverse: from omni-channel to direct-to-avatar

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Abstract

The goal of this contribution is to identify and share guidelines that luxury and fast fashion companies can follow to understand the principles and limits of the metaverse-economy, the potential of NFTs, the value of the relationship with the physical self and the many avatars users can choose to represent themselves in the Metaverse.

The paper will emphasize the necessity to rethink consumer spaces and experiences, going beyond the simple imperative to be customer-centric. Indeed, new immersive and experiential consumer hubs will have to be based on the direct relationship with the individual avatar, overcoming the traditional Omni-Channel approach in favour of a *Direct-to-Avatar* approach.

While the Metaverse is at the centre of increasingly broad and articulate debates, for some industries, such as luxury and fast fashion, it already represents a fertile ground for experimentation and competition. And the more the experimentation grows, the more it becomes clear how the opportunities offered by the Metaverse to take on different identities, that transcend traditional categorisations of gender, ethnicity, identity and even physical disabilities makes it an extremely inclusive, ethical, sustainable scenario primarily for the customers. The possibilities for brands to create a deep connection with the potential target audience are just as interesting: through a positioning built around deep values, whose impact on the definition of one self as a 'social being' is decisive, the bond between a brand and its existing or potential customers will increase exponentially.

In complex and uncertain times like the ones we are living in, the advanced use of immersive technologies should be understood as serving a new way of defining one's self and identity. And even if the definition of ethical and moral guidelines of the Metaverse is still an ongoing process, we are offered the opportunity to overcome the limits imposed by the physical dimension, in order to face the challenges of everyday life resiliently but proactively. The assumptions on which the Metaverse is founded are those of equality and democracy: its strength lies in the virtual and physical community of people that animates and populates it, well aware that only from the mutual exchange of skills, information, resources, it is possible to identify the guidelines of an inclusive and sustainable tomorrow.

In this regard, the system of interoperable, hybrid and immersive universes that we now call the Metaverse could be extremely interesting, in particular, for fashion companies and con-

tent creators. First and foremost, fashion is inextricably linked to the concept of redefining one's identity through personal style choices and it can find an expressive sphere of unprecedented power in the Metaverse. This great potential is, however, also accompanied by an inevitable rethinking of the rules of communication, content creation and marketing, with a consistent impact on brand equity, dialogue with the public and sales.

Author keywords

Fashion; Metaverse; Avatar; Identity; Inclusivity; Self-expression; Direct-to-Avatar.

Introduction

Inherent in human nature there's always been a reflection on identity and the possibility of being someone else.

In the last two years, though, the introduction to the general public of refined forms of immersive technologies and detailed alternative digital worlds as the Metaverse, has given this process a decisive acceleration, with still unpredictable outcomes (Barile, 2022).

In the Metaverse, a system of interoperable, hybrid and immersive universes, the idea of redefining one's private and social self and role through personal style choices, costumes, outfits, uniforms, opens up to endless possibilities and challenges (Chevalier, Mazzalovo, 2021).

Thanks to a playful, gamification-based approach to the fashion experience in the Metaverse, conceptual entry barriers into the world of luxury collapse. For younger consumers, that sense of awkwardness and inadequacy in going to brick-and-mortar luxury shops disappears as well. And for luxury brands, there is no fear of selling off or debasing a heritage built up over, sometimes, more than a century of market presence. In a playful, virtual world, anything is possible, acceptable, coherent and consistent with the existing positioning.

However, the Metaverse could be an extremely inclusive, ethical, sustainable scenario only if its adoption is accompanied by a substantial rethinking of the rules of communication, content creation and marketing, which will result in a consistent impact on brand equity, dialogue with the public and sales.

On one hand, fashion customers may have an expressive field of unprecedented power to take on different identities, transcending traditional categorisations and even physical disabilities (Ball, 2022).

On the other hand, brands will have to be willing to revert the strategies of value construction and dialogue with the tar-



get adopted so far, to implement new strategic approaches. The very idea of "target" will need to be redefined in depth (Volponi, 2022), as it will be defining an original positioning in the luxury and in the fast fashion world. One based not only on the aesthetics of the product, but on deep values, whose impact on the definition of one self as a 'social being' is decisive.

Redefining customers' identities

Fashion is a code of communication and a set of expressions that each of us, more or less consciously, use to represent itself in private and social contexts. "An audience it's not essential to start this process. We can play with identities and even build a 'super-ego' with clothes and objects" (Volli, 1988). The reasons for choosing one style or another may vary: "We use fashion as a costume in a never ending staged scene and, although we play mostly with ourselves, we use it as a key to seduce others, appease, gain group approval and so on" (Volli, *ibidem*).

From the customers' point of view, could there be a more interesting scenario than a virtual world, each time re-inventible, in which the infinite mirrors we use to reflect ourselves tell a story with unpredictable and therefore stimulating premises and outcomes?

In the Metaverse, each individual will be able to explore places and communities with its own avatar, the image or graphic representation chosen to experience the virtual world, in an infinite number of variants (Sanchez, Garcia-Badell, 2023). The degree of adherence of the avatar to the physical reality of the person it represents is changeable, conditioned by the customisation possibilities offered by the platform on which it is generated and thus linked to them (Yogesh et al., 2022). And it can also vary as a result of the desire to experiment more or less with one's own identity (Volponi, 2022).

The impact, on the concept of identity and representation, is huge, even more so for the world of fashion: one-fifth of Roblox users – one of the leading metaverse hosting platforms - change their avatar on a daily basis. They see it as a way to achieve a greater collective involvement in the experience and an emphasis on personal expression. Nearly 60 per cent believe there is a lack of inclusivity in virtual worlds and more than 40 per cent describe their online clothing style as deliberately 'unreal', detached from personal identities, highlighting the importance of personalisation when creating avatars in 92 per cent of cases (Institute of Digital Fashion, 2021).

The range of desired clothing types reflects that of styles users would like to find in the Metaverse: unreal (24 per cent), casual (20 per cent) and couture (15 per cent), a combination of clothes that one would probably not wear in the real world, but which are perfectly acceptable in the virtual one. A perfect mix to allow anyone to align themselves, through the right set of clothes and accessories, with the virtual community - hence the preciousness and appeal of the collections inspired by the best-loved video games - or to opt for a more mainstream version to be 'sparkled' with precious and exclusive garments from time to time (Lee et al., 2021).

Today's fluid and assertive public expects to be understood from the companies to which it grants the privilege of its scarce attention, and to be supported in any of the many expressions and facets in which it recognises itself (Volponi, 2022). "It is the revolution of the concept of identity. Everyone feels they have the right to create their own self-expression, distinct and separate from the conditions of their birth" (Hayek, 2021).



Figure 1. Roblox's Avatars Line up. Source: courtesy of Roblox.

Endless possibilities for luxury and fast fashion brands

Adopting luxury and fast fashion brands' perspective, the opportunities laying ahead to enter the Metaverse are just as interesting: the more pertinent and original the offer, the more the public will be willing to pay to possess, even if only virtually, a unique set of products capable of enhancing their 'physical' appearance and more (Barile, 2022).

In terms of inclusivity and body positivity, the dominant themes of the present fashion narrative, a brand can also benefit greatly from the broadening of the possibilities of representation offered by the Metaverse. The limits of physical reality are over, as are discriminations (Fernandez, Hui, 2022). Thus, the possibility for brands to create a deep connection with the potential target audience will increase exponentially, through a positioning based not only on the aesthetics of the product, but on deep values, whose impact on the definition of one self as a 'social being' is decisive.

If in the Metaverse users can take on different guises and behaviours and consider this as one of the main motivations for joining, fashion brands will have to follow new guidelines to establish a successful dialogue with the audience, maintaining a consistent degree of recognisability and being as innovative as possible at the same time (Kotler P., Pozzoli R., Stigliano G., 2021).

For luxury companies, the solution to be preferred is to define their own branded Metaverse space, in accordance to the visual elements and value associations that define its uniqueness and make it recognisable in the physical world. Companies will consequently be able to create a virtual world offering tailor-made experiences, entertainment, inspiration and purchasing opportunities, all totally on-brand. Thus freeing themselves from formats and languages fixed by aggregators or third-party platforms, such as Roblox, and also opening up the possibility of intercepting much broader targets (Sayem, 2022).

For the fast fashion world, on the other hand, the Metaverse represents an opportunity to build distinctive positioning, develop customised conversations, release limited edition meta-product or NFT collections, to work towards building a sense of exclusivity that this format inevitably lacks.

According to my research, based on direct analysis of the most interesting case studies developed so far and on discussions with metaverse development project leaders in leading fashion houses, the advantages of a proprietary Metaverse are therefore multiple:

- » autonomous assortment management of physical, digital and virtual products;
- » customised interactions;
- » content updated in real time;
- » full creative control;
- » management of the bond with the 'mother' brand;
- » new potential target audiences;
- » increased brand appeal among the younger target groups;
- » conveyance of an accessible version of luxury, without risking of selling out.

Co-creation and sales models

The 'first engage, then sell' rule, also applies in the Metaverse. I made my own the experiential approach to the point of sale, in its fundamentals elaborated by Pine & Gilmore and the assumption on which environmental psychology is based, reconceptualising it in the metaverse.

If the administration of certain stimuli in an environment is capable of conditioning the emotional state of the recipients, up to the point of influencing their behaviour (Pine and Gilmore, 2013), then a new set of rules must be defined for brands interested in operating successfully into the Metaverse. Before planning any sales strategy, it is necessary to understand how it is possible to convey not only the functional characteristics of the product/service, but also the emotional ones (Ruiz, 2022).

Metaverse sales channels are not always, and not necessarily, only a virtual transposition of the physical ones, but the cost of integrating them into one's business should not be a source of undue concern: the potential profits, estimated at over a trillion dollars a year (Grayscale, 2021), exceed the initial cost of adoption, on whatever scale one decides to approach it.

Most interestingly, whatever retail format is chosen, whether a simple flagship showroom or a multi-brand mall, the Metaverse offers luxury and fast fashion companies the opportunity to set and customise incredibly inclusive, adaptive and scalable spaces.

By removing physical barriers, metaverse environments are built to work for any customer profile, intercepting people where they are and offering them an immersive experience that transcends traditional commercial, logistical and even conceptual boundaries (Weiss, 2022).

The future of physical and digital shops will be enriched by integration, in an infinite space for business optimisation and growth, with the potential to provide an even more immersive experience (Barile, 2022).

How does this affect the predominant distribution model, the omnichannel approach based on the integration and cooperation of the various channels organizations to interact with consumers, with the goal of creating a consistent brand experience? This model goes beyond marketing and sales, re-embracing in a broader vision also customer care, retail, logistics and supply chain (Palmatier, Sivadas, Stern, El-Ansary, 2019). It has proven to be more than valid, to intercept an increasingly nomadic, unfaithful consumer, eager for unique experiences. One might therefore think that it would be enough to 'add' the Metaverse to the touchpoints involved in the omnichannel set, in order to dialogue effectively and timely with its inhabitants. This is not the case, for a number of reasons: only 4 out of 10 companies had already fully implemented an omnichannel customer experience strategy and less than 30%




carry out deep analyses on the data collected (Politecnico di Milano, 2021).

Furthermore, according to my interpretation in the metaverse-economy the rules of engagement of the consumer are completely different, as

- » the possibilities for developing ad-hoc products and services;
- » the distribution channels;
- » the identity of the points of sale;
- » the data set.

There have been many attempts to represent the concept of experiential marketing and the topic of experience building in the Metaverse. The reinterpretation I elaborated, adopting the experiential framework and the "experiential continuum" approach (Filsler, 2015) is one of the most effective:

Table 1. The experiential continuum in the Metaverse

Co-creation	Products	Examples
Weak	Physical products replica	Zara Live Glam phygital collection 
Intermediate	Limited editions Standard NFTs	Overpriced™ NFT hoodies 
Strong	Meta products Custom NFTs	Gucci Virtual 25 @roblox 

The ambition, for brands that want to build a solid position in the Metaverse, should be to position themselves in the experiential area where co-creation is best expressed: original content produced by the company is enriched by the contributions of creators, or it is the latter that become part of the company's assortment, because of their originality. The same applies to NFTs, where the degree of customisation drives up the value.

From social commerce to direct-to-avatar

The primary need to be satisfied, in a metaverse store, is that of inclusiveness in an experience that must remain exclusive. No less important, is the possibility to stimulate the highest degree of interoperability between the various virtual rooms, to be traversed also by assuming different identities. The greater the exchange, the more intense and enriched the experience will be (Varra, 2021).

As mentioned before, a conceptual and physical access route to an experience that is new for most of the metazens (Volponi, 2022) - young videogames enthusiasts or over 65 with plenty of free time to devote to exploring new technologies - is essential. And that is social commerce: the term iden-

tifies all transactions of products and services that take place via social media and involve sharing the experience with other users. A business that is estimated to reach 1.2 trillion dollars worldwide by 2025 (Group M, 2022) interesting to monitor for its possible evolution and integration with the Metaverse, far more so than classic, albeit advanced, ecommerce platforms.

When it comes to luxury fashion products, the nature of the exchange via social commerce intercepts above all, the will to share, throughout the customer journey, the path of discovery with a community of peers, possibly led by one or more influencers of reference. Therefore, using the social media most aligned with the group of users deemed strategic to re-engage and welcome them in a fluid, spontaneous and as natural as possible entry into the Metaverse, is the way forward.

What is needed, therefore, is a model based on the full integration of social commerce functionalities within a broader platform. And the Metaverse can define a 'never-ending commerce' experience, in which contacts between users and brands take place spontaneously, almost unconsciously, facilitating immersion in an ever-changing but perfectly functional experience of needs, availability and identity, whether physical or virtual (Park & Kim, 2022).

In my interpretation, the identity of retail outlets from traditional to Metaverse should evolve as follows:

Table 2. Point of sales' identity evolution.

	Traditional	Phygital	Metaversal
Identity	Purchase	Permanence	Interoperability
Need	Functional	Playful/ Emotional	Co-creation Ethic Values Democracy Exclusivity Inclusivity
Players	Staff Sales assistants	Visual merchandising Ambassador/ Storyteller Chatbot Customer service	Virtual assis- tants Avatar AI Robots Creators Metazens

In the Metaverse, POS (points of sale) should therefore

- » convey experiences;
- » modulate on the target's value set;
- » support their self-perception;
- » enhance participation and inclusiveness;

- » maintain a sense of exclusivity and privilege.

Fashion industries need a change of mindset: a shift from the direct-to-consumer model to the direct-to avatar model. The former, while interesting for its potential to modulate strategies and offerings directly to the consumer, still relies heavily on third parties for shipping and handling and is forced to make heavy compromises in terms of profitability to offer the best service dimension. With DTA, this additional element of friction is removed and a direct dialogue with the consumer is possible according to new rules of the game, from which luxury brand storytelling can be enriched and enhanced.

Conclusions

To operate successfully in the Metaverse, luxury and fast fashion companies should first of all assign a new role to the points of sale. Shops of any format and size have been considered by fashion houses as mere empty boxes to be filled with clothes and accessories. A dangerous misunderstanding, which showed all its limits when cheap replicas and the phenomenon of counterfeiting exploded in all their drama. Even more, it generated disaffection and disloyalty to brands and their sales spaces when digital communication and alternative sales channels arrived.

In today's hyper-competitive world, a sales model based on the replication and imitation effect is obviously no longer sustainable, nor is it acceptable for an industry that makes the power of ideas its primary differentiating factor. It is time to break out of this impasse. Many other sectors have already done so, from food to consumer electronics, with excellent results and without compromising the brand value gained through years of serious work on positioning and brand equity. In this 'ultralogue in the making', a universe that goes beyond our traditional knowledge and is enriched by a series of unprecedented elements, it is possible to imagine a real revolution for the cultural and artistic scenes and for the possibilities of creative expression in many different fields, including fashion.

The Metaverse represents an unmissable opportunity for fashion houses, particularly those more reluctant to abandon withered laurels on which they have rested for too long, to consider the point of sale a social object in which the company dialogues with the outside world and the people who inhabit it.

A group of people searching for added-value relationships with the brand they love deployed with a completely new, emotional, experiential, ethical, inclusive and sustainable storytelling.

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