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These Virtual Avatars Could Help Brands Connect With Gen Z, Gain Customers and Grow Revenue

By Madeleine Streets



CREDIT: COURTESY OF GENIES

As companies embrace e-commerce, new technologies that promote an immersive online experience have been gaining traction. Now, a new virtual avatar product by technology company Genies is joining the ranks of augmented reality, virtual reality and 3D product images. Through these avatars, brands may be able to forge new relationships with younger consumers and even create a new revenue channel.

Genies has previously worked with celebrities to produce virtual avatars, through which they can make announcements and drop virtual product. But this week it announced its first brand partner: Gucci. Through the partnership, Gucci will be releasing a series of digital assets tied to real Gucci product, which consumers can buy, download and “wear” through their personal avatar.

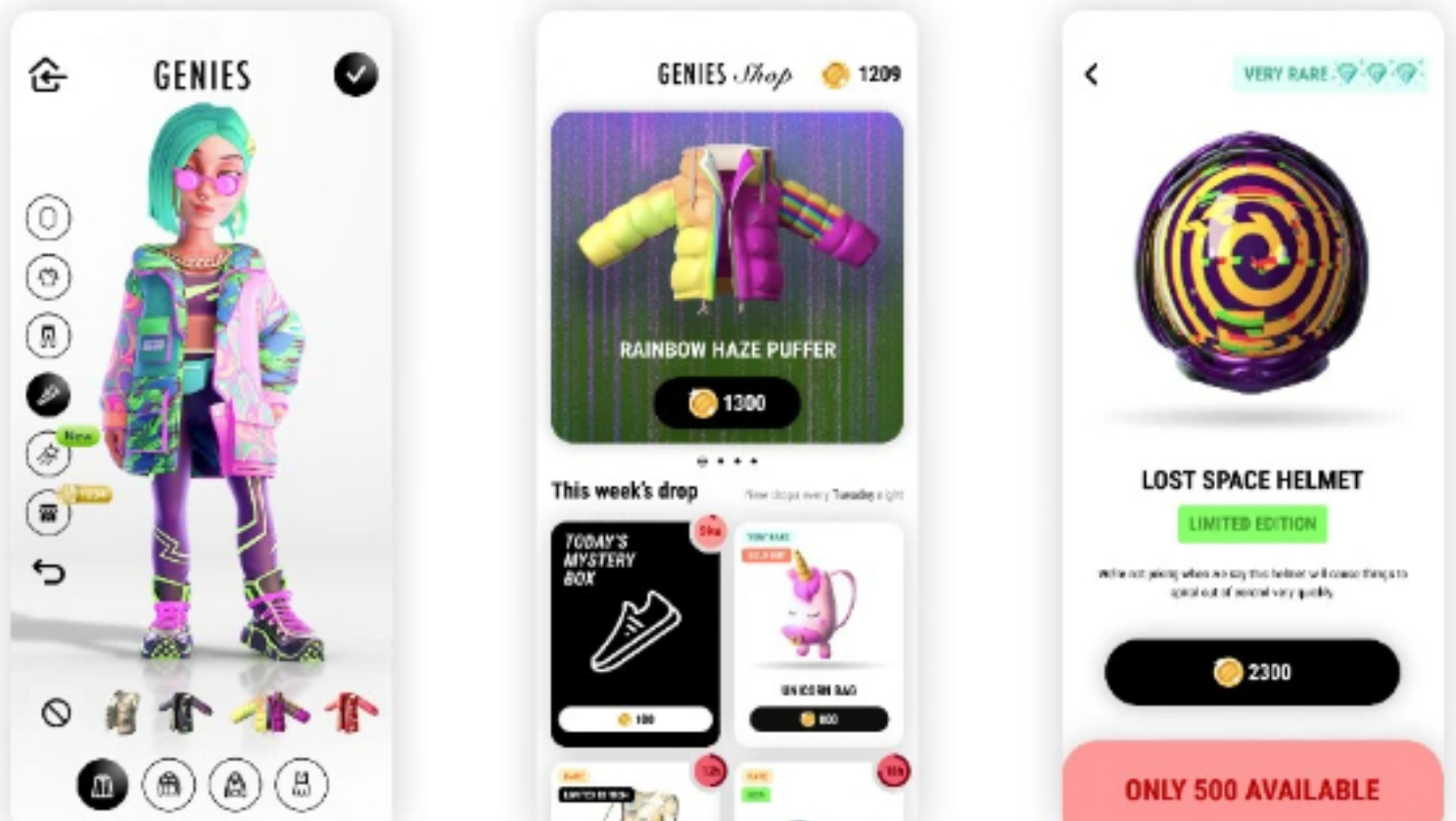
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“Our goal as a company is to create the next human race; we want to own digital identity,” said Akash Nigam, CEO of Genies. “We want to be that ubiquitous avatar across the internet – and Gucci looks to be an innovator and a first mover with the digital realm as well.”

Currently, these avatars can be used both within the Gucci platform and through GIPHY, the second partner announced by Genies this week. But Genies has now opened requests for access to its software development kit (SDK), which means that the avatars will soon be able to be used across multiple platforms. For brands, this means an opportunity to reach consumers in the areas of the internet that they already frequent; GIPHY reports a daily user reach of over 700 million.

This is particularly useful when targeting younger demographics that may not already be customers of a brand, either due to price point or brand awareness. A digital good is a lot more affordable than its physical counterpart, expanding accessibility while also educating users on a company's style and product catalogue. This may then translate to offline sales, as consumers build that connection with the brand.



Consumers can purchase digital goods from real brands and celebrities to be worn by their virtual avatar on multiple online platforms.

CREDIT: COURTESY OF GENIES

“Even if you're 13 years old and you can't afford Gucci yet, you're still able to interact with the brand and adorn your avatar from head to toe using the digital assets,” said Nigam. “This allows the user to build brand familiarity with Gucci from a very early age. When they are able to afford goods in the real world, they will go to Gucci instead of another luxury brand, because they understand that brand from years of playing with them within the digital ecosystem.”

Brands choosing to work with Genies have two options: They can create digital assets to be used through the various platforms that support the SDK, or they can become an SDK partner themselves and integrate the avatar product into their own app. When a customer purchases a digital asset, the revenue is split between Genies, the SDK platform and the asset owner; brands that operate their own purchase platform will receive two shares.

While this revenue may not be comparable to the income generated from the sales of physical items, the financial investment is minimal and integration is fast. Genies claims it can set up its system within 2 weeks and digitize assets in a single day. And unlike the complexities of product manufacturing and functionality, these digital assets don't need to adhere to the limitations of reality.

“It allows you to be more experimental and fantastical,” said Nigam. “You're not confined to the realities of the physical world: You can play and show the ethos of your brand, the fun side of your brand, and try to relate to different demographics that maybe you're not targeting in the physical world.”



Celebrities like J Balvin have been using Genies to help with personal branding – and may soon collaborate with brands virtually as well.

CREDIT: COURTESY OF GENIES

The most obvious customers for the Genies product are luxury brands that have an existing hype around them but lack accessibility, such as Gucci or Supreme. Sneaker brands are also well-suited to the avatar technology, due to the frequency of limited-edition drops and the rampant consumer base that wants to engage – physically or virtually. These companies are also likely to engage in big name collaborations, which can be replicated virtually with the avatars of their celebrity partners.

But Genies also believes that there is an avatar application for any brand that is looking to reach Gen Z and millennial audiences in a creative way. While the pandemic may have prompted brands to finally enter the digital world for the first time, younger shoppers have been exploring this environment for years. When looking to cultivate a long-term customer base from these demographics, embracing the latest technologies is one key way to connect.

“Last year, Fortnite made a billion dollars in revenue on avatar skins outfits,” said Nigam. “If you just look at the way Gen Z and millennials interact today, they're looking for that next medium of expression and they're looking for something that's past photo, video, text. They grew up on the internet; having an avatar is not strange.”

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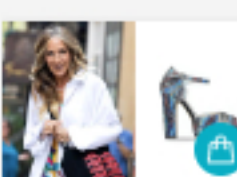
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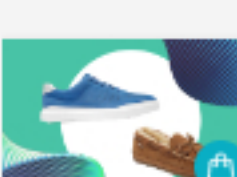
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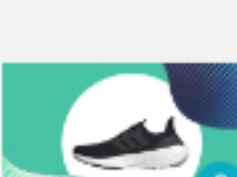
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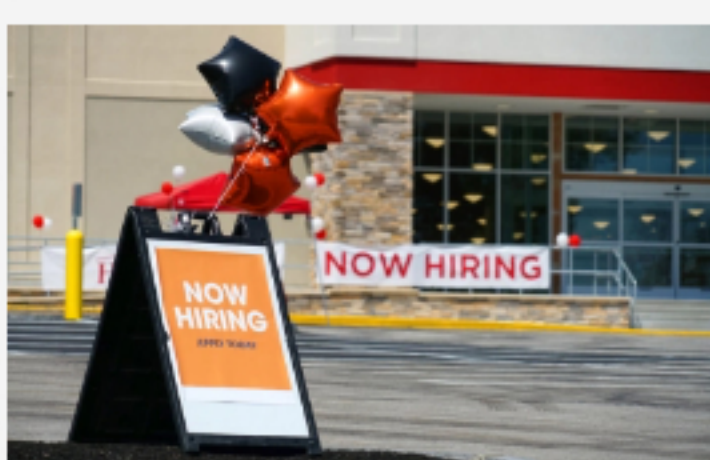
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