

**Digital Customer Engagement, CX Future and the Advance  
of the Metaverse-Related Activities Including in E-Commerce Retail**

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**Abstract**

Digital marketplace, digital customer engagement, digital ecosystems are terms used commonly today. While applying creativity in leveraging data, analytics, and technology, marketers are more and more preoccupied with customer privacy and trust, CX ingredients, and predictive CX platforms as CX future in the digital world. There is an obvious advance of the metaverse-related activities including in e-commerce retail, now being the right time to take the smart strategic decision to start experimenting in the metaverse. There is no doubt about companies' continuous challenge to improve DCX.

**Keywords:** Digital Marketplace; Digital Customer Engagement; Digital Ecosystems; Customer Privacy and Trust; CX Future; Metaverse; E-Commerce; DCX

**JEL Classification:** D83; L81; L86; M15; M31; O32; O33

**Digital marketplace, digital customer engagement, digital ecosystems and the not in  
harmony state of consumers' brand trust**

In our last HMM issue we highlighted the great expectations by 2025 concerning e-commerce (significantly challenged by the potential value of the metaverse) within the context of the spectacular evolution of the digital marketplace (Purcarea, 2022). Eight years ago (Negricea & Purcarea, 2014), we brought to our readers' attention marketers' challenge of positioning digital customer engagement (a critical channel for engaging customers being, for instance, mobile, a main primary screen already taking shape) as a top strategic priority, considering the new organizational architecture determined by the increasing digital competition, including at the level of the fast-moving world of online retail.

Recently, Koch et al. (2022) underlined the more and more accepting dominant roles of the digital ecosystems (as socio-technical systems which are exploiting the network effects, connecting, via digital platforms, for their mutual advantage both multiple providers, and consumers of assets), and provide a basis for the digital ecosystems' standards' establishment (for example, the creation of methods for digital ecosystems' design). Based on rigorous research (that allowed them the identification of a digital service criterion, as well of ecosystem service criteria, and digital ecosystem criteria, as shown in figure below), it was possible to obtain an easier view to understand the digital ecosystems.

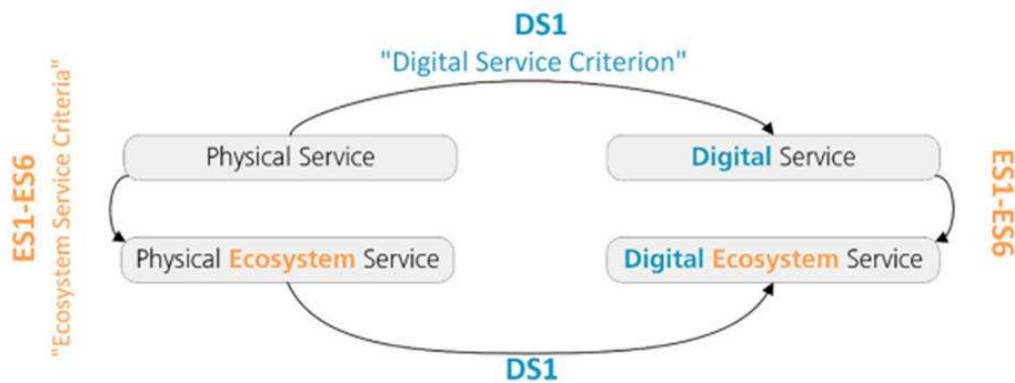


Figure no. 1: Overview of digital and physical (ecosystem) services

Source: Koch, M., Krohmer, D., Naab, M., Rost, D., Trapp, M., 2022. A matter of definition: Criteria for digital ecosystems, *Digital Business 2* (2022), p. 9. (Work cited)

According to McKinsey Digital (Boehm et al., 2022), both a business differentiator of great importance, and a crucial strategic imperative in today's digitally connected and data-driven world is the digital trust (defined as: "confidence in an organization to protect consumer data, enact effective cybersecurity, offer trustworthy AI-powered products and services, and provide transparency around AI and data usage") achievement. Within this framework, it was shown that there is a lot of work to be done by companies in order to achieve what is expected (transparency about digital policies, clarity about how consumers' data will be used, trustworthiness and data protection) by consumers (see figure below).

# Consumers value digital trust

Consumers report that digital trust truly matters. They want companies to provide clear information about their AI and data practices, they expect rigorous data protections to be in place, and they will make purchase decisions based on these premises.



Consumers want transparency about digital policies . . .



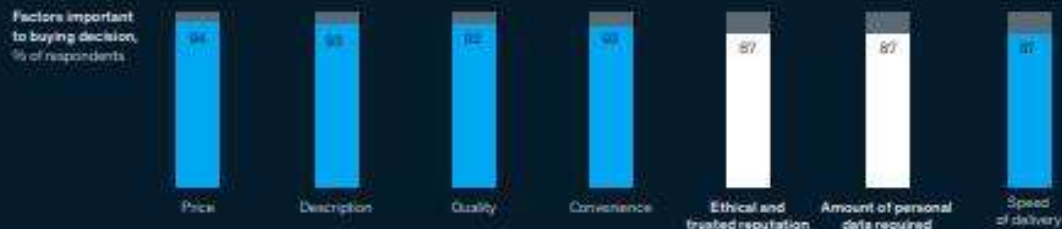
. . . and clarity about how their data will be used.



Among several segments, this figure increases to



They consider trustworthiness and data protection to be nearly as important as price and delivery time.



Many will only buy from companies that are known for protecting consumer data . . .



Among several segments, this figure increases to



. . . and they'll stop buying from a company if it violates digital trust.

Stopped doing business with a company that was not protective of customer data, % of respondents



In the past year, at least 1 in 10 of all respondents stopped doing business with a company either because they disagreed with its ethical principles or because they learned of a data breach, even when they didn't know if their own data had been stolen.



Source: McKinsey Global Survey on Digital Trust, 3,073 consumers, May 2022

Figure no. 2: Consumers value digital trust

Source: Boehm, J., Grennan, L., Singla, A., Smaje, K., 2022. Why digital trust truly matters. [pdf] McKinsey Digital, September 2022, p. 4 (Work cited)

**Customer privacy and trust, significant CX ingredients,  
predictive CX platforms as CX future in the digital world,  
while applying creativity in leveraging data, analytics, and technology**

A recent published report by CCW Europe (CCW Europe Digital, 2022) highlighted the need of improving various touchpoints (such as: employee engagement, productivity, and wellbeing; customer inclusivity and accessibility; customer privacy and trust) in the customer management lifecycle. Findings from CCW Europe’s annual survey revealed the main benefits of authentic customer management (as shown in figure below), including improved data transparency, privacy, trust, and consent for personalization. Within this framework, it was also shown how Amazon make great efforts to achieve authenticity thanks to its ability to easily access and work with data.



*Figure no. 3: Benefits of Authentic Customer Management*

*Source: CCW Europe Digital, 2022. Creating Long-Lasting Connections with Customers in an Age of Radical Authenticity. [pdf] CCW Europe Report, October 13, p. 2 (Work cited)*

In the opinion of the well-known leading pure-play customer data platform (from Boston, MA, U.S.A.) BlueConic (2022), in the current privacy-first era it is important to know how to approach the privacy regulations, companies needing accurate compliance done with speed and efficiency based on the right technology stack, the new customer engagement model (identity being the core of it) considering the role of significant ingredients of customer experience (authentication, consent, and value exchange), as shown in figure below.

## Three ingredients of customer experience



Figure no. 4: Three ingredients of customer experience

Source: BlueConic, 2022. *The New Customer Engagement Model*. [pdf] McKinsey Digital, September 2022, p. 11 (Work cited)

With regard to customers' E2E experience (described by the customer journey, CX needing to be measured at the journey level), McKinsey & Company (2022) recommends companies to focus on CX prediction so as to avoid dissatisfaction, and customer churn and dissatisfaction, improving CX based on more powerful insights. They also showed that regarding digital CX (DCX), predictive CX platforms (made up of a customer-level data lake, predictive customer scores using analytics, and an action and insight engine shared with employees through an API layer) could represent CX future, by significantly contributing to both link CX to value, and build security into DCX.

### **The advance of the metaverse-related activities including in e-commerce retail, now being the right time to take the smart strategic decision to start experimenting in the metaverse**

McKinsey's Metaverse Talks (Lowe and Khan, 2022) underlined recently that the next generation of digital engagement is represented by the metaverse, starting from the traditional belief regarding brands and consumers' exchange of value as a transaction between the two parties in which consumers are prepared to share their data if they consider resulting a great CX happening after that and in addition to it. Acting on this way presupposes creatively thinking about the technology and experiences' use so as to provide consumers with something magic, by really knowing how your brand benefits from the new additional experiences brought to consumers with the help of the metaverse. Other opinions expressed within the same framework showed that:

- This coming revolution of the metaverse it is an opportunity for companies understanding the impact of the generation growing up with the metaverse (Matsuda, Khan and Otohe, 2022);

- The metaverse can be accessed from a mobile phone, personal computers etc., but to make the younger population spend more time in it will be necessary to ensure trust and safety, also going at the same speed as data-privacy regulations etc., while considering both high-end professionally produced content, and user-generated content (Wee, Khan and Rutherford, 2022);

- Immersive e-commerce and shopping experiences (as well as hyper-personalized, gamified learning and training etc.) are already introduced by the next-web applications (which up until the present point are including emerging 3D worlds); in case of e-commerce, it was an obvious acceleration of digital investments, as well then, a faster innovation (like BOPIS or Curated Shopping) beginning with 2020, compared to the period of time between 1994 (Amazon.com) and 2019; the metaverse is shaped by many types of companies, being about community (open, inclusive, personal, safe), human-centered design and value creation having as essential components both experience, and empathy (Solis and Khan, 2022).

Involved in building the metaverse the technology giants are investing accordingly in a determined and forceful way, their activity being driven by the internet's growing role in day-to-day life, the next generation of internet devices, and the explosion in global gamers, as shown in figure below (CB Insights, 2022). It is predicted that by the end of this decade will be a \$1T metaverse market.

Big tech | Metaverse | Market drivers

## What's driving big tech activity in the metaverse?



### Explosion in global gamers

There are over 3B gamers globally. This presents a massive opportunity for big tech companies to develop new games, gaming infrastructures, and in-game revenue streams.



### The next generation of internet devices

Smartphones powered the transition from desktop-based internet to mobile internet. Some big tech companies are betting metaverse devices like AR/VR headsets will ignite a similar transition — and big tech will have to adapt.



### The internet's growing role in day-to-day life

From remote work to online entertainment, humans are spending more time on devices and online than ever before. At its best, the metaverse will be a more natural and immersive way to engage with virtual experiences.

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9

Figure no. 5: What's driving big tech activity in the metaverse

Source: Statista, 2022. eCommerce Market Romania, Digital Markets, Jun 2022 (work cited)

According to Van Belleghem (2022), now it's the right time to take the smart strategic decision to start experimenting in the metaverse, the impact going much further (establishing a presence, building a community, making the employees to learn about both technology, and customers' needs, wants and specific behavior while interacting in a layered 360-degree view and/or immersive experience). This is confirmed, for instance, by the new trademarks registered by Walmart to make and sell virtual goods, one hand, and to offer users both a virtual currency, and NFTs.

**Instead of conclusions: *The metaverse has both advantages, and disadvantages, for the moment***

As shown recently by Insider Intelligence: a year ago Facebook rebranded to Meta (in competition with Apple and TikTok, for instance) that is losing substantial amounts of money on a metaverse that appears now like a deserted town (Lebow, 2022); consequently, Meta needs only to take measures to adjust Facebook and Instagram results etc. and, of course, to not talk very much about the metaverse (Goldman, 2022).

In March 2022, Hollensen, Kotler, and Opresnik (2022) brought to our attention the huge impact of the metaverse on both the marketing function use by companies, and the future of interpersonal communication. In October this year, Kovoov (2022) argued that: right now would be a good time for companies to think a lot about their opportunities offered by the metaverse, and exploit the fullest potential of it by delivering virtual experience as important as a real-world one; the dependence of brands' performance in the metaverse on a better understanding of the relationship between the three elements involved in it (a real-world consumer, a virtual avatar, as well as an online engagement process); until the transformation (eventually) of both worlds in one big metaverse, the winners will be those brands making no difference between the virtual and the real-world one.

According to the 2023 Trend Report by Trend Hunter (whose CEO is the reputed Jeremy Gutsche, known as a NY Times Bestselling Author & Keynote Speaker), that focused on insights and opportunities, users of the metaverse are able to engage with this unfamiliar virtual territory in new ways (such as new methods of communication, the ability to display NFTs, toys designed as collectors' items or games etc.) which have significant real-world impacts. On the other hand, according to the 2022 Metaverse in E-commerce Market report by Technavio (known as categorizing the metaverse in e-commerce market as a part of the global IT spending market at global level), the increasing popularity of the Augmented Reality (AR) technology represents one of the key factors driving growth in the metaverse in e-commerce market, a trend here being the highly personalized DCX, and from which it is expected a positive impact in the years ahead in which a major challenge will be the privacy and security concerns over metaverse.

Without doubt, improving DCX remains a continuous challenge for all the companies already experimenting in the metaverse in e-commerce market, and to not remain where they are these companies need to take on this continuous challenge.

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