

ANALYSIS

Retail's new reality

From visualisations of products being used to creating virtual stores, **Gemma Goldfingle** looks at the best examples of augmented reality bringing retail to life for shoppers

Augmented reality (AR) has been tipped for some time to break into the mainstream, with tech giants such as Apple and Facebook investing heavily in the space.

Just last week, Apple snapped up a start-up that makes lenses for AR glasses, its latest acquisition in the sector.

Experts believe that a wearable AR device will be Apple's next big innovation. Chief executive of the tech giant Tim Cook has been vocal in his belief in AR's potential.

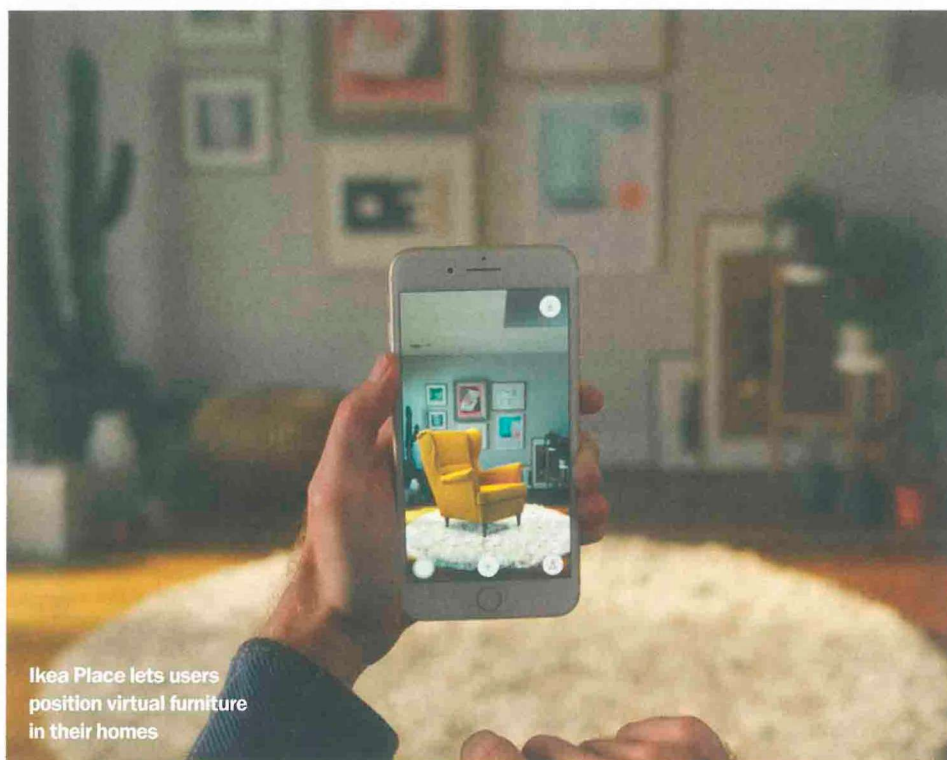
"Simply put, we believe augmented reality is going to change the way we use technology forever," he told analysts late last year. "We're already seeing things that will transform the way you work, play, connect and learn."

AR – technology that overlays virtual images and graphics on to the real world – was also one of the big focuses of Apple's Worldwide Developers Conference this summer as it released details of ARKit 2, a set of tools that enables developers to create AR experiences for their apps.

Apple is not alone. Facebook also wants to make AR available to the masses, and some of its advertisers are testing ads with special effects such as allowing users to virtually try on products.

It's not just the tech titans that are innovating in this space. Retailers have been quick to adopt AR in inventive ways, including Argos, which has used the technology to bring various products to life.

Argos digital product manager Matt Grabham says: "Argos has always been a distance seller, even before internet shopping really cemented this concept, so it's always been really important



Ikea Place lets users position virtual furniture in their homes

for us to embrace ways to bring our products and our customers closer together.

"AR facilitates this perfectly as customers can still have the benefit and convenience of shopping online from the comfort of their own home, with the added benefit of 'seeing' their potential purchases in real size, right in front of them."

Here we look at how the technology has been used to date.

Visualisation

One of the most popular uses of AR is to visualise how products would look on your body or in your home. Ikea was one of the first to integrate AR into its product catalogue.

Back in 2013, the furniture giant adopted AR to let customers see how products would look in their home, and importantly, if they were the right size. However, back then the technology was in its infancy and the end result was dubious.

However, fast forward a few years and Ikea's new AR app, Ikea Place – which allows users to drop virtual furniture into their homes and

view it through their smartphone camera – is a world apart.

Ikea Place, which launched in September last year, was one of the first apps to take advantage of Apple's augmented reality framework, ARKit, which lets developers use the smartphone's motion sensors and cameras to overlay digital elements on the real world.

The Ikea Place app has its fans. Tim Cook touted Place as the future of shopping when it launched.

Ikea is not alone in using AR to help shoppers. Lego fans can see full-scale versions of what sets will look like when built simply by touching the 'AR view' button on the Argos iOS app. Once pressed, the app guides customers to a flat surface where an animation will pop up on iPhones or iPads. Around 100 Lego models can be viewed from various angles using the Argos app.

The function aims to give children and parents a better understanding of the toy and how fun it is to encourage them to purchase.

Grabham says: "Children have had a really positive connection with the animated Lego AR models we launched earlier this year. Seeing the built toys in action really demonstrates how fun the product will be when bought and constructed."

Argos has also used AR to help customers decide which TV to buy. Customers can view what an animated version of different TV models look like in their own homes via their smartphones.

Grabham says: "Our AR-enabled TV placer and sizer has proved really beneficial during the decision making process for customers buying a new television."

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“Rather than having to use masking tape or a large piece of cardboard to envision the real size of a TV in their lounge or bedroom, at the tap of a button customers can conjure up an accurately sized model on their own wall or TV unit, helping them to make a really well informed decision as to how that 55-inch TV looks.”

Education and entertainment

AR has also been used to create interactive games. Nesquik teamed up with augmented reality specialist Blippar to bring games to life on its cereal boxes.

A range of 3D sea creatures could be constructed from different cereal boxes, and children had to complete a variety of educational underwater missions.

With three creatures to collect, this campaign not only boosted brand engagement – 302,000 users scanned the experience – but drove repeat purchase as 20% of shoppers bought multiple cereal boxes in order to bring further sea creatures to life.

Driving footfall to stores

AR can also be used to drive footfall to stores.

Unilever-owned ice cream brand Magnum worked with Blippar – which will speak at Retail Week’s Tech. event next week – to allow shoppers to personalise their own product that could then be redeemed at its Magnum Pleasure Store in Singapore.

Users accessed this function through Blippar’s Augmented Reality Digital Placements – a web-based AR experience that doesn’t require users to download or use an app or wear a device. Just by pointing the smartphone at a display or Facebook ads, users could see the ice cream coatings, toppings and drizzles in 180 degrees all around them.

After designing their own Magnum using these tools, shoppers could redeem it in-store at a discount. Blippar says 77% of all users saved the discount coupon.

Enhancing the in-store experience

AR is increasingly being brought into the store environment to boost engagement and help drive sales.

Charlotte Tilbury won the In-store CX Initiative of the Year gong at last year’s Retail Week Tech. Awards for its magic mirrors, which give customers a makeover in-store.

The mirror, in its Westfield London store, superimposes any one of 10 make-up looks on to the user’s face on a screen in front of them using AR technology from creative studio Holition.

In real time, lips, eyes and skin are transformed. Users can turn their head, look closer and even close their eyes with the make-up in situ in this incredibly realistic experience. Users can try on the full range of Charlotte Tilbury products and a button has been added to transform the image from a daytime to an evening look. Shoppers can save and compare looks, share them and email them to themselves.

Wayfinding

AR can also be used to help shoppers find what they want in-store, says Blippar chief of staff Assieh Khamsi. “It can help you to get to where you want to be in large retailers and make purchasing much easier,” she says.

US DIY retailer Lowe’s has paired AR with geolocation technology for its in-store navigation app, currently being trialled in two stores.

Using Google’s augmented reality technology Tango, the app is designed to

simplify the home improvement shopping experience. The retailer claims it makes finding products “more efficient and fun”.

Shoppers with Tango-enabled smartphones can add the products they’re looking for to a shopping list in the app and then locate them in-store using AR. Directional prompts are overlaid on to the real world and the customer is guided to each item using the most efficient route around the store.

Grabham believes that smart glasses and wearables will become commonplace and, when this happens, AR will play a greater role in the store.

“At the tap of a button, or more likely a brief voice command, customers may be able to project directional arrows on to the pavements in front of them, giving personalised directions to the store of their choice.

“And once in-store, information currently delivered on TV screens could be sent directly to a customer’s personal device, giving real-time updates on the progress of their order and potential complementary purchases.”

Creating a virtual store

In 2012, Chinese online grocery store Yihaodian, which was then owned by Walmart but has since been sold to JD.com, used AR to open 1,000 stores without spending a penny on property.

Working with Oglivy & Mather Asia, augmented reality stores were opened across China in locations such as parks, tourist spots and car parks.

Users at the designated locations used the Yihaodian app to walk through ‘virtual aisles’, and could add items to their shopping basket by touching them on screen.

Back then, the AR technology was rudimentary and the products in Yihaodian’s virtual store were not as realistic as the examples we see today.

But with the technology becoming far more accurate and sophisticated, perhaps retailers could relieve themselves of the rent and rates burden of physical space and open AR stores on the high street. **RW**



Nesquik’s 3D game drove repeat purchases as consumers bought more cereal boxes to take part

Retail Week’s Tech.

Augmented reality is one of the topics being debated at Tech. next week.

Blippar and design agency Design Bridge will reveal what retailers can learn from FMCG brands’ use of augmented reality in a case study on the Cadbury Heroes AR advent calendar.

Bringing together more than 2,500 people from across the entire retail ecosystem, Tech. is the biggest, boldest and best event for digital leaders and the smartest minds in technology to shape the future of the industry.

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