

## **Social status in virtual worlds: An experience economy versus luxury consumption debate**

**LAUREN SIEGEL<sup>1</sup> & RYAN YUNG<sup>1</sup>**

<sup>1</sup>University of Greenwich

Contacting author: l.a.siegel@greenwich.ac.uk

**Keywords** | Conspicuous consumption, Metaverse, Experience economy, Virtual realities, Status consumption

**Objectives** | There have been markers of social status available in societies since the dawn of sociability. As generational cohorts before them compared their social statuses with purchased goods, it has now been widely accepted that the rise of the ‘experience economy’ has paved the way for younger generations to measure their status based on experiences rather than things (Pan et al., 2014). As virtual worlds and communities become increasingly common destinations for socialization and community building, the notion of virtual tours (El-Said & Aziz, 2021), ‘metaverse’ tourism (Koo et al., 2023), virtual events (Yung et al., 2022), and even virtual nature experiences (Reese et al., 2022) have all accordingly grown in acceptance and importance. This study sets out to explore how social status will be conveyed within these new domains. Can experiences still be expected to remain significant markers of social status in virtual worlds as they have in physical worlds? Or can we expect a reversal back to conspicuous consumer goods as status markers in virtual worlds? This study will aim to conduct an in-depth analysis to investigate the behavioral nuances of what will likely be in between the two extremes; advancing our nascent understanding of how, why, and in what contexts virtual societies translate markers of social status. In turn, findings are expected to provide significant insights with far-reaching implications for industries ranging from virtual environment designers to advertisers and marketers aiming to bridge corporeal and virtual economies.

**Methodology** | This study is still a conceptual piece, with an aim to be developed into a systematic literature review. The systematic review will follow the steps of PRISMA-based literature search of the Scopus and Web of Science (WoS) academic databases as adopted by Pickering and Byrne (2014). The search applies specific inclusion and exclusion criteria, before screening, then extracting and synthesizing themes and concepts from the resulting articles (see Khoo-Lattimore et al., 2017). Systematic review will also be followed by virtual netnography within various metaverse platforms. The virtual netnography stage will include participant observations of online avatar behaviors and chat logs which highly resembles what is known as ‘traditional’ netnography which



involves taking ethnographic research online, however this approach will unfold in VR worlds instead of online webpages or social media platforms (Kozinets, 2002; McKenna and Chughtai, 2020).

**Main Results and Contributions** | Sheller and Urry (2006) posited the concept of the new mobilities paradigm, where they discussed the notion of society shifting towards dematerialisation – society living life ‘online’, with new forms of ‘virtual’ and ‘imaginative’ experiences. Virtual goods in social metaverses resulting from the new mobilities paradigm present interesting scenarios where the purchase of the virtual goods present no clear utility as competition or obstacles are not purpose-built into engaging with the virtual environment like video games. Yet, previous research has shown that even in non-competitive video games, user purchases of virtual items are associated with continued engagement with the video games (Laurence et al., 2023), social presence, and hedonic and social attributes like virtual social identity and cultural value of the virtual goods (Fu & Liang, 2022; Jin et al., 2017). Signs point to luxury brands quickly following suit – buying a corporeal Louis Vuitton handbag allowing consumers to ‘equip’ the same bag in metaverses and vice versa; presumably enjoying the resulting social status across realities. Unsurprisingly, due to the nascent nature of metaverses, limited research has explored the intersection between consumption of virtual goods and consumption of experiences in virtual environments (Türkmen & Aytac, 2023).

Virtual worlds are not a new thing, with multiplayer online worlds such as *Second Life* having been established in 2003. However, as COVID-19 brought the reality of being immobile to a wider population, the notion of virtual reality (VR) substitutes to corporeal experiences received a substantial boost in attention (Skandalis, 2020). Accordingly, the suite of Facebook companies rebranded as Meta, heralding the rise of the ‘Metaverse era’.

Metaverses combine multiple existing components from different platforms and contents to conceive a world beyond the real world. Metaverses often comprise virtual worlds with their own virtual goods, the use of VR, multi-user virtual spaces with avatars, forms of social media, self-contained virtual economies, and persistent network infrastructures where the virtual world continues to ‘live’ even after the user has exited (Joy, 2022).

Entire concert experiences have successfully been hosted within metaverses with unprecedented audience numbers. Epic’s Fortnite platform, which has 250 million registered users, hosted exclusive fully virtual concerts for artists Travis Scott and Marshmello, which saw 12.3 million users and 10 million users respectively, in the audience simultaneously (Tidy, 2020). Fashion and luxury



conglomerates like Gucci, Nike, and LVMH have all participated in virtual fashion shows to sell exclusive virtual goods in the Roblox and Decentraland metaverses (Joy, 2022).

**Limitations** | Common limitations with conceptual research or a systematic literature review include the difficulties to generalize the findings beyond theoretical settings. Systematic literature reviews also tend to not include articles published in non-Anglo-Saxon academic systems, nor books or book chapters (Pickering & Byrne, 2014).

**Conclusions** | Preliminary findings suggest that certain virtual experiences are indeed markers of social status. Proof of Attendance Protocols (POAP), which are collectible proof of attendances are growing in popularity, as seen in recently in Estee Lauder's exclusive Art Week Event in Decentraland. Attendees can collect these POAPs to indicate attendance to exclusive events before displaying their collection of digital memory mementos in POAP apps. The delineation of whether these 'experience certificates' should be considered 'luxury goods', as they likely would be in physical worlds, will be explored in further detail as the research progresses. Additionally, much like physical concerts, attending 'live' virtual events seems to bring a certain societal value of being there when it happened. Despite the concerts discussed above being held in fully virtual environments, the number of live participating users was still capped due to server limitations. Despite these concerts being recorded and available on streaming platforms like Youtube, message boards are still filled with complaints from users unable to be there when it happened. Additionally, a conceptual model will be constructed and presented at the conference alongside preliminary findings from virtual ethnography from the authors participating in variant metaverses.

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