

Nike preps to enter the metaverse with investments in digital goods

Article

The news: Nike filed four requests to the US Patent and Trademark Office last week to trademark “downloadable virtual goods” under the Nike and Jordan brands, including shoes

and apparel, according to Bloomberg.

How we got here: Nike is one of many brands experimenting with digital goods and experiences as tools for brand marketing.

- **Hyundai** and **Vans** **experimented** with creating entire digital universes in **Roblox**, for example. And **Balenciaga** recently partnered with **Epic Games** to bring an in-game clothing line to **Fortnite**.
- Brands from **Coca-Cola** to the **NFL** have also begun **selling** non-fungible tokens (NFTs), digital assets that act as virtual works of art.

What this means: Brands are beginning to take virtual goods more seriously—not just as experimental marketing tools but also as potential revenue streams.

There are already signs of demand for digital goods:

- In May, **Gucci** brought digital versions of its bags and shoes to **Roblox**, which users could purchase for their avatar to wear. It sold its bags for a nominal fee of 475 Robux (about \$6).
- The limited release made them highly desirable among Roblox players. On the resale market, one player paid 350,000 Robux (about **\$4,115**) for a digital bag—more than \$800 over what the real-life version sells for.

What's next? **Facebook's** investments in the metaverse and **rebrand** to **Meta** could drum up even more interest from brands in distributing digital goods.

- If Meta's vision pans out, digital worlds and avatars could one day become commonplace outside of video games, giving brands a wider audience of potential buyers for their digital items.
- Meta's focus on building out virtual reality (VR) and augmented reality (AR) tools also opens up more opportunities for marketers. Many brands have already **begun experimenting** using AR and VR to let customers try on real-life clothing, makeup products, or hairstyles, for example.

The bottom line: As digital items become more commonplace, branding only becomes more important—after all, buyers don't need to think about comfort, quality, sustainability, or any other trappings of real-life items when they purchase a digital Nike sneaker.

But: Digital items are still highly experimental.

- Nike's preemptive move to trademark a line of virtual goods is thinking well into the future.
- This is something for brands to keep an eye on, though, especially for those already interested in online metaverses like Fortnite or Roblox.