

# Augmented Reality and Mobile Shopping

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## Overview

Augmented reality (AR) is a live direct or indirect view of a physical, real-world environment whose elements are augmented (or supplemented) by computer-generated sensory input such as sound, video, graphics or GPS data. It is related to a more general concept called mediated reality, in which a view of reality is modified (possibly even diminished rather than augmented) by a computer. As a result, the technology functions by enhancing one's current perception of reality.

AR technologies overlay a layer of virtual world on top of the real world with the help of a device most commonly smartphones or tablets. Also there are specialty firms which are creating a whole new world of opportunities in the AR arena with unique functionalities and platforms. Google Glasses, Virtual Mirror are some of the examples of products being used by businesses to entice consumers and engage shoppers to increase retail sales. AR is not just about stimulating customer experience but rather enhancing it to a level where the shopping experience for the customer comes with enhanced sensations hence resulting in greater engagement of the customers

## Technology

Augmented reality technology with smartphones is drawing a lot of attention now a day. By using specialized software, users can turn their iPhone, Android, Windows or other smartphones into a virtual heads up display.

All a user has to do is point his phone's camera at any point/location/product and relevant information is displayed on phone's screen. Most of the developers of AR applications are expecting AR to become the next big thing in the market.

AR apps provide users with a better way to interact with different places in their surroundings.

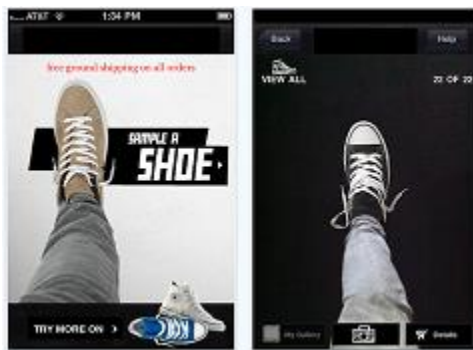
## Retail Industry

AR is slowly bridging the gap between brick-and-mortar stores and e-commerce. Retailers can't ignore how advanced AR has become and the role it plays in engaging today's connected consumers.

Modern phones have powerful GPS receivers, compasses and accelerometers that make it possible to know exactly where its located and what they are looking at. Retailers, by combining augmented reality with localized SEO, are using this technology to reach consumers that, previously, were beyond their grasp. Augmented reality makes it easy for retailers to be matched up with relevant customers. Customers know how to localize businesses that are relevant to them, what businesses have to offer, and read up on other consumers' product reviews, all without looking further than their cell phones.

## In store Shopping

As important as AR has been to the physical store experience, it has become much more important to the online shopping experience, where it has been used to close the gap between what an online store and a physical store can do.



AR is going to play an increased role in both retailers and consumers lives. More and more buying decisions are going to be influenced by AR, including both promotional tools and AR information services.

As such, retailers need to be thinking about their AR strategy today so they can be prepared for this future. Anyone who doesn't have a plan in place soon may find themselves being forced to play catch-up later and at a serious disadvantage to better-prepared competitors.

## **Benefits**

### **Customer Reach**

One of the best uses of AR in retail today is in expanding business to new locations without having to actually build any new physical locations or pay for real estate. This is potentially done by setting up virtual stores with customers walking through virtual aisles, selecting items by tapping on the screens and adding them to the cart.

### **Improved Productivity and availability**

AR can also play a role in behind-the-scenes productivity and product availability. To verify whether items are in the right places and if any items are out-of-stock, In store Associates hold up a tablet to a section of shelves. The tablet instantly checks the image of the shelf against merchandising planograms. If items are out of place or missing, red warning flags appear to pop up on or around the products. Associates can then click on the flag to see what should be in that spot and correct the problem or report it to management right away if, for example, additional inventory is needed. This enables Stores to ensure it has the right products in the right places more quickly and efficiently—and can also reduce potential lost sales due to out-of-stocks that might otherwise go unnoticed.

### **Enhanced Shopping Experience and Reduced Returns**

When a customer is inside a retail store, providing an app for customer's phone/tablet or any smart device that can be instantly downloaded and let the customer to try out the product such as a shoe, jewelry, clothing, furniture before making a purchase.

The reason for this push is simple, since customers can't hold or touch goods in an online store, virtual retailers want to give customers as close to that experience as they can get and AR offers a powerful way to do just that. While it may not be the same as actually trying on clothes or holding a product in your hands, AR can definitely be the next best thing.

Customer can view the product from different angles and try out different colors. No more arriving home from the store only to find your new couch is too big for your space or the dining room chairs you bought are too short for your table.

## Customer Engagement

Shoppers pick an AR-enabled tablet/kiosk inside the store, rather than having to supply their own device. When they hold the tablet up to aisles and shelves, items on sale pop out in front of them. Special icons for bonus rewards points also hover over certain aisles, encouraging shoppers to browse them and earn the extra points. When a shopper is looking for a particular product, the tablet creates a 3D arrow that tracks along the floor, highlighting the route to follow.

## Summary

Studies continue to show that though shoppers are increasingly using mobile devices, discovery, trial and purchase are happening in-store across all demographic sets. Augmented Reality's Second Act powered by next generation devices is perfectly positioned to drive shoppers in-store and increase shoppers' interaction with products.

Retailers will also benefit by utilizing the abundance of visual, response and interaction data that can now be obtained through Kinect v2 and mobile 3D cameras for real-time product and pricing adjustments. Shoppers win through more interactive and personalized in-store retail commerce and retailers win with increased conversions and higher average revenue per transaction.

The question now is not if Augmented Reality will transform retail but when. And unlike Augmented Reality's First Act, the answer is, much sooner rather than later.