

How AR and VR will transform the retail experience

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Augmented reality (AR) and virtual reality (VR) have the potential to shake up the customer experience by individualising retailers' offers and enabling customers to visualise products in different settings. By 2020, 100 million consumers will shop in AR online and in-store, according to Gartner.



“Retailers are under increasing pressure to explain the purpose of physical stores, and take control of the fulfilment and return process for cross-channel execution,” said Hanna Karki, principal research analyst at Gartner. “At the same time, consumers are progressively defining the value provided by the experiences they receive from retailers. As a result of these pressures, retailers are turning to AR and VR to offer customers a unified retail experience inside and outside retail stores.”

A 2018 Gartner survey* indicated that, by 2020, 46 per cent of retailers planned to deploy either AR or VR solutions to meet customer service experience requirements. Additionally, the technologies behind these solutions have moved 15% to 30% further along the Gartner Hype Cycle over the past 12 months.

“The impact of AR or VR in retail can be transformative,” said Ms Karki. “Retailers can use AR as an extension of the brand experience to engage customers in [immersive environments](#) and drive revenue. For example, Ikea’s Place app enables customers to virtually ‘place’ Ikea products in their space. Additionally, AR can be used outside the store after a sale to increase customer satisfaction and improve loyalty.”

With VR’s immersive interfaces, retailers can create task efficiencies or reduce the costs associated with designing new products. They can also enhance the understanding of information through advanced graphical visualisation and simulation technologies. Pilots and implementation examples include Alibaba’s full VR shopping experience, virtual reality tours by Tesco, Adidas’ VR video to promote its outdoor clothing collection, and eBay Australia’s partnerships with Myer to create personalised stores.

Unlock AR and VR’s full potential with 5G

5G mobile network technology represents an opportunity to accelerate the adoption of AR and VR in stores. Gartner’s recent 5G enterprise survey indicated that AR/VR applications of 5G attract the highest expectations for becoming drivers

of new revenue, across all use cases and respondents. 5G capabilities can support multiple uses cases, such as real-time rendering for immersive video, shorter download and set-up times, and extension of brands and shopping experiences beyond stores.

“Gartner expects that the implementation of 5G and AR or VR in stores will transform not only customer engagement but also the entire product management cycle of brands,” said Sylvain Fabre, senior research director at Gartner. “5G can optimise warehouse resources, enhance store traffic analytics and enable beacons that communicate with shoppers’ smartphones.”

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