

Submission of Abstract

The 3rd conference from the Global Congress of Special Interest Tourism & Hospitality

**Title: The Impact of Metaverse advertising activities on
Consumers' Brand Loyalty: Research on Generation Z and
Generation Y**

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Abstract:

The Metaverse links the real and virtual worlds to enhance customer experience, but little has been explored about how real-world users react to branded virtual worlds. In an experience-driven society, immersive experience from the Metaverse increasingly impacts the tech-savvy generation – Generation Z and Generation Y in how they respond, perceive brands and affect their behavioral response such as patronage.

While Metaverse Advertising is still in its nascent stages, international brands have embraced this new era to explore its immense potential for driving brand exposure and business growth. By providing various forms of immersive experiences, these brands aim to penetrate their branding within the younger generation. Developed on the Stimulus-Organism-Response (S-O-R) model, this study proposes a comprehensive framework to investigate the bi-dimensional and interrelated value denoted by Hedonic value and Utilitarian value of Experiential value derived from Metaverse Advertising activities, adding dimensions on consumer's brand perception including Brand Image and Self-Congruence and their ultimate influence on Brand Loyalty in the real world.

Using a quantitative research approach and non-probability sampling method, this study has collected 500 valid responses from participants aged 18 to 42 from China. As one of the first empirical studies on Metaverse brand experience, this study contributed by providing insight into the constructs of Brand Image and Self-Congruence in how Metaverse Advertising activities positively influenced Brand Loyalty, meantime shedding lights on how brands should utilize the immersive experience by aligning virtual experiences with real-world products or services to establish a unified Brand Image across both realms.

The results provide empirical proof that the Experiential Value derived from Metaverse Advertising activities significantly and positively influences Brand Loyalty. Through an in-depth examination of the functions of Brand Image and Self-Congruence in relation to Brand Loyalty, this study contributes to the advancement of academic understanding in the field. In summary, the results underscore the influential role of Metaverse Advertising as a stimulus, affecting consumers' internal states (i.e., Brand Image and Self-Congruence), subsequently leading to the development of Brand Loyalty, thus affirming the applicability of the S-O-R theory.

This study serves as a vital resource for marketers and researchers seeking to comprehend the implications and potential of Metaverse Advertising activities. By unraveling the complex dynamics of consumer behavior within the Metaverse, it offers valuable insights into the creation of effective branding strategies that leverage immersive experiences to foster long-term customer loyalty and brand success.