

Marketing in the Metaverse Era: A Qualitative Exploration of Gen Z Consumer Perceptions in India

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Abstract

The metaverse is a revolutionary advancement in digital marketing that combines virtual reality (VR), augmented reality (AR), and social media into interactive user experiences. Despite the fact that global brands have started experimenting with the virtual world, studies on consumer perception and marketing effectiveness of the Indian consumers remain limited. This study explores the perceptions and behaviours of Indian consumers with respect to metaverse marketing. Using a qualitative research design, data were collected through an online open-ended questionnaire prepared through Google Forms with 20 digitally active consumers who are born between 1997 and 2012, particularly known as Generation Z or Gen Z, who have interacted with virtual. The results show that although consumers are interested in virtual marketing experiences, low familiarity, perceived costs and data privacy concerns hinders its adoptability. Moreover, the study contributes to early literature on metaverse marketing by providing insights specific to India and offering strategies for brands to help them build stronger connections with consumers in virtual spaces.

Keywords

Metaverse marketing, consumer perception, qualitative research, India, brand engagement, digital marketing, Gen Z.

Introduction

The rapid growth of digital marketing has changed the way brands market their products. After social media, the metaverse is now considered as an emerging platform to market products and services to the consumers and increase their engagement. The metaverse creates a realistic online world by combining Virtual Reality (VR), Augmented Reality (AR) and gaming technologies where people can interact using their digital avatars. Global brands such as Nike and Gucci have launched “Nikeland” and “Gucci Garden Experience” respectively in a famous game called Roblox, allowing users to try on Nike shoes, Gucci apparels and other limited-edition items virtually.

Early signs of metaverse popularity can also be seen in India as The Mahindra Group launched a metaverse-based car showroom for its SUV400 EV, which allows users to explore the features of the vehicle virtually. Similarly, Tanishq a jewellery brand allows customers try on jewellery through AR filters. Despite these advancements, Indian consumers still fail to completely understand the metaverse by mainly associating it with gaming or virtual reality, without understanding how marketing of products operate within it.

With the rapid growth in technology, it becomes essential to spread the knowledge of the metaverse marketing, how Indian consumers perceive marketing within it, what attracts them and what problems do they face. This study uses a qualitative approach to understand the consumer's perception, attitude and engagement towards metaverse marketing in India among Gen Z.

Review of Literature

The digital world has evolved rapidly over the past decade, and marketing has transformed along with it. With the emergence of the metaverse, brands now have the opportunity to move beyond traditional social media and interact with consumers in three-dimensional virtual spaces. The metaverse combines virtual reality (VR), augmented reality (AR), artificial intelligence (AI), and blockchain technologies to create immersive environments where users can socialize, play, and even shop. For marketers, this opens a completely new arena of engagement; one that blends entertainment, experience, and commerce (Dwivedi et al., 2022).

Digital marketing has always adapted to new technologies — from websites to social media, and now to virtual worlds. According to Mystakidis (2022), the metaverse represents the next evolution of the internet, where brands can create virtual storefronts, host interactive events, and engage consumers through personalized avatars. Similarly, Kapoor et al. (2023) explain that the metaverse allows brands to create deeper emotional connections with users through immersive storytelling and interactive experiences. Instead of passive content consumption, consumers in the metaverse become active participants in brand narratives.

Consumer behavior in the metaverse is still at an early stage. Park and Kim (2022) found that most users view the metaverse as a space for exploration and entertainment rather than direct purchasing. Curiosity and novelty are key motivators, especially among younger, tech-savvy audiences. However, as Dwivedi et al. (2023) note, this curiosity does not always lead to commercial action because many consumers are still experimenting and trying to understand the value of virtual experiences.

In the Indian context, Singh and Aggarwal (2024) highlight that urban consumers, particularly millennials and Gen Z, are beginning to explore AR-based shopping and virtual product trials. However, awareness of the broader concept of the metaverse remains limited. Many participants in their study described it as “the future of the internet” but admitted they were unsure about how transactions or data security would work. This shows that Indian consumers are open to exploring new digital trends but remain cautious when it comes to trust and authenticity.

Several researchers have emphasized the emotional nature of metaverse engagement. Kim (2021) used Flow Theory to explain how users can become deeply absorbed in immersive experiences — losing track of time and feeling as if they are “inside the brand.” This sense of presence, interactivity, and personalization can significantly strengthen emotional bonds with brands. Similarly, Lee et al. (2021) argued that the metaverse fulfils the principles of Uses and Gratifications Theory, where users enter virtual spaces for enjoyment, self-expression, and social interaction.

This emotional immersion is especially relevant for Indian consumers, who value personalized and interactive digital experiences. A recent report by Times of India (2024) suggested that young Indian audiences respond strongly to visually rich, story-driven brand campaigns, even outside the metaverse. This indicates that immersive environments may enhance the same emotional appeal in a more engaging and experiential way.

Despite the enthusiasm around the metaverse, several studies highlight major challenges. Kapoor et al. (2023) pointed out that technological barriers such as the need for VR devices, strong internet connectivity, and digital literacy can limit participation, especially outside large cities. Similarly, Park and Kim (2022) found that users have concerns about data privacy, identity theft, and virtual authenticity — issues that directly affect trust in virtual transactions.

For India, accessibility and affordability remain key barriers. Many users still rely on mobile-based platforms and may not have access to high-end VR equipment. As Dwivedi et al. (2023) mention, these factors could delay large-scale adoption of metaverse-based marketing in developing economies, despite growing interest among younger audiences.

Most existing studies focus on global audiences or Western markets, where metaverse adoption is more advanced. However, there is limited research exploring how Indian consumers perceive and emotionally respond to virtual brand experiences. While global literature provides theoretical insights into engagement and flow, the Indian cultural, economic, and technological context remains largely unstudied. This research aims to fill that gap by understanding how Indian consumers experience the metaverse — their excitement, fears, and overall attitudes toward virtual marketing spaces.

Objectives of the Study

The primary aim of this research is to understand how Indian Gen Z perceive and interact with brands within the metaverse environment. The study seeks to not only explore and uncover what people think about metaverse but also how they feel and engage with it as a marketing tool.

1. To explore how Indian Gen Z consumers' view brands that operate within the metaverse environment. The aim is to find out whether these consumers find the brands trustworthy, innovative, engaging or unfamiliar and distant.
2. To understand emotional and experiential factors influencing engagement with virtual brands. It seeks to understand the factors such as curiosity, excitement or sense of belongingness that drive consumers to engage and what experiences make them feel connected to the brands on the metaverse platform.
3. To identify opportunities and challenges for marketers using metaverse platforms in India. This will help analyse the gap and hindrances such as technological limitation, privacy concerns or lack of knowledge and other such factors, that the brands have to face and

giving them the opportunity to overcome these factors and understand metaverse on a deeper level.

4. To develop a conceptual understanding of consumer experience in metaverse-based marketing. It will analyse how virtual environment forms perceptions, trust, purchase intentions and how brands use the platform to engage with their audiences,

Research Methodology

Research Design

The study follows a qualitative and exploratory research design because it focuses on understanding people's personal feelings and experiences rather than just relying on numbers or using a pre-set hypothesis. This allowed the participants to share their thoughts, feelings and interpretations of the metaverse environment more freely.

Data Collection

Primary data were collected using an online open-ended questionnaire created through Google Forms. This method was chosen because it provided the participants to respond freely as per their convenience. A total of 20 respondents, aged between 18 to 25, participated in the study who were digitally active individuals, familiar with the metaverse environment in India.

Sampling Technique

The study uses purposive sampling which allowed participants to be chosen intentionally as per the specific criteria. This ensured that the responses came from people who could provide relevant and meaningful insights rather than general opinions. In this case, individuals who has knowledge or experience with the metaverse were chosen. Since the concept of metaverse marketing is relatively unexplored in India, purposive sampling helped in gaining a deeper understanding of the awareness, trust and perceptions of Gen Z consumers regarding the metaverse marketing.

Data Analysis

Once all responses were collected, the data were carefully analysed using thematic analysis method as proposed by Braun and Clarke (2006). The process involved reading through all the responses several times to analyse recurring responses, patterns and similarities. These were then grouped in two broader themes which are as follows:

- Uses and Gratifications Theory (UGT): This helped explain why consumers are drawn to the metaverse
- Flow Theory: This helped explain how consumers feel when engaging with immersive experiences.

By combining these theories with the participant's responses, the study provides a deeper understanding of how Indian Gen Z consumers view, perceive and enjoy the metaverse marketing done by the brands to interact with their audiences.

Findings

After analysing the responses gained from the Google Forms, four major themes emerged that show how consumers perceive and engage with brands on the virtual platform. These themes are:

1. **Curiosity and Novelty:** Most of the participants viewed the metaverse as futuristic and full of possibilities. They described it as 'the next stage on internet' and displayed general curiosity about the platform. While many respondents showed that they were interested in trying out the virtual marketing experience on the platform yet they felt more comfortable in making purchases through traditional online platforms. This suggests that at the current stage, the metaverse is more of an experiential and exploratory platform rather than a direct marketplace for Indian consumers.
2. **Emotional Immersion:** Participants enjoyed the sense of "being inside the brand," Personalized avatars, interactive spaces, and real-time engagement were frequently mentioned as elements that made virtual experiences memorable and meaningful. Many respondents said that immersive visuals and gamified interactions made them feel more connected to the brand on a personal level. It shows that in the metaverse, emotional connection may come before actual consumer conversion.
3. **Trust and Authenticity Concerns:** Many respondents were unsure about data security, identity protection, and credibility of virtual transactions. Several respondents questioned how safe their information would be in a 3D virtual world while some also worried about scams or impersonation. These concerns limited willingness to make real purchases in virtual settings. These findings highlight that trust and transparency remain major barriers to large-scale consumer adoption in metaverse-based marketing.
4. **Access and Technological Barriers:** Another recurring concern was accessibility. Many participants pointed out that metaverse experiences often require high-end devices, VR headsets, and strong internet connections, which are not widely available or affordable for everyone. This makes participation largely limited to urban, tech-oriented users. Respondents also mentioned that technical glitches, slow connectivity, or unfamiliar interfaces could make the experience frustrating. As a result, metaverse marketing in India currently seems to appeal mostly to a niche audience, while mass adoption may take longer due to infrastructural and affordability challenges.

Overall, the responses revealed a balanced mix of excitement and caution among Indian consumers. Participants were clearly intrigued by the creativity and interactivity of virtual brand experiences but hesitant to fully trust or invest in them. The metaverse, in their view, represents a

space for exploration and engagement rather than a place for serious commerce, at least for now. These insights suggest that while Indian consumers are open to innovation, brands must work towards building trust, ensuring security, and improving accessibility to make metaverse marketing more inclusive and credible. Creating emotionally engaging yet transparent experiences may help bridge the current gap between curiosity and commercial action.

Discussion

The findings of this study suggest that Indian consumers' engagement with metaverse marketing is shaped by a blend of emotional curiosity and cautiousness. Many participants expressed appreciation for virtual experiences but still preferred to combine them with real-world authenticity. For example, several respondents said they enjoyed visiting a virtual store or exploring a 3D product demo online but would ultimately make the purchase in a physical store.

Overall, the study reveals that Indian consumers are open but cautious adopters of the metaverse. Their engagement is driven by emotional appeal and the thrill of novelty but moderated by concerns of trust, access, and authenticity. For marketers, this means that the success of metaverse-based campaigns in India will depend not only on technological innovation but also on building credibility, ensuring transparency, and creating hybrid experiences that seamlessly connect the virtual and the real.

Managerial Implications

The findings of this study provide several important insights for marketers, brand managers, and businesses looking to engage Indian consumers within metaverse environments. While the metaverse offers a new and creative marketing frontier, the results suggest that successful adoption in India will require balancing innovation with cultural sensitivity, trust, and accessibility.

Indian consumers are drawn to the emotional and immersive aspects of the metaverse. Marketers should therefore design virtual campaigns that emphasize storytelling, creativity, and interactivity. Instead of focusing only on selling products, brands can use these platforms to create memorable experiences such as virtual events, brand worlds, or gamified challenges that foster deeper emotional engagement and long-term loyalty.

The study also revealed strong concerns about data privacy, security, and transaction credibility. To overcome this, brands must clearly communicate how consumer data is protected and ensure transparency in virtual interactions. Collaborating with trusted technology partners, offering verified payment options, and maintaining consistent brand authenticity across virtual and real-world channels can help build confidence among consumers. A key takeaway from this study is that Indian consumers prefer a hybrid approach — they enjoy exploring brands in virtual spaces but often prefer to complete purchases offline. Marketers can leverage this behavior by creating seamless links between the metaverse and real-world touchpoints. For example, a virtual store visit could lead to a discount redeemable in a physical outlet, or a digital avatar experience could be paired with a real product launch event. This blended strategy aligns well with Indian consumers' need for tangible trust. Since many consumers are still learning about the metaverse, brands should

take an educational approach to marketing. Introducing tutorials, behind-the-scenes content, and influencer-led explanations can help make virtual experiences less intimidating. As familiarity grows, so will comfort and willingness to engage or transact in these spaces.

Limitations and Scope for Future Research

The study's small sample size limits generalization. Participants were urban, digitally literate individuals; hence, rural perspectives were not captured. Future studies can adopt mixed methods combining qualitative insights with quantitative validation. Longitudinal research could also examine how attitudes evolve as the metaverse becomes mainstream in India. The study mainly focuses on Gen Z consumers in India; future studies can expand their consumer base.

Conclusion

The metaverse presents both a promising opportunity and a complex challenge for marketers. For Indian consumers, the metaverse is seen as a space filled with innovation and entertainment — a glimpse into the future of brand interaction. However, this excitement is tempered by practical concerns related to trust, data privacy, technological access, and cost.

The findings of this study suggest that while emotional appeal and novelty draw Indian consumers into the metaverse, their continued engagement depends on how safe, authentic, and culturally relatable these virtual experiences feel. Marketers must understand that technology alone cannot guarantee success; instead, it is the human element — empathy, transparency, and meaningful connection — that will determine acceptance and loyalty in the long run.

To succeed in India's evolving digital ecosystem, brands need to design human-centric metaverse experiences that reflect local cultural values and social behavior. Integrating elements of familiarity, such as community participation, storytelling, and shared cultural symbols, can help bridge the gap between virtual innovation and real-world trust. Furthermore, ensuring transparent data practices and educating consumers about virtual safety can address much of the hesitation surrounding digital identity and privacy.

As technology becomes more accessible and immersive platforms mature, marketers who prioritize authenticity, creativity, and emotional resonance will have a clear early advantage in shaping India's virtual economy. Ultimately, the metaverse is not just a technological revolution but a human experience — and those who design it with empathy and integrity will lead the next era of brand-consumer relationships.

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