A Theoretical Review and Case Analysis of Mihoyo's Immersive Strategies in The Metaverse Within Media Studies

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Abstract. This essay examines the metaverse's impact on the media industry and its performance in the media and communication ecosystem. We also examine how virtual worlds and immersive technology affect content generation, dissemination, consumption, and audience involvement. Meanwhile, the study talks about a lot of problems that need to be solved, such as the problems that come up because of issues with AR and VR technology, the need for changing laws, and moral concerns about data safety and accessibility. These challenges include the exploration of potential new revenue streams in virtual economy, innovative storytelling formats, and enhanced audience engagement. In order to explain the main advantages and disadvantages of adopting the metaverse, the essay combines case studies with theoretical research analysis. Analysis of the case study shows that the metaverse has grown established in the media industry and is ready to alter the ecosystem by changing how people connect to a somewhat infinite online or virtual engagement. Because of the metaverse's special convenience, collaboration between various virtual businesses is facilitated. Moreover, the metaverse's virtual goods and advertising are causing a huge explosion. Ultimately, it calls for the modernization and transformation of the new virtual economy's payment system in order to better accommodate the metaverse's features. Which also providing support to media organizations that are navigating through this fast expanding digital terrain.

Keywords: Metaverse; Virtual Economy; Media Ecology; User Interaction; AR&VR.

1. Introduction

The metaverse, a community-based, three-dimensional virtual reality, is fast changing how we engage with media and each other. To understand the changing media studies ecosystem, new theoretical frameworks and empirical research are needed, which is both a problem and an opportunity for the subject. MiHoYo, the first Chinese game tech company to propose the metaverse, gives us an insight of its concept after its *Genshin Impact* triumph.

As a major game developer based in China, MiHoYo: *Genshin Impact*, the subject of this essay, which investigates the creative tactics that they utilized in order to foster immersive experiences within the metaverse environment of the game. Thus it is important to examine the confluence of gaming mechanics, story creation, and community growth inside long-lasting virtual environments, as a crucial case study. MiHoYo's tactics change media production and consumption, in our opinion. These methods go beyond previous paradigms to include interactive, participative, and user-generated content in a holistic virtual environment. This research uses mixed approaches to illuminate the dynamics of metaverse media studies. The technique combines a qualitative examination of *Genshin Impact*'s design features with a theoretical framework based on immersive media, user experience, and online community development literature. First, the study looked at how the metaverse affects the production, consumption, and dissemination of media material. Then the essay evaluated how MiHoYo's metaverse practice supports these changes by studying its scenario. Lastly, the possible benefits and dangers of the future metaverse are stressed out. The goal is to better understand the creative and financial promise and underlying challenges of media production and consumption in persistently virtual situations.

2. Literature Review

2.1. Metaverse - An Overview

American author Neil Stephenson introduced the idea of a metaverse in his science fiction book Avalanche, and it has since been extensively adopted in numerous other science fiction books. Artificial intelligence, blockchain technology, virtual reality, and other advancements have made the idea of the metaverse more plausible and realistic in the real world.

The metaverse represents an innovative model of digital interaction that will fundamentally alter our connections with each other and our surroundings. It is driven by the confluence of multiple technologies, including extended reality (XR), artificial intelligence (AI), the Internet of Things (IoT), cloud and edge computing, and blockchain. However, there is not a single definition that is accepted consistently across the board.

Recent updates show that metaverse research is emerging in several promising avenues, driven by technological advances and growing corporate and consumer interest. Here are a few key areas of metaverse study.

2.1.1 Advancements in Virtual Reality (VR) and Augmented Reality (AR)

According to Soliman, metaverse is a persistent, shared, 3D virtual space, enabled by technologies like VR/AR/MR/XR, IoT, and blockchain, where users interact with each other and digital objects through AI-powered avatars and environments[1].

Enterprises are persistently enhancing VR and AR gear and software to develop increasingly immersive experiences. Enhanced, more ergonomic headsets, including superior visuals and sensor are under development.

2.1.2 Virtual Economy and Integration of non-fungible tokens (NFTs) into the metaverse

That is on the rise, serving as a mechanism for asserting ownership of digital assets. Digital assets such as art, fashion, and virtual real estate can be bought, sold, and traded more easily thanks to blockchain technology.

2.1.3 Social and Collaborative Platforms

Numerous platforms are concentrating on improving social engagement and cooperation. This encompasses environments for business, education, gaming, and social interaction, allowing users to engage in a more immersive experience than conventional video calls or chats.

2.2. Media Ecology

Strate defines media ecology as the study of media environments, emphasizing the importance of technology and communication routes to humans. He connects it to semiotics, media logic, medium theory, and technological determinism[2]. He also notes its broad historical breadth, from preliterate to postmodern.

However, Nystrom points out that although media ecologists are aware of the links between media and human behavior, they have not yet created a thorough framework to organize their research questions. This is because media ecology is a preparadigmatic science and lacks a cohesive theoretical framework.

Ultimately, media ecology, according to Postman, is the study of media in connection with ecosystems. He shows how media impacts perception, understanding, emotion, and values, which determine survival. Both explicit (like classrooms) and implicit (like television) media contexts assign roles and dictate actions, shaping our thoughts, feelings, and behaviors, Postman suggests. And media ecology, he contends, aims to reveal these obscure trends.

To sum up, they all define media ecology as the broad study of the substantial and often invisible consequences of communication technologies on human experience, thought, and culture. The absence of a precise, globally recognized definition illustrates the field's complexity and dynamic

character, and the authors emphasize the field's wide scope and continuous progress toward a more coherent theoretical understanding.

2.3. Metaverse Reshaping Media Ecology

The metaverse has a profound effect on media ecology and fundamentally changes the relationships between people, technology, and the communication environment.
By merging visual, acoustic, and tactile senses, the metaverse improves traditional media ecosystems. This improved sensory immersion produces a deeper and more captivating experience than traditional media, changing participation and focus habits. According to the logic of media development, the transition from traditional media to the metaverse entails both media enhancement and media concept evolution. The fundamental concept is likewise reimagined, shifting from media as communication to media as service [3].

Second, by allowing engagement and interactive media experiences, the metaverse turns the passive viewer into the dynamic creator. The power dynamic between media producers and consumers is transformed when users can influence the storyline, communicate with other users, and create material in a shared virtual world. On top of that, it questions established social norms and structures while simultaneously fostering new kinds of social involvement and community development. The attachments that people develop in virtual communities can be rather strong.

Lastly, users' interactions with virtual settings and media material are influenced by the metaverse's immersive nature, which encourages a sense of presence and immersion. As a result, people may experience a range of emotions and altered states of consciousness. It becomes more difficult to differentiate between one's actual and digital selves when one uses avatars and virtual representations to expand their identity into the metaverse [4].

2.4. Virtual economy in Metaverse

While internet connectivity and multiplayer online games like "*EverQuest*" and "*Ultima Online*" were growing, virtual economies were first proposed in the late 1990s. These services let players purchase, sell, and exchange in-game stuff for virtual currency. With the launch of Second Life, where users could buy virtual products and real land with real money, the idea expanded to encompass real-world value exchanges. In the virtual economy, the metaverse encourages creativity, community, and innovation. Metaverse enables digital economic activity, transforming interactions between people and corporations. An ideal setting for the growth of the virtual economy would be the persistent, social, three-dimensional virtual worlds found in the metaverse. These metaverse virtual environments simplify the creation and sale of digital assets, commodities, services, and currencies, enhancing economic activity. This paves the way for fresh possibilities in the production, consumption, and investment of virtual assets. The crucial parts of virtual economies are monetary systems, online marketplaces, and virtual goods. Virtual transactions are made more convenient using cryptocurrencies such as Bitcoin, in-game currency, and NFTs. Virtual avatars, artwork, and real estate can be bought, sold, or swapped. As an illustration, OpenSea is a non-fungible token marketplace, whereas Steam is a digital gaming marketplace. Futhermore, in the metaverse, business owners can launch a variety of ventures, such as virtual event planning, online therapy, e-commerce, and coaching. Dozens of commercial pursuits are sparked by this. It lets anyone create games, experiences, virtual clothing, and accessories. As a result of democratization, more people are able to work for themselves and earn money through multimedia production [5].

2.5. Metaverse impacts in Media Industry

The media sector is expected to be significantly impacted by the metaverse since it will change how content is produced, shared, and consumed.

2.5.1 Content Creation

Artists are able to create content in three-dimensional settings in the metaverse, leading to experiences that are superior to traditional media formats. Immersive media such as virtual reality (VR) movies, games, and stories told through augmented reality (AR) all fall under this category. In the metaverse, creators can work together in real time regardless of their physical location. This stimulates innovation and diversity of ideas and viewpoints, boosting material quality. Everyone in the metaverse has the power to create their own unique virtual worlds, complete with their own unique assets and narratives [6]. This encourages collaborative creativity and equal content development.

2.5.2 Content Distribution

People can rely less on traditional media distributors thanks to the metaverse, which allows for peer-to-peer distribution tactics. Thanks to the direct sharing and selling of content in virtual worlds, producers have greater control over their work. Novel approaches to distribution might be fostered by the possibility of actual events taking place in the metaverse, such as film screenings, concerts, and festivals. Due to the unique interactive experiences they provide, these events have the ability to fascinate audiences worldwide, regardless of their location. The metaverse simplifies the trading of digital assets like NFTs (non-fungible tokens), allowing producers to sell their work on virtual marketplaces which creates new ownership and revenue streams [7].

2.5.3 Content Consumption

Interacting with metaverse content in immersive environments increases emotional involvement. This turns passive observation into active engagement, like advancing a story or affecting its ending. Audience members can give feedback, participate in debates, and connect with other metaverse users in real time. This social layer enhances the experience and builds community around certain media. Metaverse material can be personalized using data analytics. Thus users can pursue activities or obtain content recommendations based on their preferences.

3. A Case Study in MiHoYo: *Genshin Impact*

Since its establishment in 2012, MiHoYo has gained a reputation for consistently providing outstanding gaming experiences. With games like *Honkai Impact* and *Genshin Impact*, the company is known for rich plots and breathtaking locales. MiHoYo's games have fascinating narrative, huge landscapes that stimulate exploration and social interaction, as well as anime-inspired graphics. Launched in September 2020, *Genshin Impact* exemplifies MiHoYo's triumph within the metaverse paradigm. MiHoYo uses metaverse concepts to create a world where players may interact in real time, explore vast areas, and fulfill objectives. Exploration and discovery in the metaverse encourage individuals to immerse themselves in the rich lore, collaborate on events, and participate in an evolving story [8].

3.1. Content Creation

3.1.1 Immersive Experience in Character's Special Mission

After completing the game's primary aim, the player can access a particular character's task. Along the way, players come across compelling stories about their favorite characters, either as the characters grow or as they seek their desires; in both cases, the player's role is crucial to the identity. Every choice the player makes has a big impact on how the story unfolds, greatly enhancing the player's immersive experience. In contrast to previous games, instead of just watching, the player actively takes part in every important event.

3.1.2 Multiplayer mode in Teyvat World

The main characteristics of this expansive open-world exploration game are its great flexibility and randomness, which constantly give players surprising shocks. However, *Genshin Impact* places a lot of skill demands on players compared to other games. Throughout the game's history, players

have developed a variety of conventional and creative strategies to help new players. More experienced players can join lower-level players' world, help them finish difficult tasks, and teach them the game's mechanics. This multiplayer mode is used in some of the game sector, where four-person teams are selected randomly to compete in order to win better game rewards. This setting significantly improves player-to-player interaction in the game.

3.1.3 The creation of Fan-generated Content

MiHoYo encourages players to create their own game content, such as character designs and storylines, while also placing a strong emphasis on collecting user feedback and suggestions. The production crew would distribute a collection of player creations prior to a number of online events in *Genshin Impact*, select the best pieces for awards, and even get direct inspiration from them for future events. MiHoYo developed a platform for user interaction and content creation that greatly increases user engagement and participation in the game by enabling users to freely express their creativity and thoughts.

3.2. Content Distribution

3.2.1 Personalized Experience by Gacha System

An integral feature of the gameplay in *Genshin Impact* is the gacha system, which is used for gaining characters and weaponry. As part of this, there is a gacha system wherein players can purchase characters and weapons using "banners." Every banner offers a unique set of characters and weaponry that players can buy with in-game money.

3.2.2 Virtual Advertising in *Genshin Impact*

Genshin Impact's ecology relies heavily on virtual advertising, which serves multiple purposes in the game: monetization, sponsor partnerships, and user engagement. Many different sponsors have worked with *Genshin Impact* to create in-game events that tie into their products. Participating in these collaborations may grant players access to exclusive items, skins for their characters, or themed quests that reflect the spirit of the business. *Genshin Impact* doesn't openly display ads, but every now and then it will use subtle product placements to tie real-world businesses to certain objects or themes. This method creates a natural advertising space inside the game's storyline.

3.3. Content Consumption

3.3.1 Theme Concert in both Virtual World and Reality

Genshin Impact, which has performed five concerts with different themes, will deliver a live thematic performance before each country in the story. Players can buy tickets or watch live performances on the game's website. In addition, *Genshin Impact* occasionally hosts online concerts with in-game characters playing national instruments. This hybrid interaction style creates an innovative way to engage players by connecting them to the game's characters and plot.

3.3.2 Virtual Goods Consumption in Teyvat

Genshin Impact players can buy their favorite characters and weapons with in-game currency. They can also buy virtual energy for further exploration. One can gain virtual currency for purchases through the gacha system, specific activities, and lengthy globe travel. *Genshin Impact*'s virtual goods consumption affects player strategy, gameplay, and community interactions. The combination of a gacha system, character customization, and resource management creates an immersive experience that attracts players in and boosts developer revenues. As they construct and improve their virtual assets, players form emotional relationships with the game, ensuring enjoyment and interest.

3.4. MiHoYo Future Strategy For Metaverse

3.4.1 Strategic Partnerships and Acquisitions

MiHoYo may partner with other brands to create metaverse experiences. Multiple intellectual assets would be integrated and the ecosystem improved. Working with cloud computing, blockchain, and VR tech companies may boost their metaverse goods' potential. In Genshin Impact, MiHoYo may explore NFTs to give gamers real ownership of in-game assets, characters, and skins. NFTs let users safely buy, sell, and exchange unique digital assets on blockchain systems. Players can use their digital assets in many games using blockchain technology to promote cross-platform exchange. That the NFTs become more valuable and gameplay is more enjoyable. Meanwhile, MiHoYo aims to create offline-online cooperation with restaurants, convenience stores, and banks. Collaborations have increased game awareness, attracting potential consumers and cultivating their culture as original intellectual properties, creating a consumer environment with high stickiness and activity [9].

3.4.2 Enhance Social interaction on Cross-platform

The metaverse emphasizes socialization, therefore MiHoYo may expand multiplayer features to help users chat and collaborate in groups. Community-driven initiatives, virtual events, and multiplayer missions may be included. MiHoYo may also make metaverse experiences available on PCs, smartphones, and consoles to make metaverse interaction easy.

3.4.3 Centralize on UGC content

Player-generated content like changes, quests, and landscapes can foster community creativity and keep players engaged through a more personalized game experience. In addition to enhancing communication between users and the game production team, it also makes it easier for users to communicate with each other. That is also the reason why MiHoYo's players are stickier and more active than public platforms. By fostering value co-creation, companies may boost brand awareness, value enhancement, and consumer loyalty[10].

4. Future Opportunities and Risks

4.1. Opportunities

4.1.1 Global Connectivity-Enhanced Interaction

By facilitating international business partnerships, improving communication, creating communities, fostering intercultural interactions, and removing geographical barriers, the metaverse can serve as a transformative space that unites people from diverse backgrounds and creates a more inclusive and integrated global society.

4.1.2 Innovation and Technological Advancements

Innovation and technological growth are promoted by the metaverse through its role as a testing ground for new ideas, collaborative spaces, and support for creative business models. It also helps to push the boundaries of creativity. The metaverse's growth could transform several industries and how people interact with digital content and each other [11].

4.1.3 New forms of Employment and Entrepreneurship in Virtual Economies

The metaverse's massive virtual economies are creating new jobs and businesses, redefining work and entrepreneurship. As the digital landscape changes and offers virtual career opportunities in community management, virtual real estate agents, and digital services, those who adapt and take advantage of these new opportunities will thrive [12].

4.1.4 Increase Accessibility for people with disabilities

The metaverse can improve disability accessibility through technology, inclusive design, and social connections. On the other hand, the metaverse can increase users' quality of life by allowing

them to fully engage in a variety of experiences by creating settings that meet their needs and tastes. By stressing accessibility during metaverse construction, it will remain inclusive for everybody[13].

4.2. Risks

4.2.1 Data Security

Data security problems will increase as the metaverse grows in popularity. The immersive and interactive metaverse has unique privacy, security, and data protection concerns. Individuals commonly reveal a lot of personal data in the metaverse, including as preferences, social connections, and biometric data like facial recognition. Illegal access or lack of authority can exploit this knowledge. Additionally, because of its immersive and networked capabilities, the metaverse is a popular target for cybercriminals. Cyberattacks may compromise millions of people's financial and personal data. Beyond that, digital assets like NFTs and virtual currencies are essential to the metaverse. If compromised, users may lose full ownership of their wallets or valuables, losing their investments[14].

4.2.2 The hazards to mental health and well-being

Ethical concerns about user exploitation and well-being arise when data acquired on user behavior, mental health, or accessibility needs is used for material modification or targeting advertising. The hazards of data exploitation are real, and those with disabilities or mental health issues may be at a higher risk when it comes to managing their data in the metaverse.

4.2.3 Social Isolation

The immersive metaverse can offer an escape from reality, drawing users into virtual environments and reducing in-person interactions. This escapism appeals to those seeking social anxiety or other relief. Virtual engagements, especially when balancing various contacts and social situations, can be emotionally draining. Exhaustion may cause people to avoid socializing, perpetuating loneliness.

4.2.4 Regulatory and Governance Challenges

Since the metaverse is generally unregulated, many data protection rules may not sufficiently address immersive environment challenges. This regulatory gap could expose users to abuse. Multiple metaverse platforms may have various security standards, causing inefficiencies hackers might exploit. Users may unknowingly encounter unsafe conditions [15].

5. Conclusion

With its innovative use of technology in game creation, MiHoYo has established itself as a frontrunner in the metaverse industry, providing players with exciting and engaging experiences. Through *Genshin Impact*, the company provides a glimpse into the future of the metaverse's influence on the media sector by demonstrating how interactivity, community involvement, and virtual economics can be combined. While the metaverse evolves, MiHoYo's dedication to immersive experiences ensures its relevance and influence. Above all else, the metaverse presents a groundbreaking virtual environment that is fraught with possibilities and obstacles. Investing in the development of welcoming, secure, and enduring institutions that mitigate these dangers and foster innovation is essential if we want it to realize its full potential. Time management tools, secure authentication, diversified feedback, protocols, and representation are all essential components of a safe and welcoming metaverse. This vision can be realized by merging AI and VR technologies, enhancing metaverse user quality, and applying national government metaverse policies. Customers, lawmakers, and developers must work together to build a metaverse that benefits everyone.

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