



IMMERSIVE BRANDING IN THE METAVERSE: EXAMINING ITS IMPACT ON CUSTOMER SATISFACTION AND PURCHASING OUTCOMES IN THE MERCHANDISE AND ACCESSORIES INDUSTRY

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Abstract: Brands are able to curate an interactive and experiential consumer environments with the aid of immersive technologies such as AR and VR. These technologies have evolved into broader virtual ecosystems which is referred to as the metaverse. While firms are exploring immersive branding strategies, there is still limited research on how immersive branding can be used as a strategic marketing tool within metaverse environments, specifically within the merchandise and accessories industry. This study strives to understand the ambit of metaverse-driven immersive branding in influencing consumers, particularly customer satisfaction and purchase outcomes. It investigates how VR/AR-enabled brand experiences affect consumer satisfaction and purchasing behaviour, including purchase intention, likelihood of actual purchase, and repeat purchase intention. The research concentrates on three key dimensions: metaverse driven immersive branding, customer satisfaction and purchasing outcomes. The study builds on existing research on immersive marketing, experiential branding and technology enabled consumer interaction to examine how interactive and personalized brand experiences in virtual environments can shape consumer perceptions and behavioural responses. The results of the study is expected to provide insights into immersive branding strategies, offering practical implications for marketers seeking to utilise metaverse technologies as part of their digital marketing strategies.

Key words: *Immersive Branding, Metaverse Marketing, Customer Satisfaction, Purchasing Behaviour, Purchase Intention*

Introduction

There is a growing significance of immersive technologies, specifically AR and VR, in transforming consumer marketing practices. These technologies curate an interactive and experiential environments which can influence how consumer perceive brands, decision making process across different stages of the customer journey (Yim, Chu, & Sauer, 2020)ⁱ. Moreover, AR improves consumer experience by enabling interactive visualization of products and immersive brand experiences positively affects consumer attitudes, engagement levels, and purchase intentions (Du, Liu, & Wang, 2022)ⁱⁱ. As these technologies evolve, their significance



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as a strategic marketing tool for enhancing consumer experiences, increasing satisfaction, and influencing purchasing behaviour within digital commerce settings continues to grow.

Business communication with consumers have substantially changed with the advent of digital technologies and its continuous evolution. Metaverse is one such innovation that is composed of virtual reality (VR), augmented reality (AR), blockchain technology, and artificial intelligence, this is described as immersive and virtual environments where individuals socialise and participate in experiential environment (Matthew Ball, 2022)ⁱⁱⁱ. Metaverse marketing is a new approach developed that enables brands to design immersive and engaging marketing experiences within virtual environments (Herman Narula, 2022)^{iv}.

Brands using advanced digital technologies to promote their products, services and brand experiences within interconnected digital ecosystems is referred to as metaverse marketing (Edward Castronova, 2005)^v. Immersive interactions increases consumer engagement and provides a more personalized and interactive shopping journey (Philip Kotler, 2021)^{vi}. Organisations across different industries are experimenting with digital product launches to enhance customer engagement and strengthen long term relationship.

Customer satisfaction is one of the major factors in discerning the efficacy of metaverse as a marketing strategy. Consumers brand perception, emotional connection and overall satisfaction with the brand interaction are influenced by engaging and interactive features of immersive virtual environments (Parasuraman A, 1998)^{vii}. Consumers tend to form positive attitude towards the brand when they perceive interactions in the metaverse as engrossing and convenient (Verhoef P, 2009)^{viii}.

Purchasing outcomes reflect the behavioral consequences of consumer experiences and satisfaction levels (Oliver R L, 1999)^{ix}. Within the context of metaverse marketing, these outcomes may include purchase intention, actual buying behavior, and brand loyalty (Hajli N, 2019)^x. As consumers increasingly engage with immersive digital environments, it becomes essential for businesses to understand how such interactive marketing experiences affect their purchasing decisions. Consequently, the adoption of metaverse technologies in marketing strategies prompts critical questions about their influence on customer satisfaction and subsequent purchasing behavior.

Literature Review



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A. Metaverse-Driven Immersive Branding

(Zeng, Xing, & Jin, 2023)^{xi}: This empirical research investigates the role of immersive brand experiences delivered through Virtual Reality (VR) and Augmented Reality (AR) in shaping consumer–brand relationships. The analysis draws on responses from 518 consumers who had previously engaged with brand experiences through VR or AR technologies. Applying Structural Equation Modelling (SEM), the findings indicate that different experiential dimensions including entertainment, aesthetics, learning-oriented interactions, and escapist experiences contribute significantly to strengthening overall brand experience. The study further demonstrates that enhanced brand experiences positively influence the development of stronger consumer–brand relationships, while also improving consumer satisfaction and encouraging greater purchase intentions.

(Maheswari & Balakrishnan, 2025)^{xii}: This empirical research explores how immersive marketing technologies, particularly Virtual Reality (VR) and Augmented Reality (AR), influence consumer behaviour and engagement with brands. The study is based on a quantitative survey conducted among 400 individuals between the ages of 18 and 45 in Chennai who had interacted with AR-based marketing across industries such as retail, tourism, and e-commerce. Pearson’s correlation analysis was employed to assess the relationships between the key variables. The results suggest that marketing initiatives powered by AR significantly improve the overall shopping experience, encourage greater interaction between consumers and brands, and foster stronger emotional attachment to products. In addition, these immersive experiences were found to positively affect consumers’ purchase interest, loyalty toward the brand, and their likelihood of recommending the brand to others.

B. Customer Satisfaction

(Sanaei, 2024)^{xiii}: This conceptual paper presents a model that explains how Augmented Reality (AR) shopping applications may affect customer satisfaction and consumers’ intention to purchase. The study focuses on how certain experiential characteristics of AR applications, particularly informativeness, and personalization, and interactivity, shape consumers’ online shopping experiences. It also considers immersion as a mediating element that links AR application features with overall consumer experience. Grounded in the Stimulus–Organism–Response (S-O-R) framework and the Information System Success Model, the paper suggests that improved consumer experiences facilitated by AR technology can lead to higher levels of



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customer satisfaction and stronger purchase intentions. While the study proposes hypotheses and develops a conceptual framework, it does not include empirical testing to validate the model.

(Padiyappa, 2025)^{xiv}: This study explores the role of Augmented Reality (AR) and Virtual Reality (VR) technologies in shaping customer experience and influencing consumer behaviour. A mixed-method research design was employed, integrating both quantitative and qualitative approaches. Primary data were gathered through a structured survey administered to 150 respondents from varied demographic backgrounds, aiming to understand their experiences, preferences, and behavioural responses when engaging with AR and VR technologies. The results suggest that these technologies significantly enhance customer engagement by creating immersive and interactive environments. Such experiences help consumers visualise products more effectively, support their decision-making processes, and make the overall shopping experience more engaging and dynamic.

C. Purchasing Outcomes

(Hlubucek, Graser, & Böhm, 2025)^{xv}: This empirical study investigates the influence of virtual experience marketing on brand attitude and purchase intention using Mobile Augmented Reality (MAR). The research applies the AR Virtual Experience Marketing Model (VEMM) and conducts a quantitative survey with 254 participants evaluating the OpAR application developed by the German Opera on the Rhine. Using PLS-SEM analysis, the study examines how different experience modules sensory, emotional, and thinking, action, and associated experiences affect brand attitude and use and purchase intention. The results show that sensory, thinking, action, and associated experiences significantly influence brand attitude, while emotional and thinking experiences directly affect use intention and purchase intention. In addition, brand attitude significantly influences use and purchase intention.

Prior studies elucidate and acknowledge how immersive technologies such as AR and VR facilitate consumer engagement, purchase intentions and brand experience. However, the current literature concentrates solely on retail settings, conceptual models or isolated technological applications rather than analysing it as a strategic marketing tool within developing metaverse environments. Additionally, how immersive branding experiences influence long-term consumer outcomes such as repeat purchase intention and sustained brand relationships has not been sufficiently explored. Furthermore, limited research has examined



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these said dynamics within merchandise and accessories industry. Therefore, there is a need for empirical research that examines how metaverse-driven immersive branding experiences influence customer satisfaction and multiple purchasing outcomes within this specific industry context.

Research Objectives

- a) To understand the role of metaverse-driven immersive branding as a strategic marketing tool in the merchandise and accessories industry, with specific reference to VR/AR-enabled brand experiences.
- b) To consider the influence of immersive branding on customer satisfaction in merchandise and accessories industry.
- c) To comprehend how immersive branding, such as VR and AR, push customers towards purchase decisions.

Research Methodology

This study employs a conceptual qualitative research approach to investigate the effect of immersive branding within the metaverse on customer satisfaction and purchasing behaviour in the merchandise and accessories sector. The paper has synthesized secondary data from peer reviewed journals, conference papers and industry reports to explore how VR and AR technologies curate visual and experiential environments that enhance customer satisfaction and purchase outcomes. Key themes such as immersive consumer experiences, customer satisfaction, product visualization and purchase behaviour are identified and synthesized to develop a conceptual framework linking immersive branding to positive consumer outcomes.

Discussion

In today's digital world, consumers interact with brands across multitude of platforms that are entertainment and engagement focussed. With the evolution of digital marketing, traditional approaches with a heavy reliance on passive advertising have changed the course towards experiential and technology-driven focused measures such as interactive and memorable consumer experiences Schmitt, B. (1999)^{xvi}. This transition argues that consumer engagement is most effective when it extends beyond traditional media to foster active participation and emotional connection. This insinuates how significant it has become for every brand to adapt metaverse marketing.



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The question that arises next is, is metaverse marketing, particularly AR and VR feasible for all firms? Previously immersive systems entailed expensive hardware, however today's AR applications operate through smartphones and digital platforms. This makes AR accessible and feasible to both consumers and businesses (Flavián, Ibáñez-Sánchez, & Orús, 2019; Javornik, 2019)^{xvii}. But with the evolution of technology there has been increased availability of VR hardware. For example, the industry analysis has displayed how the sales of VR head-mounted displays has grown significantly, with quarterly sales exceeding one million (Alto & Uk -Monday, 2017)^{xviii}. This has resulted in brands adapting immersive marketing enabled by AR and VR to curate a sensory-rich consumer interaction (Flavián, C., Ibáñez-Sánchez, S., & Orús, C. (2019). Unlike traditional marketing approaches, immersive technologies enable consumers to interact with virtual brand environments and experience products before purchase decision. Albeit, AR and VR adoption as a marketing tool has grown in recent years, research analysing its role towards structuring consumer experiences is still developing compared to more established digital marketing channels such as social media and e-commerce platforms.

Building on these advancements, immersive technologies are being incorporated into virtual environments commonly known as the metaverse. Brands are able to continuously develop digital spaces where consumers interact with products, services and brand experiences in the metaverse. Recent studies emphasise the potential of the metaverse to reshape marketing practices (Dwivedi et al., 2023)^{xix}. Furthermore, research indicates that factors like perceived usefulness, perceived value, and the interactive experience shape the consumers' willingness to engage with marketing in metaverse environments (Kim, Lee, & Jung, 2023)^{xx}. These immersive environments enable brands to foster stronger connections with consumers by delivering interactive and personalized experiences that can improve consumer satisfaction and support the development of long-term brand relationships (Poushneh & Vasquez-Parraga, 2017)^{xxi}.

By enabling businesses to deliver more customized and immersive interactions, this strengthens brand relationships and improves overall consumer experience in digital commerce settings. IKEA's "Ikea Place" is an AR application which allows consumers to virtually view how furniture would appear within their own home environment before making a purchase. This application helps reduce uncertainty in the purchase decision and enhances consumer engagement, illustrating how AR can function as an effective strategic marketing tool within



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contemporary digital marketing practices (Hilken, de Ruyter, Chylinski, Mahr, & Keeling, 2017)^{xxxi}.

These advertising environments enables consumers to interact with digital products and brand story-telling in forms that are collaborative and structure their perceptions of brands and strengthen engagement (Nie, 2023)^{xxiii}. These technologies do not only amplify consumer engagement but also evidence from retail marketing research indicates they play an imperative role in influencing the consumer shopping journey. A meta-analysis on the role of AR and VR underlines that these technologies enhance customer experience, satisfaction, and loyalty while also strengthening consumer engagement and purchase behaviour when implemented effectively (Fan et al., 2025)^{xxiv}. The demography of younger digital-native consumers are the most receptive to immersive technologies in marketing environments. Individuals belonging to Generation Z and Millennials tend to exhibit greater curiosity, technological adaptability, and openness to experimenting with interactive digital tools than older demographic groups. Since these consumers have grown up using mobile applications, gaming platforms, and visually interactive social media environments, they are generally more comfortable engaging with brand experiences delivered through AR and VR technologies (Djafarova & Bowes, 2021; Javornik, 2016)^{xxv}.

This paper suggests that the growing use of augmented reality (AR) and virtual reality (VR) in metaverse environments is transforming the way brands design and deliver marketing experiences. Instead of functioning only as promotional tools, these technologies are increasingly being used as strategic marketing instruments that influence the consumer decision-making process. By allowing consumers to visualize and interact with products in simulated environments before making a purchase, AR and VR help reduce uncertainty, increase perceived value, and strengthen emotional connections with brands. As a result, immersive marketing can improve consumer satisfaction, build stronger brand relationships, and encourage positive purchasing outcomes.

At the same time, the accessibility of immersive technologies has increased considerably. Smartphone-based AR applications and the growing availability of VR hardware have made such experiences more feasible for businesses across industries. Existing research also indicates that immersive brand environments can enhance consumer engagement and shape positive attitudes toward brands, particularly among younger digital-native consumers such as Generation Z and Millennials, who are more comfortable interacting with digital and interactive platforms.

Overall, the discussion highlights that as digital commerce becomes more experience-oriented, immersive technologies and metaverse environments are likely to play an increasingly



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important role in shaping consumer–brand interactions. For firms, this suggests that integrating AR and VR strategically within broader marketing practices may help enhance engagement, improve consumer experience, and support long-term competitive advantage in evolving digital marketplaces.

Conclusion and Implications

This study explored how immersive branding in metaverse environments can influence customer satisfaction and purchasing outcomes in the merchandise and accessories industry. Drawing on existing literature, the study highlights that technologies such as augmented reality (AR) and virtual reality (VR) allow brands to create interactive environments where consumers can visualise and experience products before making a purchase. These immersive interactions help reduce uncertainty in the buying process, make the shopping experience more engaging, and strengthen consumers’ emotional connection with brands. As a result, such experiences can positively influence customer satisfaction as well as purchasing behaviour, including purchase intention and repeat purchase.

The discussion also indicates that immersive technologies are becoming increasingly accessible through smartphone-based AR applications and the wider availability of VR devices. As digital commerce continues to move toward more interactive and experience-driven environments, immersive branding within the metaverse is likely to play a growing role in shaping consumer–brand relationships and influencing purchasing decisions.

The findings of this study provide useful insights for both researchers and marketing practitioners. From an academic perspective, the study contributes to the emerging discussion on metaverse marketing by highlighting the role of immersive branding in shaping customer satisfaction and purchasing outcomes. It also suggests the need for further empirical research to better understand how immersive marketing strategies function across different industries and consumer groups.

From a practical standpoint, the study indicates that firms should consider AR and VR not simply as innovative technologies but as strategic tools that can enhance consumer engagement and improve the overall shopping experience. By incorporating features such as virtual product visualisation and interactive brand experiences, brands can create more meaningful connections with consumers. This may be particularly effective when targeting younger digital-



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native consumers such as Generation Z and Millennials, who are generally more comfortable interacting with digital and immersive environments.

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