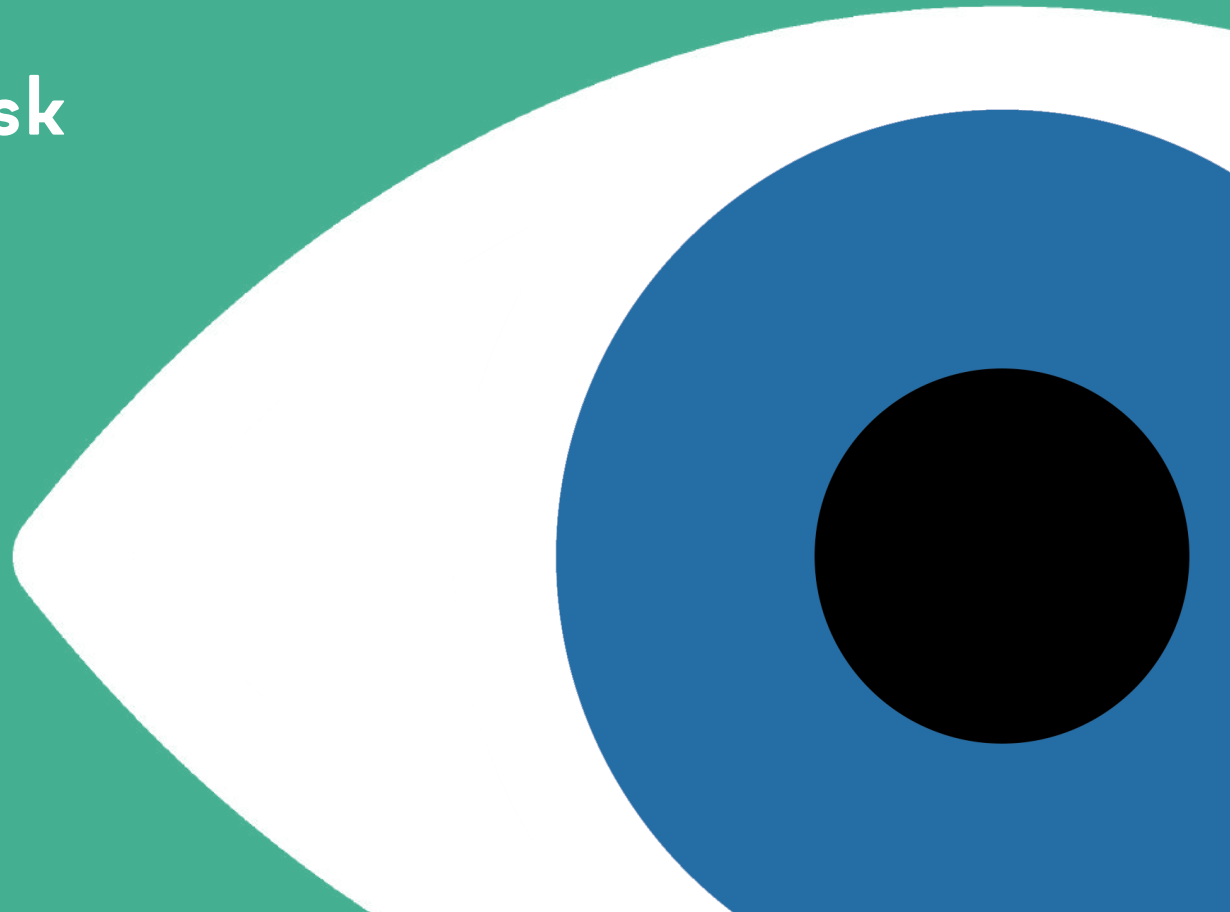# Augmented Reality In Retail:

## 7 Questions To Ask Before Starting An AR Project

4ROADS

Augmented reality allows a brand to enter a customer's physical world, making it the perfect technology for establishing an emotional connection and a natural fit for advertising and marketing in the retail industry.

If you've been swept up by the excitement of AR, know you're not alone:

**67%**
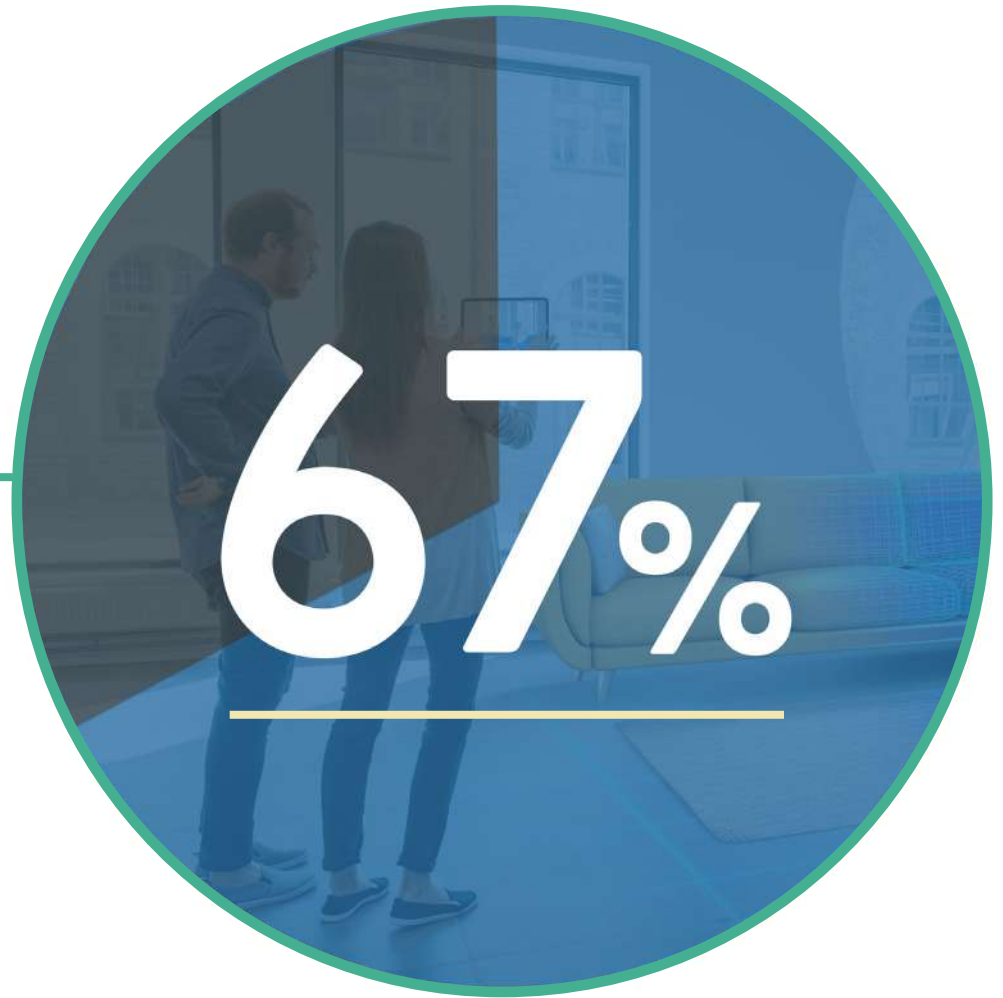
of media planners and buyers want AR & VR ads in their digital marketing campaigns.*

When we hear about new tech developments, it's easy to get overly excited about its impact. Rest assured, the AR hype is well earned.

We know first-hand how beneficial AR can be—especially as a marketing asset.

But we have to emphasise how asking the right questions at the start of your AR project will save you time, money and A LOT of development headaches further down the road.

We've been devising and executing AR projects for clients like Hitachi and Phillips for several years and we're keen to share this experience with you.

Make sure you ask yourself all 7 questions if you want to set your next AR project off on solid footing.
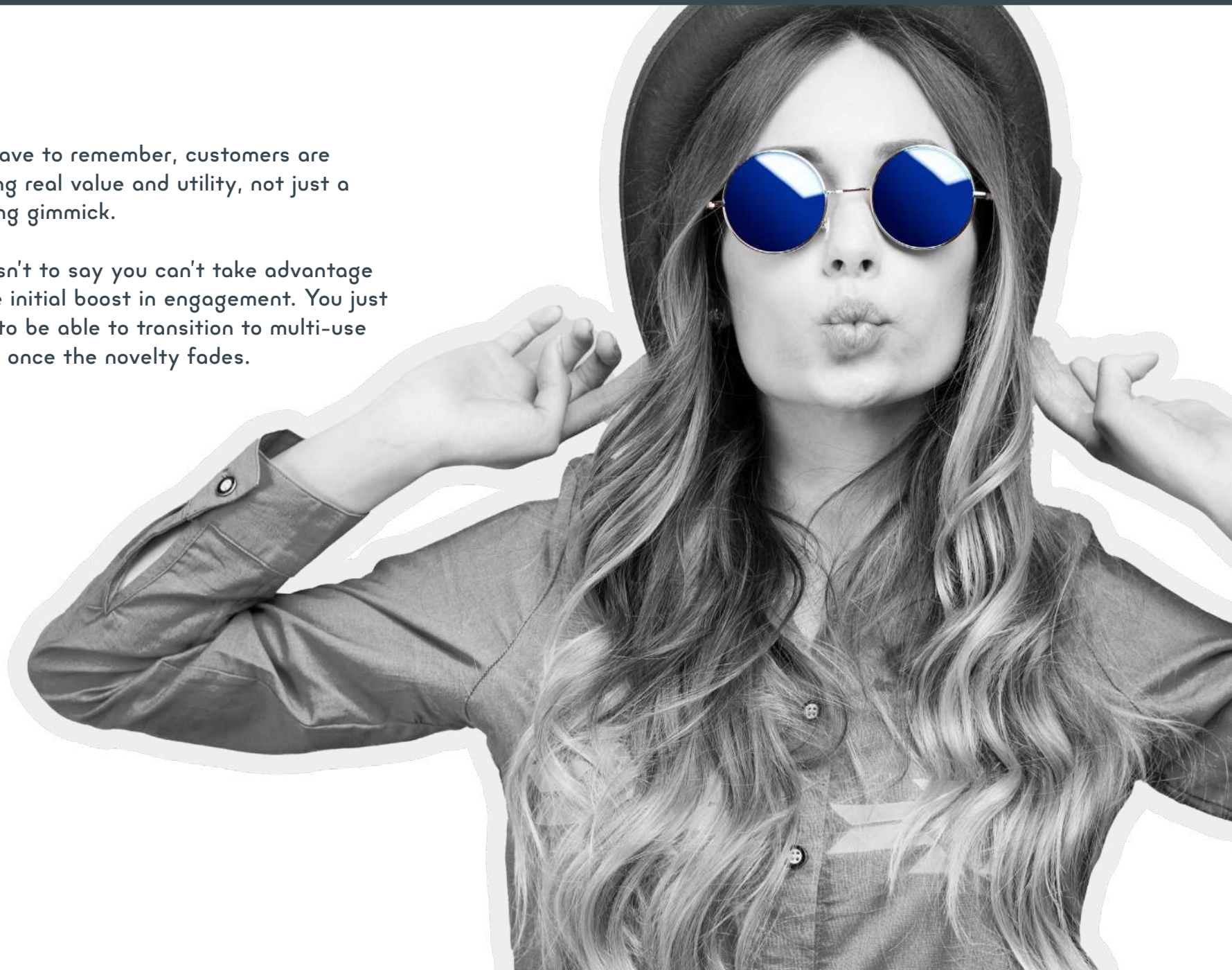
# 1 Is your use case a gimmick?

You have to remember, customers are seeking real value and utility, not just a fleeting gimmick.

This isn't to say you can't take advantage of the initial boost in engagement. You just need to be able to transition to multi-use utility once the novelty fades.

This is how you maximise value instead of fading into obscurity. So, how do you know if your use case is gimmicky?

Think about what value your use of AR is adding to the customer.

Is it reducing friction at a key point of the sales process or is it adding complicated extra steps?

If you are shoe-horning AR into your marketing campaign just to jump on the novelty of this new technology, you're probably heading towards a gimmick.

If you start with the objective of removing customer pain points, you'll be on the right path.

# 2 DOES YOUR CAMPAIGN HAVE LONGEVITY?

If you plan to use AR in your marketing strategy, you should think beyond an animated character, video placement, or any other special effect.

These are gimmicky, and gimmicks fade.

While sometimes they can be effective—One Stop's Elf campaign, for example—they often don't have the legs to continue offering customers value long-term.

This is a problem when you consider the development costs.

In this case, The One Stop AR campaign is also tied into Christmas. So, even though it was effective for raising brand awareness, for the rest of the year it's useless.

The elf is literally on the shelf.

Make sure your use of AR is useful in everyday life or at least multiple times per year. It should solve an ongoing problem.

If you do that right, every time they need to solve that problem, they'll come back to your app—and to you.

Take our AR project for Hitachi.

We developed a way for Hitachi to showcase their various server setups without having to lug the heavy equipment from event to event.
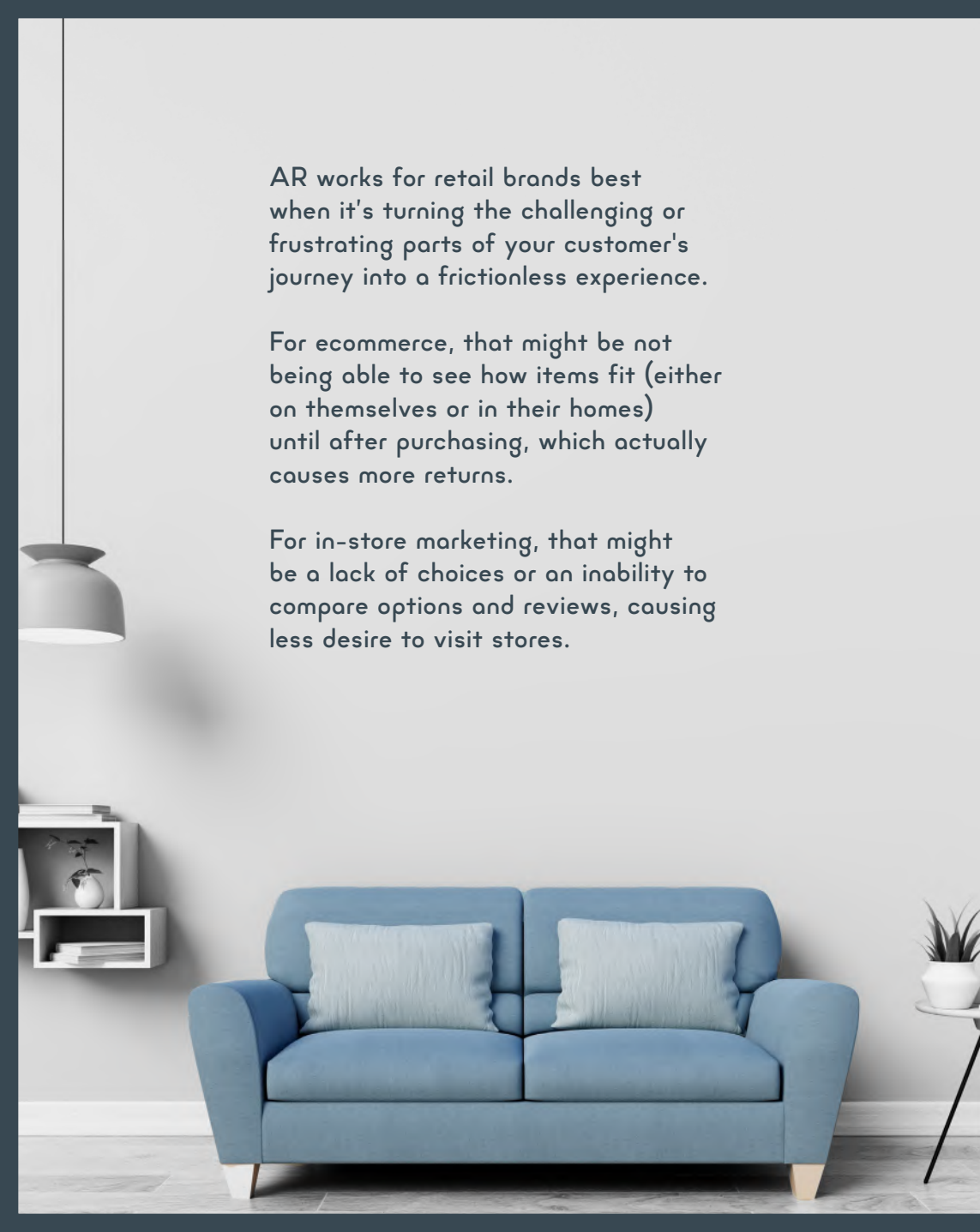
This AR project continues to solve their initial problem and is being reused year-on-year to showcase Hitachi's latest products. That is how you maximise value in the long-term.



READ CASE STUDY

# 3 When should you use something else?

AR works for retail brands best when it's turning the challenging or frustrating parts of your customer's journey into a frictionless experience.

For ecommerce, that might be not being able to see how items fit (either on themselves or in their homes) until after purchasing, which actually causes more returns.

For in-store marketing, that might be a lack of choices or an inability to compare options and reviews, causing less desire to visit stores.

Objectives vary from brand to brand, but if visualising products in the context they are going to be used can reduce sales friction, reduce return rates or improve the overall customer experience, then you will benefit from implementing an AR solution.

If you can't solve the negative parts of your customer's journey, you need to look for different solutions.

Don't shoehorn AR into your customer experience if it doesn't add value.

We're going to touch on this later, but also consider if your target audience are open to and excited by augmented reality.

Typically this means a younger audience (16-34) will be more successful, but don't automatically rule out the boomers if you can dramatically reduce points of friction and improve the level of convenience they feel.

# 4

# HOW DO YOU GET LEADERSHIP BUY-IN?

Augmented reality's ability to create unique, immersive experiences makes the technology an excellent tool for retail marketers, but because the development costs are greater than traditional marketing strategies, it's not always easy to get buy-in from stakeholders.

Here's how you get those on-the-fence onside:

## A) Start with a pilot project

Many of the brands we've developed AR solutions for have started with a pilot project. This is a good route into testing the viability of AR without committing a large portion of your budget.

# Walk before you can run.

Let's use ASOS as an example:

ASOS wanted to tap into AR to solve a key problem they've identified in their sales process; one model doesn't accurately represent the range of female body types. This causes high return rates and eats away at their profits.

Instead of going all-in, they've selected their top 16 dresses and introduced an AR feature that overlays the dresses on to models of varying sizes and heights.

The user can choose which model matches their body type to see a much closer representation of how the dresses look. Having this feature will stop users buying items they are unsure of and later returning them.

Once this pilot project feeds back enough data, you can go to stakeholders with data to prove or disprove the AR initiative.

## B) Leverage case studies

Often brands are reluctant to be the first ones to take the leap on new technology. To ease concerns, we recommend showing how other retail brands are successfully implementing AR to solve similar problems.

And because AR has been around for longer than you might think, we've already seen a myriad of companies who have recorded great success with augmented reality.

For example, if you're a beauty brand, showing how the L'Oreal YouCam Makeup app passed 3.5 million downloads only a year after its release is a pretty persuasive argument for building your own.

Here's a few notable AR projects from well known brands:

# NIKE

Nike has an augmented reality feature in its app called Nike Fit which allows customers to find their true shoe size.

All users have to do is point their phone's camera at their feet and the app will determine their shoe size. All of this can be done from the comfort of the customer's home in less than a minute.

Once the customer's shoe size is determined it is saved in the app. With more than an estimated 60% of people wearing the wrong shoe size, this app helps customers to get the shoe that fits.

# BMW

BMW of North America, in collaboration with Google Cloud, launches a new augmented reality (AR) experience around the BMW i4 and iX electric vehicles.

The AR experience, powered by Google Cloud's immersive AR technology, will bring real life environments around the new electric vehicles.

Customers will now have the option to use virtual features such as changing paint colours, lighting elements and opening/closing doors.

# WAYFAIR

Wayfair has functionality called View in Room in 3D in its main mobile shopping app.

Using a smartphone, customers can see what Wayfair's furniture looks like within their homes.

The co-founder and co-chairman of Wayfair, Steve Conine has said that "we knew early on that augmented reality had the potential to completely transform the way people shop, and as its quickly moved toward mainstream adoption, we're excited to have played an integral role in shaping the experience for millions of shoppers."
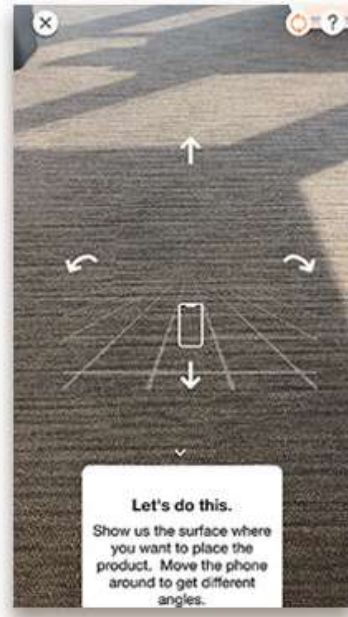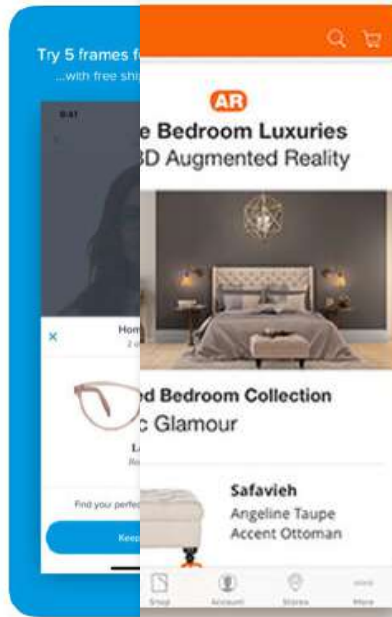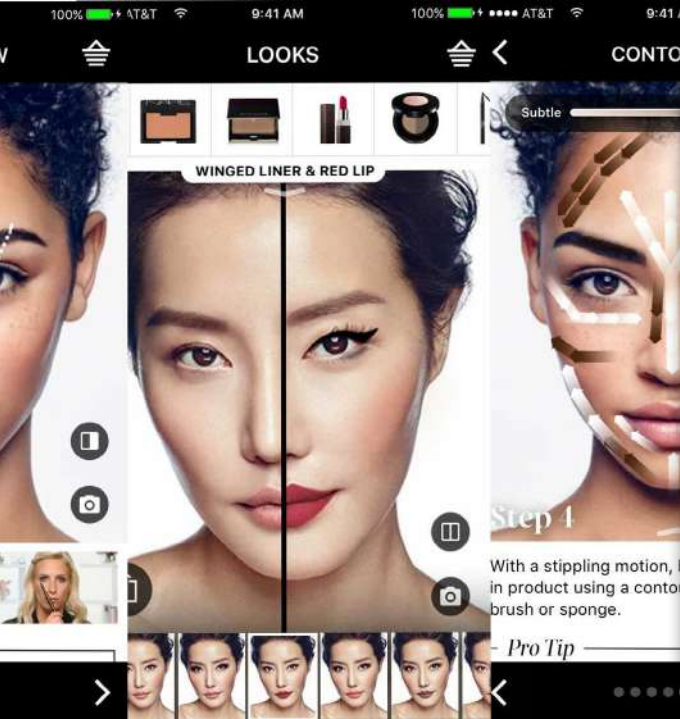
# SEPHORA

Sephora's innovative mobile app uses facial recognition technology to allow customers to digitally try on products.

Customers scan their face using the app. Then they can digitally try on different shades of makeup. If a customer likes their simulated look they can quickly and easily buy the products through the app.

Customers can also take makeup tutorials. For example, if a customer takes a contouring tutorial the app will overlay the contouring look on the customer's face digitally.

# WARBY PARKER

Warby Parker has an augmented reality feature in its app which allows customers to digitally try on glasses.

Since the retailer cannot stock all of its inventory in its stores it is a great way to allow customers to "try-on" a broader range of products.

One of the reasons Warby Parker added the functionality is because it noticed customers typically take pictures of themselves while trying on glasses in-store and share them with friends. Customers can now do that easily with the retailer's app.

# HOME DEPOT

Home Depot expanded the functionality in its mobile app to allow users to overlay Home Depot products in any room in their home.

The app can ascertain the dimensions of a select number of Home Depot items ranging from refrigerators to chandeliers.

That enables the consumer to have a 3D visual of a product in any space they want to see a product in. Forrester Research has ranked Home Depot's mobile app as the number one retailer mobile app in the past due to its functionality and user experience.

## C) Explain the less tangible benefits

Explain how staying ahead of competitors by adopting new technologies (even if there isn't an immediate return) can be enough to differentiate your brand and products in the long-term.

Likewise, explain the PR value in launching an AR solution (and perhaps the value to your brand as being perceived as innovative).

There have been many high-profile AR campaigns in the retail industry that have gained serious traction on social media and been picked up by news outlets.

A notable example you can use to get stakeholders onboard:

The Airwalk Invisible Pop Up Store had $5 million in earned media thanks to features in Mashable, Business Insider, TechCrunch, and several other major publications.

What's exciting is gaining this kind of PR isn't unusual for AR projects—it's tech that consumers and reporters find exciting.

# Brand Visualiser.
# Impact Storytelling.

# 5 DOES THE CAMPAIGN NEED TO BE AN APP?

The best way to create a positive AR experience is to make it as seamless as possible.

This could mean not relying on users to download a new or separate app in order to access it. Likewise, don't mix Augmented Reality up with Virtual Reality which requires a headset for full immersion.

This isn't to say AR apps aren't popular or successful.

On the contrary, having an app experience works for many brands and situations, but what's better than needing a user to download an app? No App.

AR experiences can now be launched directly from your browser using the tech a user already has.

So, the question is: Can you use AR in a way that doesn't require people to download an extra App?

# 6 WHAT ACTION ARE YOU TRYING TO MOTIVATE?

Enabling sales and reducing points of friction is the goal for many AR tools built for the retail industry.

If this is the case for you, seamlessly integrating your AR experience with a checkout area is how you maximise ROI. If you are not thinking about this, you're missing the opportunity to convert people who are ready to buy.

It can be an amazing AR experience, but where does it lead?

The internet is littered with examples of AR campaigns from brands like Kate Spade, Heineken, Heinz, and many others that don't motivate users to take any action, provide unclear instructions, and complicate the customer's journey.

With your AR campaign, you should definitely avoid that by having a precise strategy. Know exactly what people are going to do and how they are going to do it.
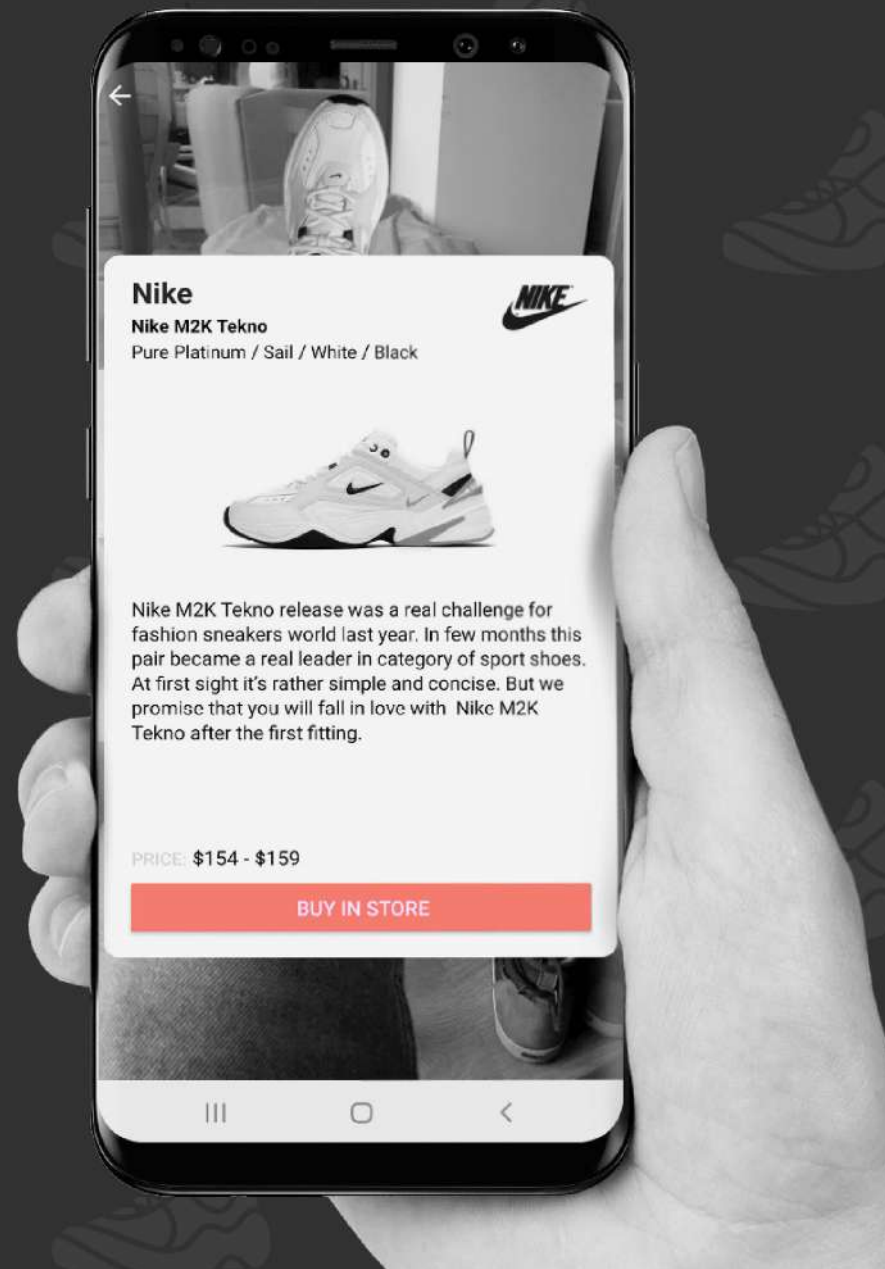
# 7 IS YOUR AUDIENCE PRIMED FOR AR?

# Augmented Reality Usage By Age

Understanding if your target audience is primed for AR will help you figure out if your use case will take off. Unsurprisingly, it's the younger generations leading the charge for AR.

Source: Global Web Index

| Age 16-24 | Age 25-34 | Age 35-44 | Age 45-54 | Age 55-64 |
|---|---|---|---|---|
| Engagement with AR: | Engagement with AR: | Engagement with AR: | Engagement with AR: | Engagement with AR: |
| 35% | 35% | 27% | 11% | 3% |
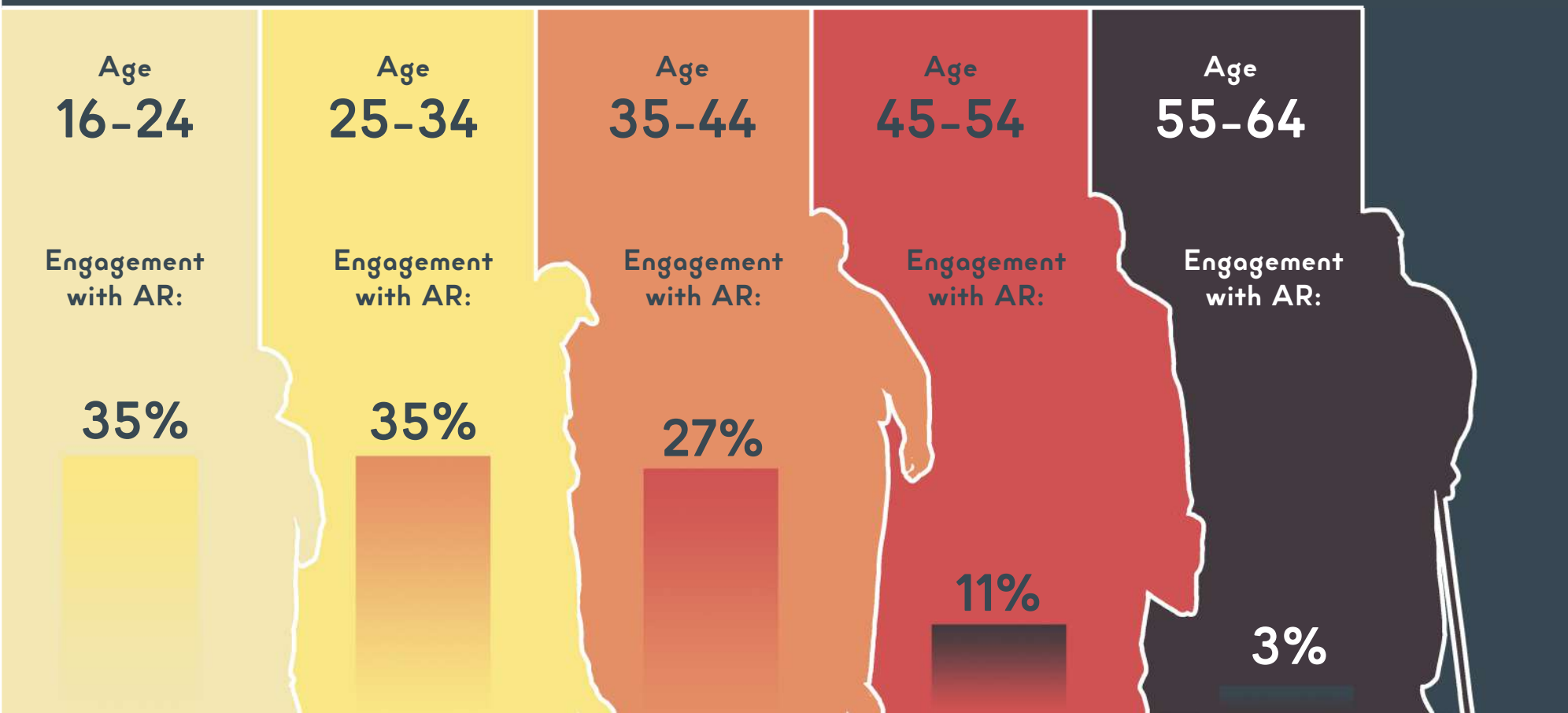
Another interesting piece of information from this study is that more men (29%) engage with AR compared to women (17%).

However, the difference can be explained by the difference in AR awareness; males (71%) display a notably higher level of awareness of AR compared to women (59%).

So while AR is growing in popularity, consumers—and women in particular—aren't always aware how ingrained this technology has become in their everyday lives.

Snapchat alone reports over 70 million people use their AR lenses every day, but if you ask Snapchat users if they frequently use AR, many will say no.

However, having consumers understand they are using AR isn't an insurmountable hurdle.

To them it's just a 'tool' that helps them along their buying process, makes their life easier and entertains them.

That said, if 16-35 fits your target demographic then augmented reality is a tool that is likely to be adopted seamlessly.

If your target audience is 45 or above, you're going to have to spend more time perfecting the user experience to get the kind of uptake that will produce ROI.

# QUICK RECAP

1. Is my use case a gimmick?

2. Does my campaign have longevity?

3. When should I use something else?

4. How do I get buy-in from stakeholders?

5. Does my AR campaign have to be an app?

6. What am I trying to motivate users to do?

7. Is my target audience primed for AR?

# A Powerful
# Marketing Tool

AR is a powerful marketing tool retailers can use to differentiate themselves from competitors by delivering a slick, engaging customer experience.

The one caveat; you have to use it the right way.

And while there are a lot of wasteful examples of where augmented reality made little to no impact, there are also great ones which you can look to and learn from.

There's no doubt that AR has the capacity to reshape how retailers will interact with consumers over the next decade, but when it comes to using AR in your marketing strategy today, you have to focus on the needs of your customers.

# UTILITY
## OVER
## GIMMICKY

# CREATE
## SOMETHING NEW

**Talk to us about your augmented reality project:**

**www.4-roads.com**

**Chamberlain House, Avenue J, Stoneleigh Park, Kenilworth, CV8 2LG**

**+44 808 189 2044**

**info@4-roads.com**