

The Future of Shopping - Changing Consumers' Mindset Through Metaverse Immersive Experiences: Hibe Case Study

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ABSTRACT

COVID-19 changed the way we live, interact and behave. It has pushed us to stay at home in order to be safe. This has had an impact in our daily activities, and, furthermore, in our mental and physical health. Shopping is one of such activities, we have changed crowded malls and supermarkets for ecommerce platforms, reducing social interaction and leisure. Technologies like the metaverse and virtual worlds have opened the door for endless options to improve this situation by enhancing user experience. Hibe is the first Mexican metaverse, which was born as a solution to provide people with unique, immersive and meaningful virtual shopping experiences while organically connecting with safe physical in-store human interactions. In 2021 we partnered with adidas to develop experiences for the "adidas Money by Jeremy Scott" launching. Reaching more than 1,000 users we were able to get meaningful insights for the users while adding value to adidas in the journey of connecting and engaging with their customers.

Keywords: Metaverse, Virtual worlds, User experience, Customer journey, Shopping experience, Hibe

INTRODUCTION

Ecommerce Consolidation in a Pandemic Environment

COVID19 pandemic disrupted the way we live, interact, and behave in many of our daily activities. As a result, it has been a booster for the consolidation and born of new technologies so that we can adapt to the new reality. Priorities like safety, reliability, availability, efficiency, and convenience are now on top of our minds.

E-commerce has been one of the most benefited technologies. The need to be safe by remaining at home along to getting everything we needed, moved consumers from crowded supermarkets and malls to e-commerce platforms.

According to Statista, in 2020 global ecommerce retail sales accounted for 4.3t USD, a 27% growth, however, even more meaningful are the +2b people buying online with impressive months of traffic like June 2020 with more than 22b monthly visits.

Organizations like Amazon, Mercado Libre, retailers like Walmart, and B2C platforms from several brands have showed accelerated growths. Precisely in the moment where people were hesitating due to delivery and safety issues by using these platforms, pandemic made us move faster and adopt this technology.

However, ecommerce platforms are just one of the technologies available to enable digital shopping. Virtual worlds, AR, VR and metaverse are also blooming fast enabling immersive experiences for consumers.

The Blooming of Virtual Worlds and Metaverse

Metaverse has become one of the favorite words and concepts used by tech enthusiast, companies, and consumers in 2021.

Great! Sounds like something will change the way: we live? socialize? work? By the way, what is a Metaverse?

The term Metaverse was first used by Neal Stephenson in his very futuristic science-fiction novel *Snow Crash*. Stephenson describes the metaverse as a world beyond this universe; when he said beyond, he meant within the internet. Back in 1992, he pictured a world in which humans were going to live in two different universes, the physical and the virtual. The virtual world is what he called the metaverse, a world in which you could be whomever you wanted and to do several things that was not possible in the physical world.

More recently, we can find other references such as the Steven Spielberg's *Ready player one* movie, in which he presented the Oasis, a world full of infinite portals that will take you to different micro worlds, from casinos to amusement parks, to supermarkets, to the jungle.

Metaverse is the space in which the physical and virtual world meet. A space with endless possibilities in which we decide who we are by creating our own avatar, what to do and how to do, challenging all the rules of physics while keeping the interaction with human beings and the outside world.

The blooming of the metaverse has put in the spotlight startups that have been working on diverse projects for several years. Platforms like Roblox, Decentraland, Fortnite, Pokemon Go, are some examples of organizations that make the metaverse market which, according to Emerge Research, was 48b USD in 2020 and is expected to reach 829b USD by 2028.

Role and Evolution of Physical Experiences and Connection with Digital Platforms

Regardless the accelerated growth of ecommerce platforms, physical stores and activations still relevant for brands as have been successfully increased loyalty and engagement, building bonds with their consumers.

In 2019, physical store sales accounted for 85% of total retail sales, even in 2020 and 2021 remains as the largest channel, reason why digital platforms have moved to physical stores just like Amazon did with Amazon Go.

In addition, startups have disrupted the traditional physical-store model. Story, in USA, developed a magazine-concept-store model which became attractive for brands and retailers like Macys, which acquired it in May 2018.

However, stores are not the only option. Historically there have been several locations for brand-activations to increase their presence. From very basic and simple activations in supermarket parking-lots and malls, to huge investments in hospitalities and activations within the biggest music festivals. In Mexico, this is a highly lucrative business for OCESA, the largest concerts and music-festivals organization.

Again, the pandemic arrived to disrupt this model and several physical stores and activations have been affected, challenging the business model, pushing brands to find a way to protect and grow their physical investments.

PROBLEM

User Experience as an Attractive Opportunity Field

Ecommerce platforms have invested and focus on a certain customer journey and user experience. From Amazon's "one click" to make the journey as simple as possible, complex algorithms to make sure consumers will always see products that are attractive to me, to the strengthening of supply chain through technology to get everything as soon as today. These initiatives have increased reliability so that the people have proven how easy is to get what I want, when I want it, just in front of my house. Today shopping is so easy! However, that doesn't mean it is fun, right?

Experience within ecommerce platforms is reduced to "scroll, add to cart, buy and send". No interaction with brands, no communication with other users (apart from comments and rates), no physical experience, no leisure or socialization. We are social animals! Or at least that was what Aristotle said.

In markets as relevant as China or Mexico, shopping is considered as a leisure activity in which people enjoy by socializing with friends and family while having meaningful in-store experiences.

It becomes more relevant when is deeply affecting Gen Z, the largest population cohort with more than 2.5 billion people, in two key topics:

1. Individuals within this cohort have had to perform in-home most of the typical outdoor activities, such as shopping.
2. Even though Gen Z is digital native, 72% of them consider that the physical interaction and experiences are as, or more, important as digital experiences.

This situation goes beyond the leisure and fun. Due COVID19 home confinements, "...psychosocial effects like depression, anxiety, psychosomatic preoccupations, insomnia, increased substance use, and domestic violence...", have increased within population, according to The New England Journal of Medicine. This is actually affecting our mental and physical health and changing the way we behave and interact with people.

CASE STUDY

Hibe: Immersive Virtual Shopping Experience Platform (MVP)

Hibe was born because of the pandemic. As everyone else, we struggled in several fields of our lives. One of them, was shopping. We believe new

technologies are powerful tools to enhance and improve user experience moving away from what already exists. Therefore, we decided to go further for our MVP and building a virtual mall focused on developing shopping experiences for brands.

One of the key challenges we faced while creating Hibe was designing the customer journey and experience as we worked with a third party. It was critical to develop an attractive yet friendly environment as it was the first time that users were going to interact in a virtual mall to buy physical products.

The journey was as follows

1. Download 3rd party application
2. Register
3. Find Hibe virtual mall and get in
4. Choose your avatar
5. Navigate and buy within the virtual mall

As per the design and capabilities, Hibe was an “open” mall -US Outlet style- made of 4 key elements:

1. Boutiques: Virtual stores connected to WooCommerce.
2. Games: 3D and 2D games to create experiences
3. Billboards: for advertising, across the games and virtual mall
4. Screens: for live-streaming, videos, events, advertisement and more

Everything was set, we were only missing the most important part, who will trust and use Hibe?

After several months and meetings, we finally partnered with a great brand for an exciting project.

Success Story: “Adidas’ Money by Jeremy Scott” Drop Launching

The “adidas’ Money by Jeremy Scott” drop was an important launch for adidas in Mexico in 2021. These are the, so called, exclusive drops.

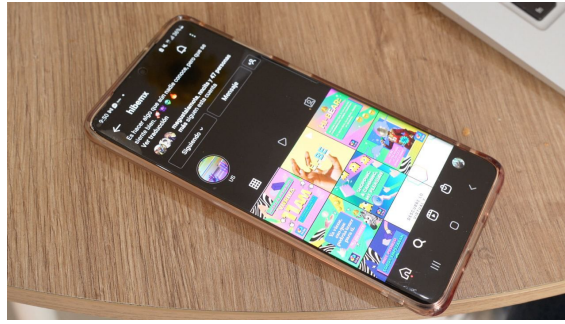
Adidas pitched us two key problems.

1. The drop was going to be sold in physical stores, either adidas flagship store or partners -like Lust- stores. The issue they were facing was the pandemic. As too many people arrive to the store with no schedule, large queues were formed outside, so fines and close downs have been applied from authorities.
2. They wanted to break into new technologies to offer their consumers a meaningful virtual experience which could be interconnected with the physical experience within the Lust store.

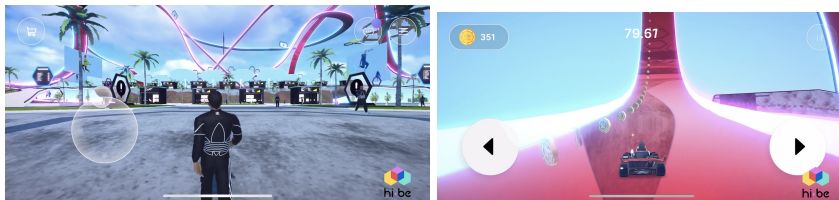
We were awarded with 60 pairs, thus, developed an experience for adidas and Lust.

The experience was made of the following key elements:

1. Communication: communication was delivered through Instagram stories and posts by Adidas, Lust as well as media and influencers. All of them routed users to the landing page with the campaign and instruction



2. Branding: we designed and developed adidas branded skins for the avatars. In addition, we designed and developed adidas branded coins and named the cart after “adidas by Jeremy Scott”



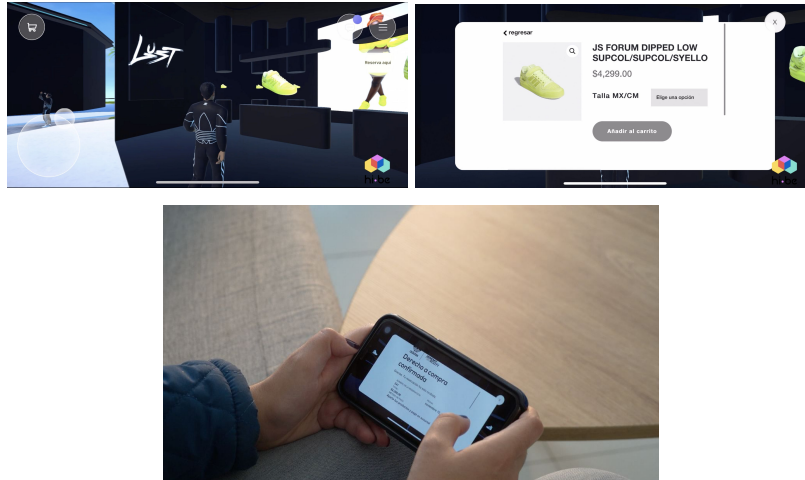
3. Instructions: projected in the screens through a video developed by adidas and in the “Information” island within hibe.



4. Virtual Experience: users had to go to the cart game and discover the key word hidden in the billboards.



5. Booking: users had to go to the boutiques, type the word, pick the product, schedule an appointment and receive a unique purchase code by email.



- Physical experience: once at the store, users had to show the code, pay and collect the pair and live the physical experience that adidas and Lust had prepared for them.



RESULTS

For a most comprehensive analysis and better conclusions, we can divide the results in quantitative and qualitative.

On the quantitative perspective, we received more than 1000 users in hibe willing to try the experience, it was sold out in less than 40 minutes. As a surprise, even when the experience had already finished and there was nothing else to win, users kept hanging and playing in hibe for more than 2 days, when we decided to close the world. The process of creation of purchase codes and dates schedule was flawless which was highly valued by adidas and Lust as they avoided large ques and delivered in-store experience with higher quality and organization.

On the qualitative perspective, users highlighted the innovative way adidas decided to launch this drop. Specially how immersive was the virtual experience and how organic it felt the connection between living the experience virtually and picking up their product in store. As the adidas JS Money model was really exclusive, we discovered that users felt it was fairer and more democratic to get one. Normally users perceived as almost impossible due to the large ques when buying in physical and the participation of bots when buying in ecommerce platforms. Finally, something to work on, users felt that the customer journey was complex and not as easy to understand, which ended up in poor communication.

CONCLUSION

We believe Mexican market is ready and willing to try shopping experiences through new technologies, it becomes clearer when it involves highly exclusive products such as the adidas by JS drop.

Through our MVP we were able to prove 4 key elements of our model:

1. We were able to deliver a virtual shopping experience which connected organically the virtual and physical world. Thus, we challenged the hypothesis that the metaverse will limit physical and human interactions
2. We were able to provide a suitable solution for adidas enhancing its business process eliminating the risk for critical tasks such as stocks and schedules
3. Through our solution, adidas was able to provide their consumers with an integral experience enhancing the engagement and positioning as an innovative brand
4. We were able to differentiate ourselves from traditional solutions by improving and enhancing the user experience through virtual worlds.

For further investigations, it is needed to keep working on improving the customer journey to make it simpler along to the communication so that it is clearer for users. Metaverse and virtual worlds are still new concepts.

Finally, metaverse is made up of several features such as blockchain, VR/AR, digital twins, creator, UGC, economics and AI (2021. Metaverse for Social Good: A University Campus Prototype. Haihan Duan, et al), therefore, we will keep adding features in hibe in order to enhance the user experience and develop highly immersive and unique shopping experiences.

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