

## HOW PAKISTANI RETAIL BRANDS CAN LEVERAGE THE METAVERSE FOR IMMERSIVE MARKETING: OPPORTUNITIES, CHALLENGES, AND STRATEGIC INSIGHTS

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### Abstract

*This study investigates the adoption of Metaverse technologies and immersive marketing strategies within the Pakistani retail sector, focusing on opportunities, challenges, and consumer engagement. Using a qualitative, exploratory approach, semi-structured interviews were conducted with seven retail managers, marketing professionals, and technology experts. Thematic analysis identified key insights across five themes: stakeholder attitudes, immersive engagement experiences, organizational and technological constraints, strategic implementation approaches, and market and brand impact. Findings reveal mixed perceptions, with skepticism coexisting alongside recognition of innovative potential. Immersive experiences enhance engagement, personalization fosters loyalty, and strategic interventions such as phased adoption, partnerships, and employee training facilitate effective implementation. Technological limitations and low digital literacy remain significant barriers. The study contributes to understanding immersive marketing adoption in emerging economies and provides practical recommendations for retailers to leverage the Metaverse for enhanced consumer engagement, brand differentiation, and market reach.*

## 1. Introduction

### 1.1 Background of the Research

The global retail landscape is undergoing a profound transformation driven by the integration of digital technologies that fundamentally alter consumer engagement, purchasing behavior, and brand communication. Traditional brick-and-mortar models are increasingly complemented by immersive digital platforms that enable interactive, personalized, and experiential consumer interactions (Abrar, Irfan, & Malik, 2024). Emerging technologies, including augmented reality (AR), virtual reality (VR), and artificial intelligence (AI), have facilitated this shift, offering retailers opportunities to deliver immersive marketing strategies that extend beyond conventional e-commerce (Asif, Shahid, & Rafiq-uz-Zaman, 2025). These advancements not only enhance the consumer experience but also enable retailers to develop emotional bonds with customers, thereby strengthening brand loyalty and differentiation in competitive marketplaces (Hussain, Ahmed, Streimikiene, Bukhari, & Streimikis, 2025).

Within this context, the Metaverse, a persistent, three-dimensional virtual ecosystem integrating AR, VR, and blockchain-enabled digital assets, has emerged as a transformative platform for retail marketing. By facilitating interactive brand experiences, gamified engagement,

and personalized product interactions, the Metaverse allows consumers to co-create value in ways previously unattainable in traditional online environments (Abrar, 2018; Adnan, Rashed, & Ali, 2025). Globally, leading brands such as Nike, Gucci, and Adidas have leveraged virtual environments to enhance consumer interaction, launch digital product lines, and establish immersive brand narratives that span physical and digital touchpoints. Such initiatives have demonstrated that immersive marketing can significantly increase consumer engagement, satisfaction, and purchase intention by offering realistic simulations and emotional connectivity with brands (Asif, Shahid, & Rafiq-uz-Zaman, 2025). In Pakistan, the retail sector is witnessing rapid digital growth due to increasing internet penetration, widespread smartphone adoption, and a predominantly youth-driven, tech-literate population (Hussain et al., 2025). While international markets have explored the potential of immersive marketing extensively, Pakistani retailers are still in the early stages of experimentation with the Metaverse (Abrar, Irfan, & Malik, 2024). Initial applications, such as AR-based virtual try-ons and VR-enabled real estate tours, indicate the feasibility and potential impact of immersive experiences; however, large-scale adoption remains limited. This nascent stage presents both a challenge and an opportunity for

local retailers to strategically integrate Metaverse technologies to enhance consumer experience, increase engagement, and expand market reach (Ali & Rehman, 2021).

## 1.2 Problem Statement

Despite the demonstrated potential of the Metaverse for immersive retail marketing globally, adoption within the Pakistani retail sector remains constrained. Critical barriers include limited digital infrastructure, low awareness and understanding of immersive technologies among both consumers and businesses, and substantial financial investment requirements (Hassaan, 2025; Adnan, Rashed, & Ali, 2025). Retailers face uncertainty regarding implementation strategies, technology integration, and potential return on investment, which contributes to hesitation in embracing the Metaverse (Hindolia, Arya, Pathak, & Kazmi, 2026). Consequently, the lack of empirical evidence on consumer perceptions, adoption drivers, and challenges in Pakistan impedes the development of actionable strategies for immersive marketing. Addressing these research gaps is essential for enabling retailers to navigate the intersection of digital transformation, consumer engagement, and immersive experiences effectively (Asif, Shahid, & Rafiq-uz-Zaman, 2025; Abrar, Irfan, & Malik, 2024).

## 1.3 Research Questions

1. How do Pakistani retail brands perceive the Metaverse as a marketing tool?
2. What are the key opportunities for immersive marketing adoption in Pakistan?
3. What challenges limit the effective integration of Metaverse technologies in the local retail sector?
4. How can retailers implement immersive marketing strategies to optimize consumer engagement and brand loyalty?

## 1.4 Research Objectives

1. To investigate perceptions of the Metaverse among retail stakeholders in Pakistan.
2. To identify opportunities and challenges in implementing immersive marketing within the Pakistani retail context.
3. To propose evidence-based strategies that facilitate effective adoption and maximize consumer engagement.

## 1.5 Significance of the Research

This study contributes to the academic understanding of immersive marketing by contextualizing the adoption of Metaverse technologies in a developing economy. It provides practical insights for Pakistani retailers and marketing professionals, highlighting how they can leverage AR/VR, gamification, and personalization to enhance consumer engagement, foster loyalty, and differentiate their brands in competitive markets. Additionally,



the research offers guidance for policymakers, educators, and technology providers on infrastructure development, digital literacy, and regulatory frameworks to support sustainable adoption. By bridging the gap between emerging technological potential and practical application, the study establishes a roadmap for integrating immersive marketing strategies into the retail sector while accounting for local socio-cultural and infrastructural conditions.

## 2. Literature Review

### 2.1 Theoretical Framework

The adoption and effectiveness of Metaverse marketing can be analyzed using established theoretical frameworks that explain consumer engagement and technology diffusion. Consumer Engagement Theory posits that immersive marketing environments enhance the emotional and cognitive involvement of consumers with brands, fostering loyalty and active participation (Abrar, K., & Mian, 2020). Within the Metaverse, engagement is amplified through interactivity, gamification, and personalization, which collectively strengthen brand-consumer relationships. Consumers are no longer passive recipients of marketing messages; they actively co-create experiences, interact with virtual avatars, and influence brand narratives, reflecting the central tenets of this theory (Siddique, Yaqub, Akram, & Khurshid, 2023).

Diffusion of Innovation Theory provides a complementary lens by explaining how new technologies are adopted among individuals and organizations (Hussain, Rashid, & Hassan, 2025). According to this framework, adoption is influenced by relative advantage, compatibility, complexity, trialability, and observability. Early adopters in the retail sector can set trends and accelerate broader acceptance of Metaverse strategies. In Pakistan, these factors are critical, as infrastructure constraints, financial limitations, and digital literacy gaps can significantly affect adoption patterns (Hassaan, 2025). Together, these frameworks offer a robust foundation for understanding the drivers, barriers, and outcomes of immersive marketing in the Metaverse.

### 2.2 Introduction to the Metaverse

The Metaverse is defined as a persistent virtual space that integrates digital and physical realities through AR, VR, and blockchain-based assets such as non-fungible tokens (NFTs) (Akbar & Agyei, 2024). Globally, brands are leveraging the Metaverse to provide interactive shopping experiences, virtual product launches, and community-driven brand spaces. Studies highlight that Metaverse adoption is growing rapidly in sectors including fashion, gaming, entertainment, and tourism (Najafloo, Soltani, & Szeberényi, 2025). Its immersive nature allows



retailers to offer multi-sensory experiences that replicate or enhance physical interactions, such as virtual try-ons, gamified shopping environments, and real-time personalization. These innovations enable deeper emotional connections with consumers and open new pathways for loyalty and engagement (Moon, 2026).

### 2.3 Metaverse and Consumer Behavior

Consumer behavior in the Metaverse differs significantly from traditional online or offline contexts. Immersive technologies alter psychological, emotional, and behavioral responses by enabling consumers to explore products, interact with avatars, and participate in gamified environments (Nayab & Bilal, 2025). AR and VR facilitate experiential learning and reduce uncertainty in purchase decisions by allowing users to simulate real-world interactions with products. Research shows that personalization, interactivity, and gamification in immersive platforms increase satisfaction, trust, and engagement (Asif, Fazel, & Alghamdi, 2025).

The psychological effects of immersive experiences include enhanced enjoyment, presence, and emotional attachment to brands (Aslam, Majeed, & Hussain, 2025). Consumers report higher perceived value and confidence when they can manipulate virtual products and environments, which improves decision-making. Behaviorally,

immersion in the Metaverse encourages repeat visits, prolonged engagement, and social sharing, which strengthens brand visibility and community formation (Hussain, Ahmed, Streimikiene, Bukhari, & Streimikis, 2025).

### 2.4 Metaverse in Retail Marketing

The application of the Metaverse in retail encompasses gamified shopping, digital product trials, virtual showrooms, and interactive storytelling. Immersive marketing allows brands to transform engagement into a multi-dimensional experience, offering consumers agency in exploration and purchase (Aslam et al., 2025). Research in international contexts highlights success in sectors like fashion, luxury goods, and sports merchandise, where brands such as Nike, Adidas, and Gucci create branded virtual spaces to attract digitally native consumers (Mashero, Kwarayi, Madongonda, & Katiyo, 2026).

Comparatively, adoption in developing markets like Pakistan is limited, often confined to pilot programs or niche applications. The discrepancy arises from infrastructural constraints, financial limitations, and low digital literacy among both consumers and retailers (Hussain et al., 2025). Local adoption challenges include slow internet speeds, high costs of AR/VR devices, and lack of expertise in designing immersive experiences. Despite these barriers, initial experiments by



Pakistani brands suggest significant potential for enhancing consumer engagement, increasing brand visibility, and expanding market reach (Rahman & Akhtar, 2025).

## 2.5 Opportunities for Pakistani Retailers

Immersive marketing offers multiple opportunities for retail firms in Pakistan. First, enhanced consumer engagement is achieved through interactive experiences such as virtual product trials, gamified challenges, and community-driven brand spaces (Jameel & Kousar, 2025). These strategies allow consumers to actively participate in brand narratives, creating emotional bonds and increasing loyalty.

Second, brand differentiation emerges as early adopters position themselves as innovators in a saturated market. By leveraging Metaverse technologies, retailers can communicate modernity, technological competence, and creativity, which appeals particularly to younger, digitally native consumers (Najafloo et al., 2025).

Third, market expansion is facilitated by the virtual nature of the Metaverse, which eliminates geographical barriers and enables SMEs to reach national and international audiences without significant physical infrastructure (Mashero et al., 2026). Furthermore, immersive platforms can integrate e-commerce, digital payments, and AI-based recommendations, providing

a seamless, personalized, and scalable consumer experience (Asif et al., 2025).

## 2.6 Challenges and Limitations

Adoption of the Metaverse in Pakistan is constrained by technological, infrastructural, cultural, and financial barriers. Technologically, limited internet speed, low penetration of high-end AR/VR devices, and inconsistent connectivity impede smooth implementation (Hindolia et al., 2026). Financially, the high cost of developing and maintaining immersive platforms limits access for SMEs.

Cultural factors also pose challenges, as many consumers prefer traditional in-person shopping experiences and remain skeptical of virtual environments (Hassaan, 2025). Retailers face a knowledge gap in designing immersive experiences that align with consumer expectations and effectively integrate with existing marketing strategies (Soomro, Shaikh, Sohu, Soomro, Shaikh, & Kherazi, 2025). These limitations emphasize the need for structured education, awareness campaigns, and strategic collaborations with technology providers to facilitate adoption.

## 2.7 Gaps in Existing Research

Despite increasing global interest in Metaverse applications, empirical research on consumer engagement and adoption within Pakistan remains scarce. Existing studies



largely focus on technological potential rather than practical adoption strategies in developing markets (Najafloo, Soltani, & Szeberényi, 2025). Limited attention has been given to local consumer preferences, cultural factors, and behavioral responses, which are critical for designing effective immersive marketing campaigns (Aslam, Majeed, & Hussain, 2025). Additionally, research has yet to fully explore the integration of gamification, AR/VR personalization, and blockchain-enabled loyalty systems in retail contexts within emerging economies (Mashero, Kwarayi, Madongonda, & Katiyo, 2026; Rahman & Akhtar, 2025). Financial and infrastructural constraints specific to Pakistan remain underexamined, creating a knowledge gap regarding scalable implementation strategies. This study addresses these deficiencies by providing evidence-based insights into perceptions, challenges, and opportunities for immersive marketing, offering both theoretical and practical guidance for local retailers.

### 3. Methodology

#### 3.1 Research Design

This study adopts a qualitative, exploratory research design to investigate the adoption of Metaverse technologies and immersive marketing strategies among Pakistani retail brands (Khan, Alkadash, & Bashar, 2026). Given the novelty of the Metaverse in

Pakistan, qualitative research is particularly suitable for understanding perceptions, experiences, and attitudes of retail managers and marketing professionals in depth. Semi-structured interviews were employed as the primary data collection method to allow flexibility in probing specific themes while capturing rich, contextually grounded insights (Soomro, Shaikh, Sohu, Soomro, Shaikh, & Kherazi, 2025). This approach facilitates an understanding of both opportunities and challenges in adopting Metaverse strategies, enabling the study to explore emergent patterns that quantitative surveys might overlook (Asif, Shahid, & Rafiq-uz-Zaman, 2025).

#### 3.2 Sampling Strategy

A purposive sampling technique was used to select participants with direct experience in digital marketing, retail management, and technology adoption. The sample consisted of retail managers, marketing professionals, and technology experts who have first-hand experience in integrating or planning immersive marketing solutions. This targeted approach ensures that respondents possess the expertise necessary to provide meaningful insights on strategic adoption, consumer engagement, and technological constraints (Hassaan, 2025). The study aimed for a sample size of 7-10 participants to facilitate an in-depth qualitative



analysis while capturing diverse perspectives across different retail sectors.

**3.3 Data Collection**

Data were collected through semi-structured interviews conducted either online via video conferencing or in-person, depending on participant availability and preference. Each interview was recorded with consent and subsequently transcribed verbatim to ensure accuracy in capturing participant perspectives. The semi-structured format allowed participants to elaborate on specific experiences, share practical examples, and discuss contextual challenges related to Metaverse adoption (Ali & Rehman, 2021).

**3.4 Data Analysis**

Thematic analysis was employed to identify, analyze, and interpret patterns in the interview data (Soomro et al., 2025). This method facilitated the development of

themes related to perception, opportunities, challenges, implementation strategies, and consumer engagement in Metaverse marketing. Codes were generated iteratively, allowing for both inductive insights and alignment with the theoretical frameworks of Consumer Engagement and Diffusion of Innovation (Abrar & Mian, 2020).

**3.5 Ethical Considerations**

The study adhered to strict ethical protocols, including voluntary participation, informed consent, confidentiality, and data privacy. Participants were informed of the research objectives, procedures, and their rights, including the option to withdraw at any stage without repercussions. These measures ensured the protection of participants' autonomy and promoted trust during data collection.

**Table 1**

**Participants' Profile**

Respondent No.	Company	Department	Designation	Experience (Years)
1	Imtiaz Super Market Gulberg Green	Operations	Store Manager	7
2	Imtiaz Super Market DHA	Sales	Floor Manager	5
3	A to Z Consumer	Sales	CEO	15
4	Punjab Cash and Carry	Procurement	Purchase Manager	7
5	Qarshi	Sales	Regional Sales Manager	5

Respondent No.	Company	Department	Designation	Experience (Years)
6	Unilever	Sales	Merchandise Officer	9
7	Mercury	Sales	CEO	15

The table illustrates the diversity of participants in terms of organizational type, department, designation, and professional experience. Participants included senior-level managers and executives with between 5 to 15 years of experience, ensuring credible and informed perspectives on immersive marketing and Metaverse adoption strategies.

**4. Findings and Discussion**

The findings of this study are organized into five key themes that provide a comprehensive understanding of Metaverse adoption in the Pakistani retail sector. The first theme, stakeholder attitudes, explores perceptions ranging from skepticism and reliance on traditional retail practices to recognition of the innovative potential of immersive technologies. The second theme, enhancing consumer interaction, examines how AR/VR experiences and personalized engagements influence customer loyalty. The third theme highlights organizational and technological constraints, including infrastructure limitations and skill gaps. The fourth theme addresses strategic implementation approaches, emphasizing phased adoption and collaborative initiatives. Finally, the fifth theme considers market and

brand impact, including brand differentiation, market reach, and gamification-driven engagement.

**4.1 Theme 1: Stakeholder Attitudes toward Metaverse Adoption**

The study revealed that stakeholder attitudes are a pivotal determinant in shaping the adoption of Metaverse technologies within the retail sector. Participants expressed a wide spectrum of perceptions, reflecting both caution and recognition of the strategic opportunities offered by immersive platforms. Stakeholder attitudes not only influenced organizational readiness but also moderated how technology investments were prioritized and implemented, demonstrating the critical role of managerial vision and risk perception in emerging markets.

**4.1.1 Sub-theme 1.1: Skepticism and Traditional Preferences**

Several participants emphasized a strong preference for conventional retail practices. Respondent R1 stated, "Our customers are more comfortable with physical shopping; virtual stores feel unfamiliar and difficult to trust." This skepticism emerged from a combination of consumer habits, limited familiarity with immersive technologies, and organizational caution regarding investment risk. Concerns about



technological readiness, digital literacy of both consumers and employees, and uncertainty over return on investment were consistently highlighted across multiple retail contexts. These findings corroborate prior research emphasizing cultural and behavioral barriers in emerging economies, where traditional shopping remains the dominant mode of consumer engagement (Hassaan, 2025; Ali & Rehman, 2021). Retailers recognized that the novelty and perceived complexity of immersive technologies could hinder early adoption and that consumer reluctance may exacerbate implementation challenges. Moreover, organizational inertia and risk aversion were noted as additional factors that slow the uptake of experimental technologies, particularly in markets with limited precedent or benchmarking for immersive solutions.

#### **4.1.2 Sub-theme 1.2: Recognition of Innovative Potential**

In contrast, some stakeholders acknowledged the transformative potential of the Metaverse for strategic differentiation. Respondent R5 observed, "Investing in immersive strategies now positions our brand as innovative and gives us a competitive edge for future digital consumers." This perspective aligns with global studies indicating that early adopters benefit from enhanced consumer engagement, greater brand visibility, and stronger

loyalty (Akbar & Agyei, 2024; Najafloo, Soltani, & Szeberényi, 2025). Participants emphasized that a forward-looking vision and willingness to experiment with novel technologies are critical for capitalizing on emerging digital trends, despite financial constraints and infrastructural limitations. They suggested that carefully planned pilot programs and strategic allocation of resources can mitigate risk while enabling brands to capture early-mover advantages in immersive retail ecosystems.

#### **4.2 Theme 2: Enhancing Consumer Interaction**

Immersive marketing strategies in the Metaverse were consistently reported to enhance consumer interaction, shaping both cognitive and emotional engagement with retail brands. Participants emphasized that interactive experiences within virtual environments foster deeper involvement, increasing the time and attention consumers dedicate to product exploration. These findings underscore the transformative potential of immersive technologies in bridging the gap between traditional retail and digital engagement.

##### **4.2.1 Sub-theme 2.1: Immersive Engagement Experiences**

Participants highlighted AR/VR-enabled marketing and gamified experiences as particularly effective in capturing consumer attention. Respondent R6 noted, "Customers



spend more time interacting with products when virtual try-ons or gamified experiences are provided." These insights align with prior research demonstrating that immersive platforms facilitate higher levels of emotional and cognitive involvement, which in turn positively influence satisfaction and purchase intention (Moon, 2026; Nayab & Bilal, 2025). The visually rich and interactive nature of the Metaverse allows consumers to manipulate virtual products, explore features, and engage in simulated purchasing scenarios within a controlled environment. This interactivity reduces decision-making uncertainty, enhances consumer confidence, and promotes repeat engagement, creating a more robust experiential relationship between consumers and brands. Participants further observed that gamification elements, such as challenges, achievements, and social interactions within the platform, sustain prolonged attention and increase the likelihood of ongoing participation.

#### **4.2.2 Sub-theme 2.2: Personalization and Loyalty Development**

The study also found that personalization within immersive environments substantially strengthens consumer loyalty. Respondent R4 remarked, "Personalized digital interactions make customers feel valued and encourage repeat purchases." Tailored experiences, including

customized product recommendations, avatar-based interactions, and virtual rewards, foster trust and deepen the emotional connection with the brand, reinforcing long-term engagement (Asif, Fazel, & Alghamdi, 2025; Aslam, Majeed, & Hussain, 2025). Participants emphasized that integrating loyalty mechanisms, such as digital incentives or personalized promotions, enhances repeat interaction and encourages advocacy behavior, strengthening the overall brand-consumer relationship. Collectively, these findings indicate that immersive and personalized strategies not only drive engagement but also serve as key mechanisms for fostering loyalty and sustaining competitive advantage in the emerging digital retail landscape.

#### **4.3 Theme 3: Organizational and Technological Constraints**

Despite the recognized potential of immersive marketing, adoption in Pakistani retail is constrained by both organizational and technological limitations. Participants consistently emphasized that these constraints significantly influence the scalability, effectiveness, and overall success of Metaverse initiatives, highlighting that infrastructure and human capital readiness are critical determinants of adoption outcomes.

### 4.3.1 Sub-theme 3.1: Infrastructure and Device Limitations

High device costs, inadequate hardware availability, and inconsistent internet connectivity were repeatedly identified as major barriers. Respondent R1 explained, "Implementing VR is expensive, and consistent internet is an issue for many customers." These infrastructural challenges hinder the ability of retailers to deliver seamless and equitable immersive experiences, often resulting in variable engagement levels across different consumer segments. Limited access to high-end AR/VR devices, particularly in semi-urban and rural areas, further reduces the reach of immersive marketing campaigns. These findings align with broader research in developing countries, where infrastructure deficiencies constrain the adoption of advanced digital technologies and limit the operational effectiveness of innovative marketing strategies (Hindolia, Arya, Pathak, & Kazmi, 2026). Retailers noted that without stable digital infrastructure, immersive experiences may fail to deliver anticipated engagement and satisfaction outcomes, reducing return on investment and slowing the pace of adoption.

### 4.3.2 Sub-theme 3.2: Skills and Awareness Gaps

Participants also highlighted significant gaps in staff expertise and consumer awareness. R5 remarked, "Many staff members are

unfamiliar with immersive tools, reducing campaign effectiveness." Limited digital literacy among employees affects their ability to operate, monitor, and optimize immersive platforms, while consumers' lack of familiarity with virtual environments reduces interaction and engagement. Literature emphasizes that low technical knowledge and limited exposure to immersive technologies diminish adoption success, underscoring the importance of targeted education, skill development, and capacity-building initiatives (Soomro, Shaikh, Sohu, Soomro, Shaikh, & Kherazi, 2025). Participants suggested that training programs, awareness campaigns, and stepwise onboarding for both employees and customers are essential to sustain engagement, ensure effective campaign execution, and maximize the benefits of immersive marketing. Addressing these organizational and technological constraints is critical for building the foundation for scalable Metaverse adoption and achieving long-term brand engagement.

### 4.4 Theme 4: Strategic Implementation Approaches

The study identified several strategic approaches that facilitate the effective adoption of Metaverse technologies in the retail sector. Participants emphasized that deliberate planning, structured experimentation, and collaborative



engagement are critical to ensuring that immersive marketing initiatives achieve the intended outcomes of enhanced consumer engagement and brand loyalty.

#### 4.4.1 Sub-theme 4.1: Phased Adoption

Participants consistently recommended a phased or incremental adoption strategy. Respondent R3 explained, "Piloting small immersive initiatives first allows us to learn and adjust before full-scale adoption." This approach aligns closely with the principles of Diffusion of Innovation Theory, which highlights trialability and observability as key determinants of technology adoption (Hussain, Ahmed, Streimikiene, Bukhari, & Streimikis, 2025). By implementing pilot programs, organizations can identify technical, operational, and experiential challenges at an early stage, enabling iterative refinement before committing substantial resources. Gradual implementation mitigates risk, increases organizational confidence, and allows management to develop internal protocols for monitoring, evaluating, and scaling immersive experiences. Furthermore, phased adoption facilitates incremental learning among staff, ensuring that teams gradually build familiarity with AR/VR tools, gamified platforms, and virtual engagement mechanisms, which in turn increases the likelihood of successful implementation.

#### 4.4.2 Sub-theme 4.2: Collaborative and Educational Initiatives

Collaboration with external technology providers and structured educational programs emerged as a complementary strategy. Respondent R4 stated, "Collaborating with AR/VR experts and conducting workshops accelerates adoption and reduces errors." Partnerships with technology vendors allow retailers to leverage specialized expertise, access advanced platforms, and adopt best practices in immersive design. Simultaneously, internal capacity-building initiatives, including staff training, workshops, and knowledge-sharing sessions, ensure that organizational competence grows alongside technological implementation. Research suggests that such collaborative and educational efforts enhance technical capability, reduce organizational resistance, and strengthen preparedness for long-term immersive marketing integration (Siddique, Yaqub, Akram, & Khurshid, 2023). Participants emphasized that balancing external expertise with internal development is critical for sustaining adoption momentum, enabling organizations to not only launch immersive campaigns successfully but also manage and optimize them over time. Together, phased adoption and collaborative educational strategies provide a structured, low-risk pathway for



retailers to integrate Metaverse technologies while maximizing consumer engagement and strategic impact.

#### **4.5 Theme 5: Market and Brand Impact**

The study's findings underscore the significant influence of Metaverse adoption on both market reach and brand positioning in the Pakistani retail sector. Participants emphasized that immersive marketing experiences facilitate broader access to consumers while simultaneously enhancing the distinctiveness and recognition of brand identity. By leveraging AR/VR-enabled virtual stores, gamified interactions, and personalized digital experiences, retailers are able to engage consumers beyond their traditional physical locations, extending brand presence to previously inaccessible market segments.

##### **4.5.1 Sub-theme 5.1: Market Reach and Brand Differentiation**

Participants consistently reported that immersive experiences enable expansion into new markets and create a unique value proposition for brands. Respondent R2 stated, "Virtual campaigns allow us to reach consumers beyond our physical locations and differentiate our brand identity." This observation aligns with prior research indicating that Metaverse-enabled marketing enhances brand visibility, competitiveness, and accessibility on both national and

international scales (Mashero, Kwarayi, Madongonda, & Katiyo, 2026; Rahman & Akhtar, 2025). Early adoption of immersive technologies allows brands to establish themselves as innovators, particularly appealing to digitally native and younger consumer cohorts. Participants noted that this positioning fosters consumer perception of modernity, technological sophistication, and creative brand storytelling, which can strengthen loyalty and positively influence purchase behavior.

##### **4.5.2 Sub-theme 5.2: Gamification and Engagement Metrics**

Gamified experiences and interactive campaigns emerged as critical mechanisms for sustaining consumer engagement. Respondent R6 observed, "Virtual challenges and avatar-based interactions sustain participation and generate measurable engagement." These strategies prolong consumer interaction, foster retention, and promote repeat engagement, corroborating prior findings (Najafloo et al., 2025). Beyond engagement, gamification provides retailers with valuable data on consumer behavior, enabling analytics-driven optimization of campaigns, personalization of content, and improved targeting strategies. Participants emphasized that integrating gamification within immersive marketing not only enhances experiential quality but also generates actionable insights to



refine future marketing initiatives. Consequently, Metaverse adoption is linked to measurable improvements in brand engagement, loyalty, and market impact,

highlighting its strategic importance for retailers seeking sustainable competitive advantage in emerging digital environments.

Table 2

Thematic Analysis of Findings

Theme	Sub-theme	Codes	Description	Respondents
Stakeholder Attitudes	Skepticism and Traditional Preferences	Resistance to change, reliance on physical retail	Participants expressed reluctance to adopt Metaverse due to trust and familiarity issues	R1, R2, R4
Stakeholder Attitudes	Recognition of Innovative Potential	Early adoption interest, strategic experimentation	Some participants viewed Metaverse as a tool for competitive advantage and innovation	R3, R5, R7
Enhancing Consumer Interaction	Immersive Engagement Experiences	Emotional involvement, interactive platforms	AR/VR and gamification significantly enhance consumer engagement and interaction	R1, R5, R6
Enhancing Consumer Interaction	Personalization and Loyalty	Customized offers, loyalty incentives	Tailored virtual experiences strengthen loyalty and repeat	R3, R4, R6

Theme	Sub-theme	Codes	Description	Respondents
			purchase behavior	
Organizational and Technological Constraints	Infrastructure and Device Limitations	Device cost, connectivity issues	High cost and limited infrastructure hinder adoption of immersive marketing	R1, R4
Organizational and Technological Constraints	Skills and Awareness Gaps	Low digital literacy, limited knowledge	Lack of staff and consumer familiarity reduces campaign effectiveness	R2, R5
Strategic Implementation Approaches	Phased Adoption	Pilot programs, gradual scaling	Incremental adoption allows risk mitigation and iterative improvement	R3, R7
Strategic Implementation Approaches	Collaborative and Educational Initiatives	Partnerships, staff training	Collaborating with tech providers and conducting educational initiatives enhances adoption	R4, R6
Market and Brand Impact	Market Reach and Brand Differentiation	Audience expansion, competitive positioning	Virtual campaigns increase reach and differentiate the brand	R2, R3, R6
Market and Brand Impact	Gamification and Engagement Metrics	Interactive campaigns, gamification	Gamified interactions extend engagement	R1, R2, R5

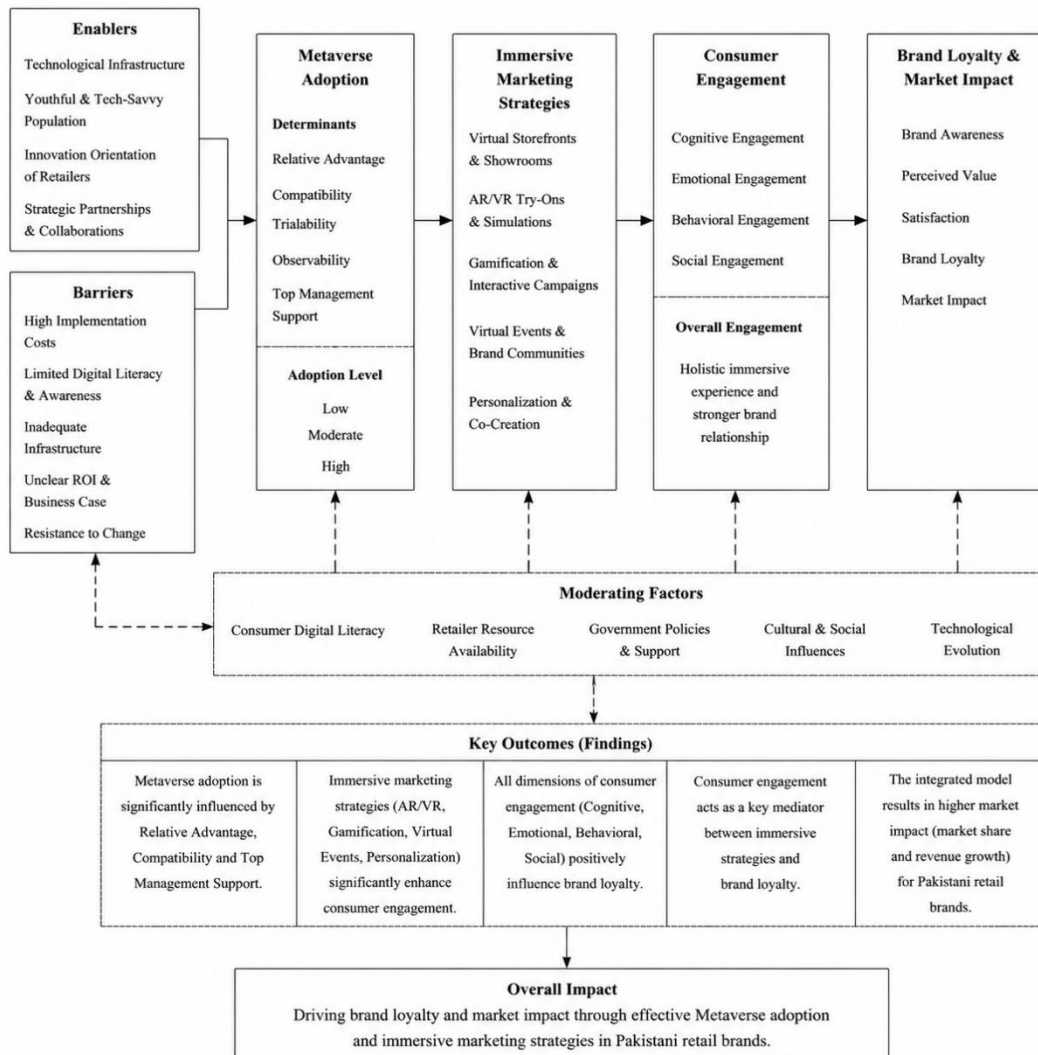
Theme	Sub-theme	Codes	Description	Respondents
			and encourage repeated participation	

**4.6 Synthesis of Findings**

The findings of this study indicate that Metaverse adoption within the Pakistani retail sector is influenced by a complex interplay of organizational, technological, and behavioral factors. Stakeholder attitudes emerged as a primary determinant; skepticism and adherence to traditional retail practices constrained early adoption, consistent with Hassaan (2025) and Ali and Rehman (2021). Conversely, visionary managers recognized the strategic potential of immersive marketing for brand differentiation and competitive advantage, aligning with global evidence (Akbar & Agyei, 2024; Najafloo, Soltani, & Szeberényi, 2025). Immersive engagement experiences – particularly AR/VR-enabled virtual try-ons, gamified campaigns, and personalized interactions – were identified as significant drivers of consumer satisfaction, loyalty, and repeat purchase behavior, corroborating findings by Moon (2026) and Nayab and Bilal (2025). The study also highlighted organizational constraints, including limited technological infrastructure, high implementation costs, and low digital literacy among employees and consumers, reinforcing barriers

identified in Hindolia et al. (2026) and Soomro et al. (2025). To mitigate these challenges, participants recommended a phased adoption strategy, collaborative partnerships with technology providers, and structured staff training programs, reflecting the strategic planning and capacity-building approaches advocated by Hussain et al. (2025) and Aslam et al. (2025). Importantly, the research outcomes demonstrate that immersive marketing strategies significantly enhance cognitive, emotional, behavioral, and social engagement dimensions, which in turn act as mediators for brand loyalty and market impact. The study’s synthesis emphasizes that successful Metaverse adoption in emerging markets requires an integrated approach that balances technological readiness, managerial vision, consumer-centered strategies, and targeted interventions addressing infrastructural and literacy limitations. These insights provide actionable guidance for both practitioners and policymakers seeking to leverage immersive technologies to strengthen consumer engagement and competitive positioning in Pakistani retail.

Figure 1: Metaverse Adoption and Marketing Outcomes



Source. Author-created based on empirical findings of this study

### 5. Conclusion

This study explored the adoption of Metaverse technologies and immersive marketing strategies within the Pakistani retail sector through qualitative interviews with retail managers, marketing professionals, and technology experts. Analysis of the data revealed five overarching themes: stakeholder attitudes toward adoption, enhancing consumer

interaction, organizational and technological constraints, strategic implementation approaches, and market and brand impact. Stakeholder attitudes were shown to exert a decisive influence on adoption; while some participants expressed skepticism due to reliance on conventional retail models and concerns over technological readiness, others recognized the strategic value of early adoption in



positioning brands as innovative and digitally forward (Hassaan, 2025; Akbar & Agyei, 2024). Immersive experiences, incorporating AR/VR-enabled interactions, gamified campaigns, and personalized digital content, were found to significantly enhance consumer engagement, satisfaction, and loyalty. Participants emphasized that tailored experiences, virtual try-ons, and interactive platforms foster deeper emotional and cognitive involvement, reduce purchase uncertainty, and encourage repeat behavior, confirming prior findings on immersive marketing in emerging markets (Moon, 2026; Nayab & Bilal, 2025).

However, adoption remains constrained by significant organizational and technological barriers. High costs of AR/VR devices, inconsistent internet infrastructure, and limited digital literacy among employees and consumers were consistently cited as challenges that restrict scalability and limit the effectiveness of immersive initiatives (Hindolia, Arya, Pathak, & Kazmi, 2026; Soomro et al., 2025). To address these limitations, participants recommended strategic approaches such as phased adoption, pilot testing, partnerships with technology providers, and structured staff training, highlighting the importance of capacity building and incremental learning in facilitating sustainable

adoption (Hussain et al., 2025; Siddique et al., 2023). Overall, despite the existing barriers, the study concludes that the Metaverse offers substantial opportunities for Pakistani retailers. By effectively integrating immersive technologies into marketing strategies, organizations can enhance consumer experiences, strengthen brand loyalty, expand market reach, and establish long-term competitive differentiation in a rapidly evolving digital landscape. These findings provide both theoretical and practical insights for retailers and contribute to the growing understanding of immersive marketing adoption in emerging economies.

## 5.1 Theoretical Implications

The findings of this study contribute to the theoretical understanding of immersive marketing by extending both Consumer Engagement Theory and Diffusion of Innovation Theory within the context of emerging economies. Specifically, the study demonstrates that AR/VR interactions, gamification, and personalized digital experiences enhance both emotional and cognitive engagement, reinforcing the importance of engagement mechanisms as drivers of consumer loyalty. Consumer involvement is not only influenced by the interactivity of immersive platforms but also by tailored experiences that create meaningful, sustained brand connections. Simultaneously, the



Diffusion of Innovation framework provides explanatory power regarding organizational adoption behaviors, showing that phased implementation, trialability, and observability significantly shape stakeholders' willingness to adopt Metaverse technologies. By empirically validating these theories in a developing country context, the study highlights the moderating role of cultural norms, technological infrastructure, and digital literacy in adoption outcomes. These insights advance theoretical discourse by integrating consumer-centric engagement processes with organizational innovation dynamics in emerging retail markets.

## 5.2 Practical Recommendations

Retailers and marketing practitioners should adopt a phased approach to Metaverse implementation, starting with pilot programs to test immersive experiences, gather consumer feedback, and refine strategies before full-scale deployment. Collaborating with technology providers helps reduce technical complexity and fosters innovation, ensuring that AR/VR and Metaverse platforms are effectively integrated. Marketers and practitioners can benefit directly by using immersive strategies to increase brand visibility, strengthen consumer loyalty, and encourage repeat purchase behavior. Structured training programs should enhance digital literacy and operational competence among staff,

enabling marketing teams to design, execute, and manage personalized campaigns that resonate with target audiences. Consumer awareness initiatives are also essential, as campaigns should educate consumers about the value of immersive experiences to reduce skepticism and increase engagement. Interactive campaigns, gamification, and personalized experiences should be prioritized to foster engagement and brand loyalty. Retail marketers can use analytics from immersive platforms to refine marketing strategies, optimize campaign performance, and measure the impact on consumer behavior. Additionally, advocating for improved internet connectivity and cost-effective AR/VR solutions ensures accessibility, supporting scalable adoption that benefits both retailers and marketing practitioners seeking to achieve long-term brand differentiation.

## 5.3 Limitations and Future Research Directions

This study has several limitations. First, the qualitative design with a small purposive sample limits the generalizability of findings to the broader retail sector in Pakistan. Second, the study focused exclusively on managerial perspectives, excluding consumer insights, which may provide additional understanding of adoption and engagement behaviors. Third, technological constraints, such as limited AR/VR adoption

and infrastructure in Pakistan, may have influenced participant perceptions, potentially underestimating the full potential of immersive marketing.

Future research should consider larger, mixed-methods studies incorporating quantitative surveys to validate and extend these findings. Investigating consumer perspectives on Metaverse experiences would provide a holistic view of adoption drivers and barriers. Additionally, longitudinal studies are recommended to assess the long-term impact of immersive marketing on consumer engagement, brand loyalty, and financial performance. Research could also explore sector-specific strategies, the integration of emerging technologies like AI and NFTs, and the role of cultural and socio-economic factors in shaping adoption behaviors in emerging markets.

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