

During Pride, brands see metaverse as opportunity to gain traction with LGBT+ consumers

Article

The news: Advertisers and platforms alike are attempting to leverage Pride Month to reach LGBT+ consumers in a new venue: the metaverse.

Pride on parade: Metaverse platform **Decentraland** kicked off its Pride Month celebration last Friday featuring a party containing unicorns and carnival floats, talks, and giveaways. Participants could also grab a virtual paint bucket to make colorful displays of their own.

- **Mastercard** has a **Pride Plaza** location as part of Decentraland's Pride event, which will include panels with LGBT+ thought leaders and exhibit NFT wearables developed by LGBT+ artists. As part of the activation, participants will also be able to write messages of support to their younger selves.

Sandbox for experimentation: L'Oreal's **NYX Cosmetics** is launching a campaign on metaverse platform **The Sandbox**, partnering with **People of Crypto Lab's** (POC) Valley of Belonging, a virtual location launching on June 24.

- It will be the first cosmetics brand to join The Sandbox, with a campaign emphasizing that makeup need not be tied to gender.

MS in the MV: Microsoft's "Pride has No Borders" June 17 metaverse event will **feature** activists from Microsoft, **Team Xbox**, and LGBT+ rights organizations discussing Pride history and bringing about collective change.

- The event will be accessible via AltSpaceVRWindows Mixed Reality headsets, HTC Vive, among others, and will also be viewable as a YouTube livestream.

Zoom out: Whatever is possible in the physical world is now being recreated in immersive environments, thanks to augmented reality/virtual reality (AR/VR). It's no wonder, therefore, that Pride Month, a commemoration of the Stonewall riots in 1969, is now being observed in multiple metaverse locations as well.

- One in five Gen Z consumers now consider themselves to be LGBT+, **per** Gallup.

Metaverse equity: In announcing its celebration, Decentraland cited the diversity among its user base. This should come as no surprise, given that marginalized groups appear to be more drawn to immersive experiences that *could* be more equitable than the "real world" has been.

- A December 2021 study by Virtue Worldwide and The Dematerialised found that **40% of respondents think the metaverse will be more equitable to people who are in the LGBTQIA+ community**, compared with just 12% who responded less equitable. The results for nonbinary people are positive as well.

Adults Worldwide Who Feel that the Metaverse Will Provide a More Equitable Arena than the World Today for Select Demographic Communities, Dec 2021

% of respondents

	More equitable	Neutral	Less equitable
Plus size shoppers	45%	41%	13%
People with disabilities	44%	38%	17%
LGBTQIA+	40%	48%	12%
Nonbinary people	39%	46%	15%
People of color	38%	49%	13%
Non-neurotypical people	36%	48%	13%
Low income households	31%	37%	13%

Note: ages 18-50 who are open to new trends and have an interest in new technology, internet culture and new media, fashion, gaming, and/or art and culture; numbers may not add up to 100% due to rounding

Source: Virtue Worldwide and The Dematerialised, "The Screenwear Paper," Feb 28, 2022

274015

InsiderIntelligence.com

Analyst insight: “The metaverse can turn into an intolerant space just as in the physical world, if not more so,” says senior analyst **Jingqiu Ren**. “The recent report of a female researcher’s avatar being abused in the metaverse should remind companies to advocate for better virtual community standards and protection. Failure to protect their LGBT+ consumers attending virtual events despite the initial good intentions may still land brands in hot waters.”

The big takeaway: With over 70 countries still criminalizing LGBT+ status, members of this community are more likely to be able to be true to their authentic selves in the metaverse.

- With some estimates that one in four internet users will spend at least **an hour in the metaverse** by 2026, it stands to reason that brands and platforms keen to expand in this space will try to curry favor with the growing LGBT+ community before their competitors do.