



**MY THOUGHTS ON
AUGMENTED REALITY**

MARKET DATA

Introduction of the market's key statistics on augmented reality.

BENEFITS & PARAMETERS FOR A GOOD A.R EXPERIENCE

Benefits & Analysis of the strategy and usage of AR by the largest retailers in USA.

CONCLUSION

Comparison of the experiences retailers provide to their customers.



MARKET DATA

MARKET DATA

Some of the most notable results by retail perceptions

57%

of customers have stopped buying from a company because a competitor provided a better shopping experience

80%

of customers say the experience a company provides is as important as its products and services

1,5%

is the conversion rate of e-commerce, due to poor shopping experience

MARKET DATA

The augmented reality market was valued at USD **4.21** billion in 2017 and is expected to reach USD **60.55** billion by 2023.

61% of shoppers prefer stores which offer augmented reality experiences. The consumers perception is that **71%** would return more often and **40%** would pay more if they could interact with the product before buying online.

The biggest players in the market are investing big in this technology. **Google** is rolling out AR search, **Instagram**'s AR shopping is already live, and **Apple** is harnessing the power of the iPhone and iPad to bring the virtual into the real world.

New Study reveals 26% of U.S adults have used A.R and more important: They are using it often, on a weekly basis!

BENEFITS

Research shows that **furniture** represents 60% of AR usage in retail, making it the most popular sector of augmented reality products.

Benefits of Augmented Reality in Retail

1 Increase store visitors

2 Better customer engagement

3 Enhance print media

4 Reduce product return rate

5 Better UX, customizable content

6 Break language barriers



AR IN RETAIL

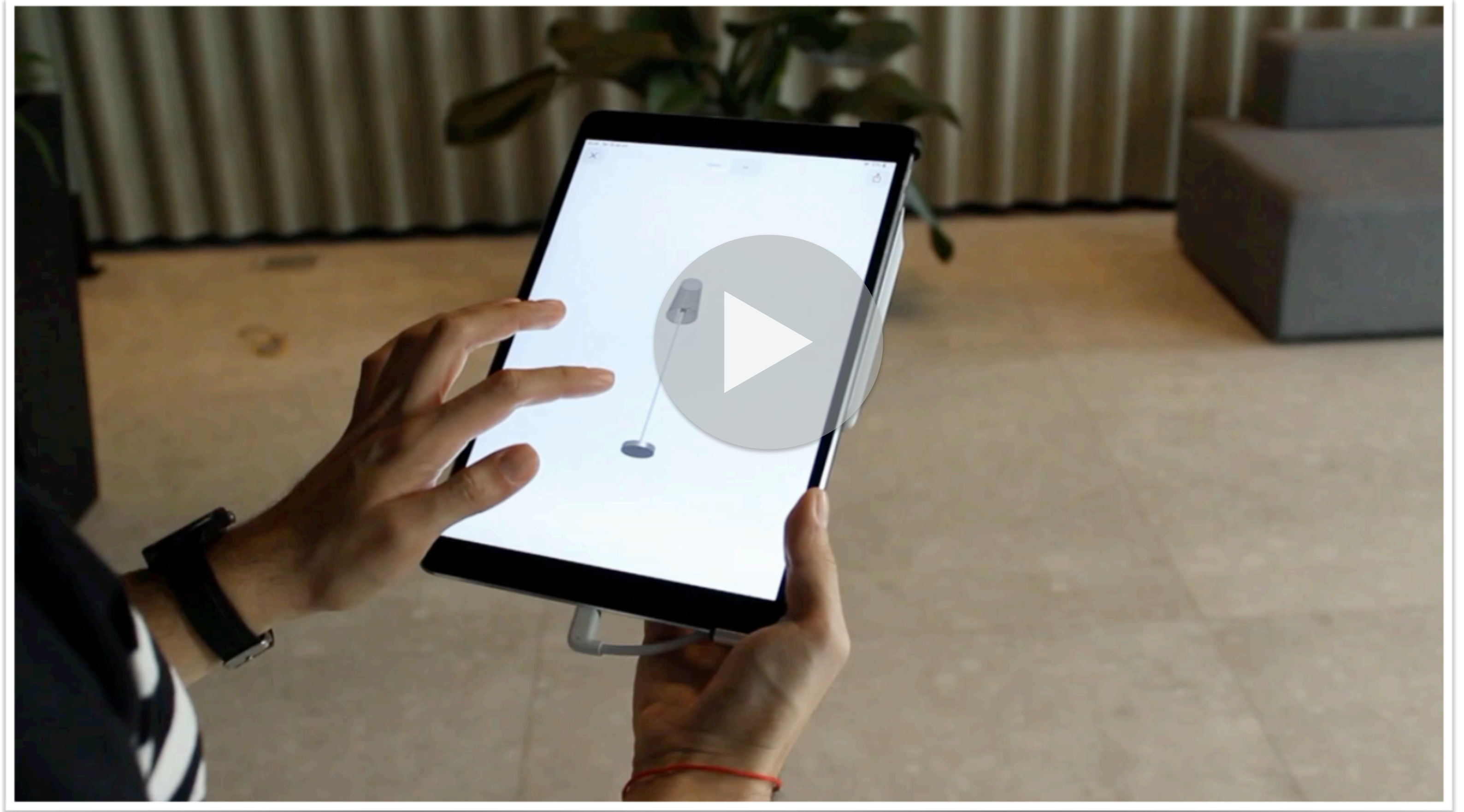
70% of web traffic happens on a mobile

DATA FROM CIODIVE.COM

61% of users prefer brands that offer AR

DATA FROM ELMWOOD.COM

CLOSING THE GAP BETWEEN DIGITAL AND REAL



A hand is holding a smartphone horizontally. The screen of the phone displays a 3D rendered interior scene. The scene includes a desk with a chair, a brick wall, and a sofa. The text "PARAMETERS FOR A GREAT A.R EXPERIENCE" is overlaid in white on the screen.

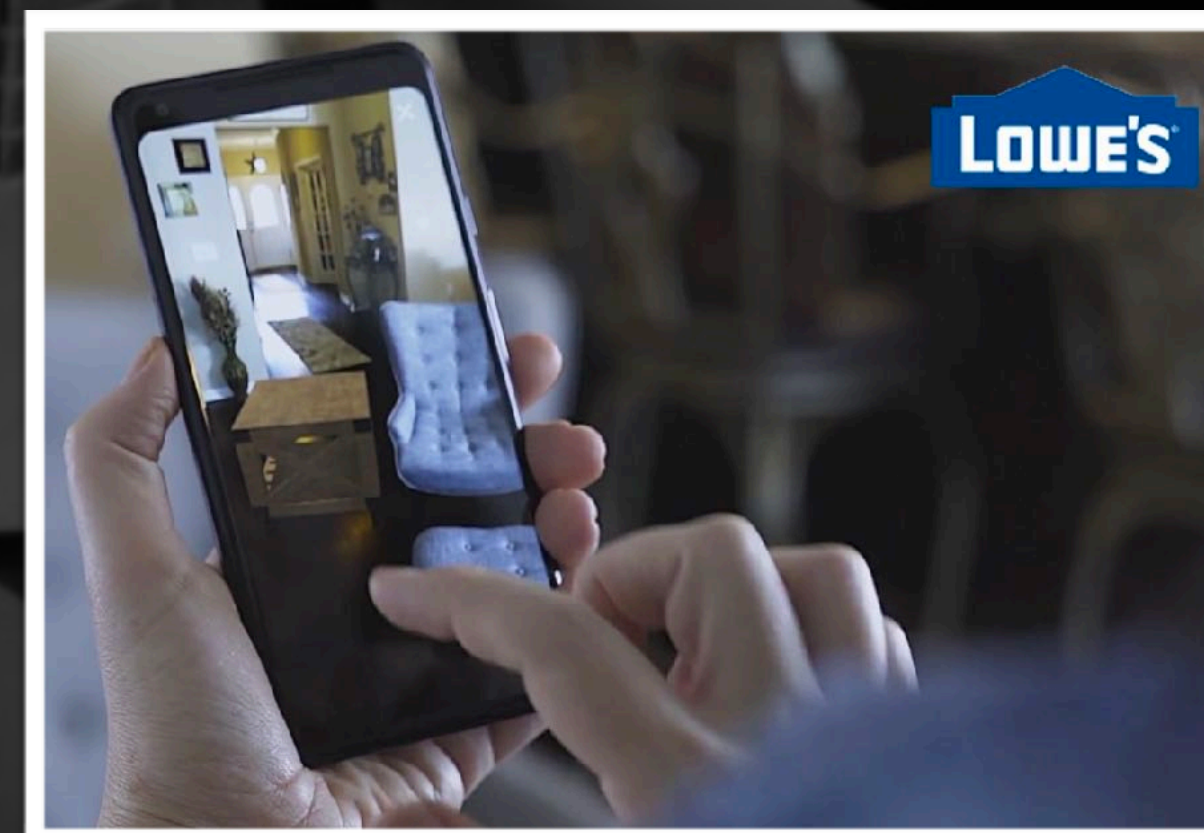
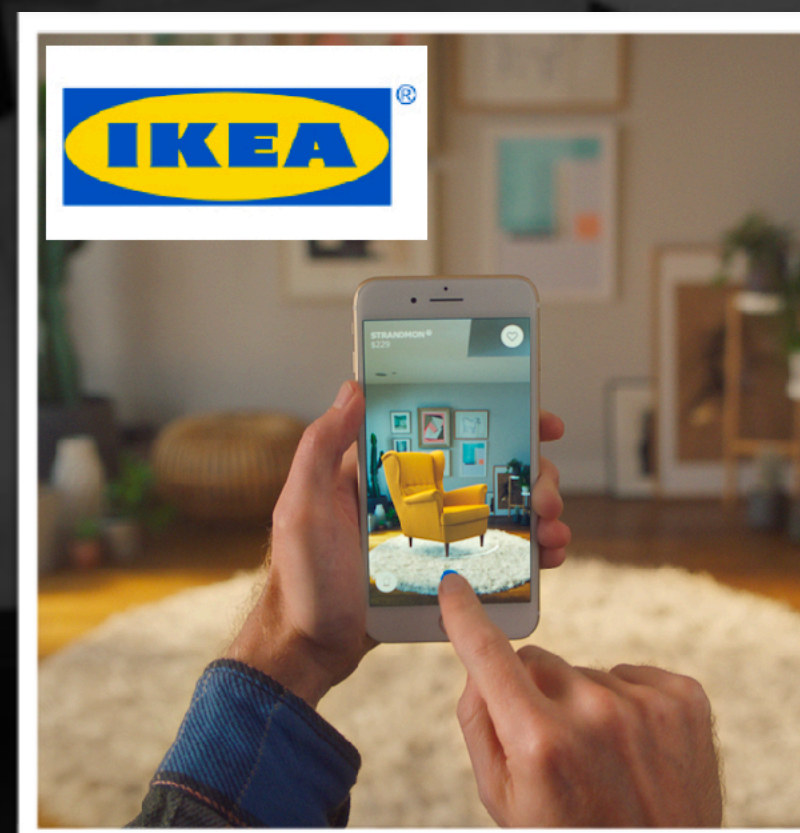
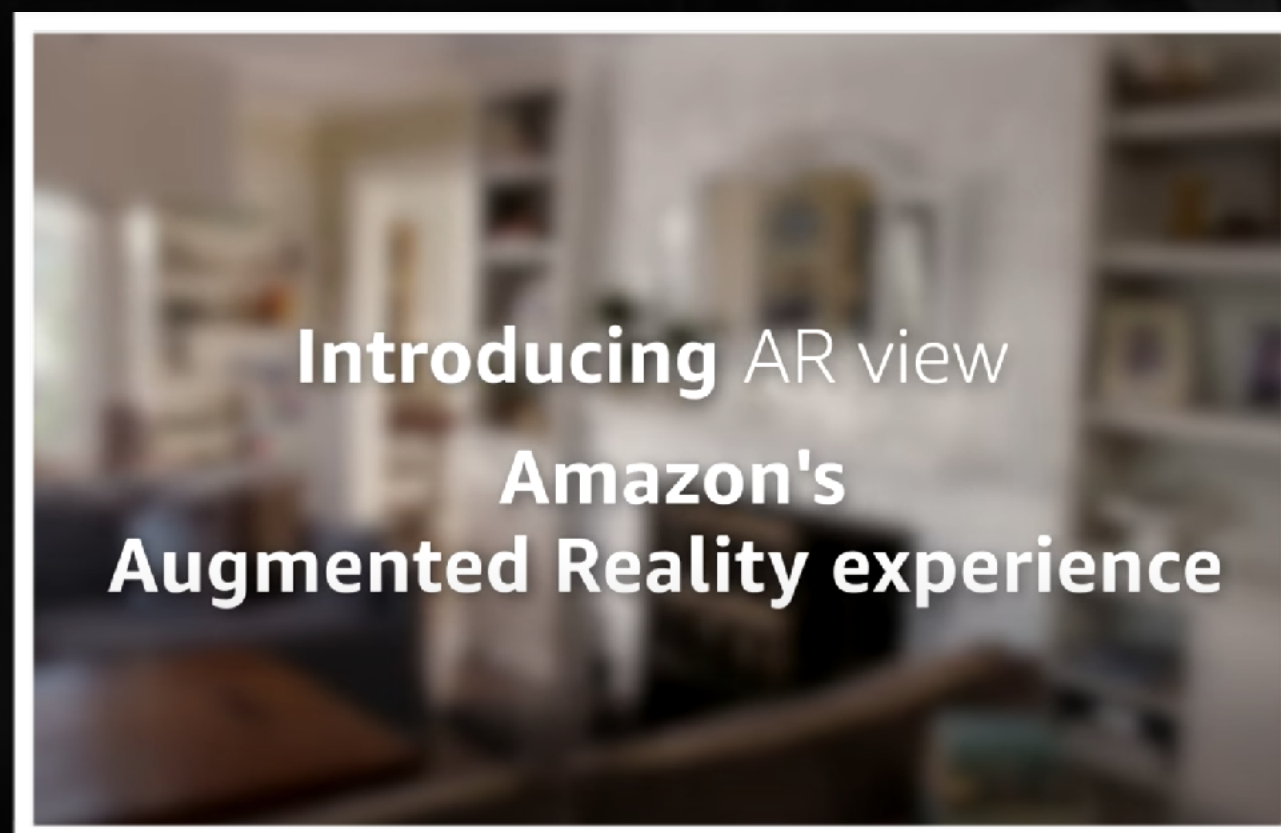
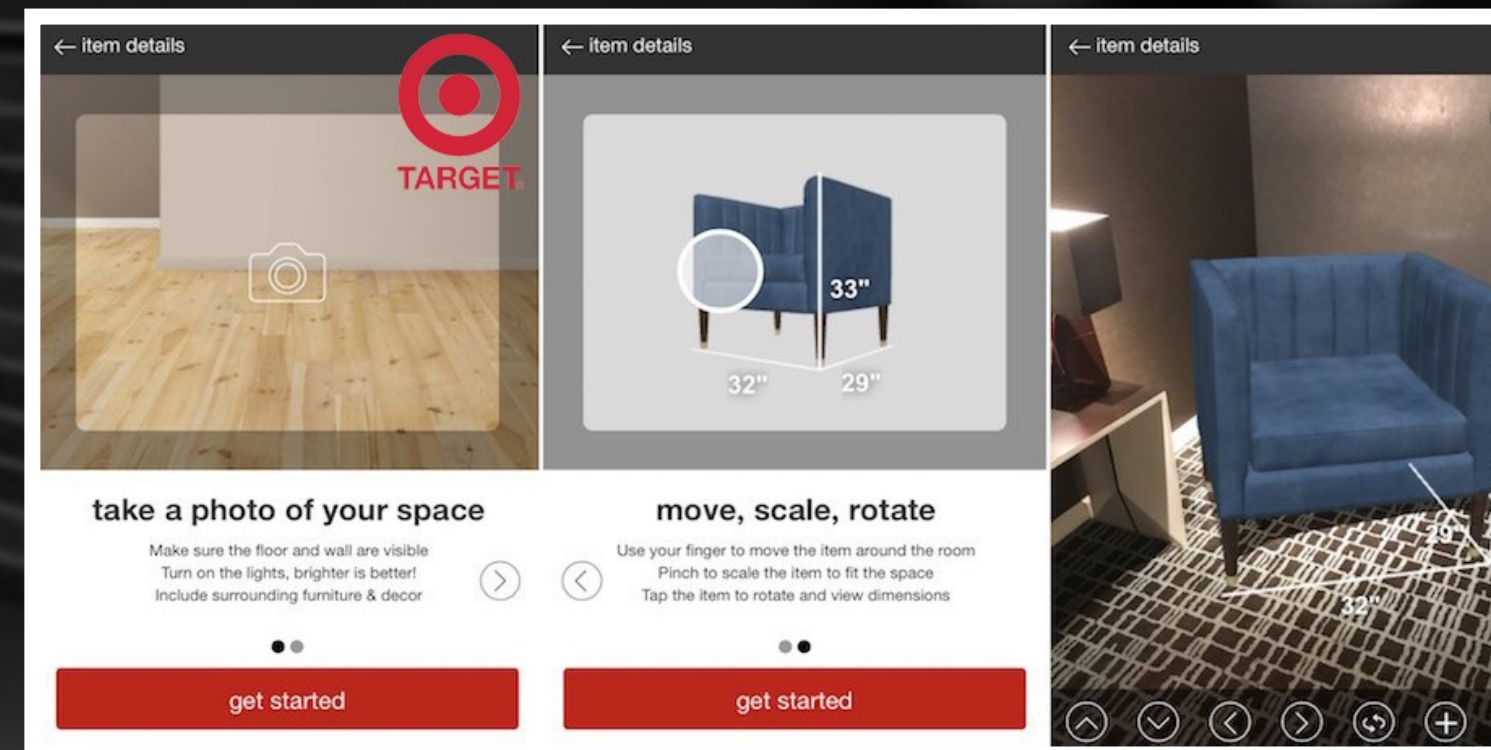
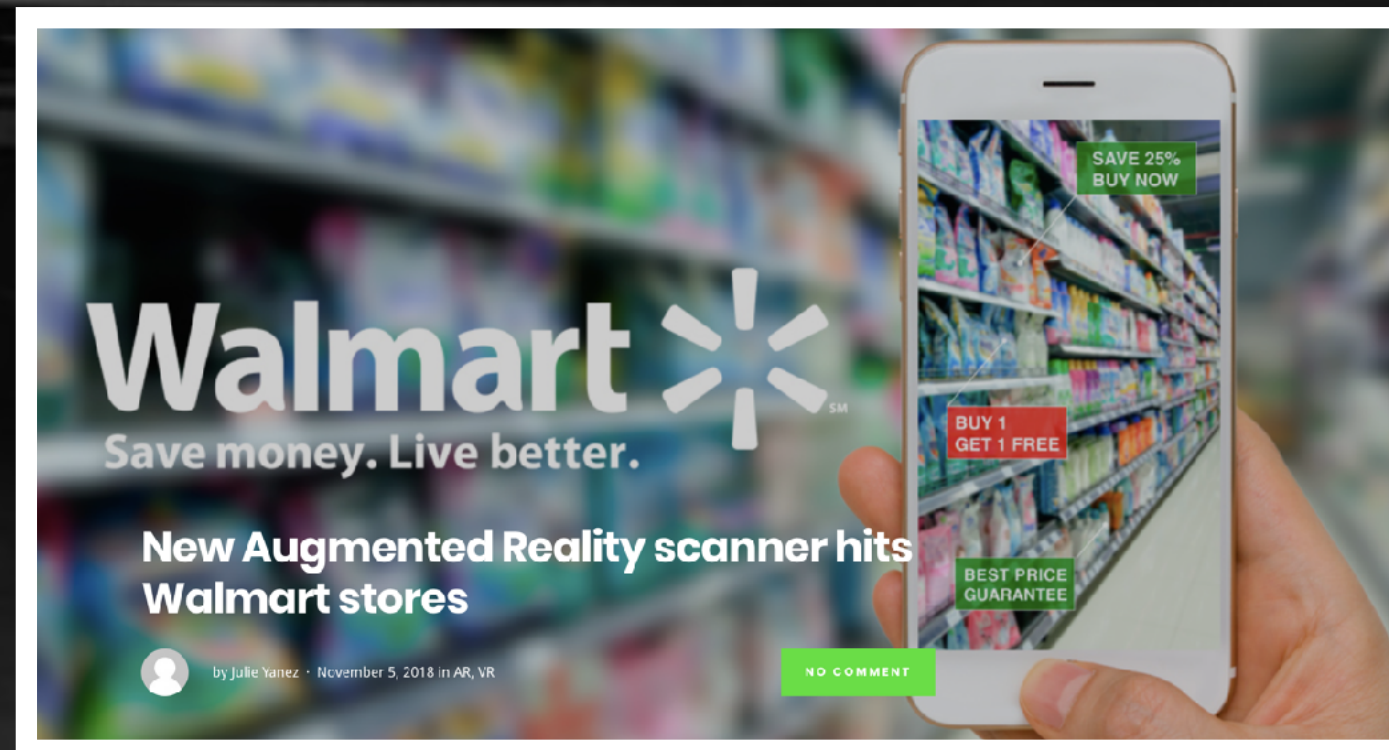
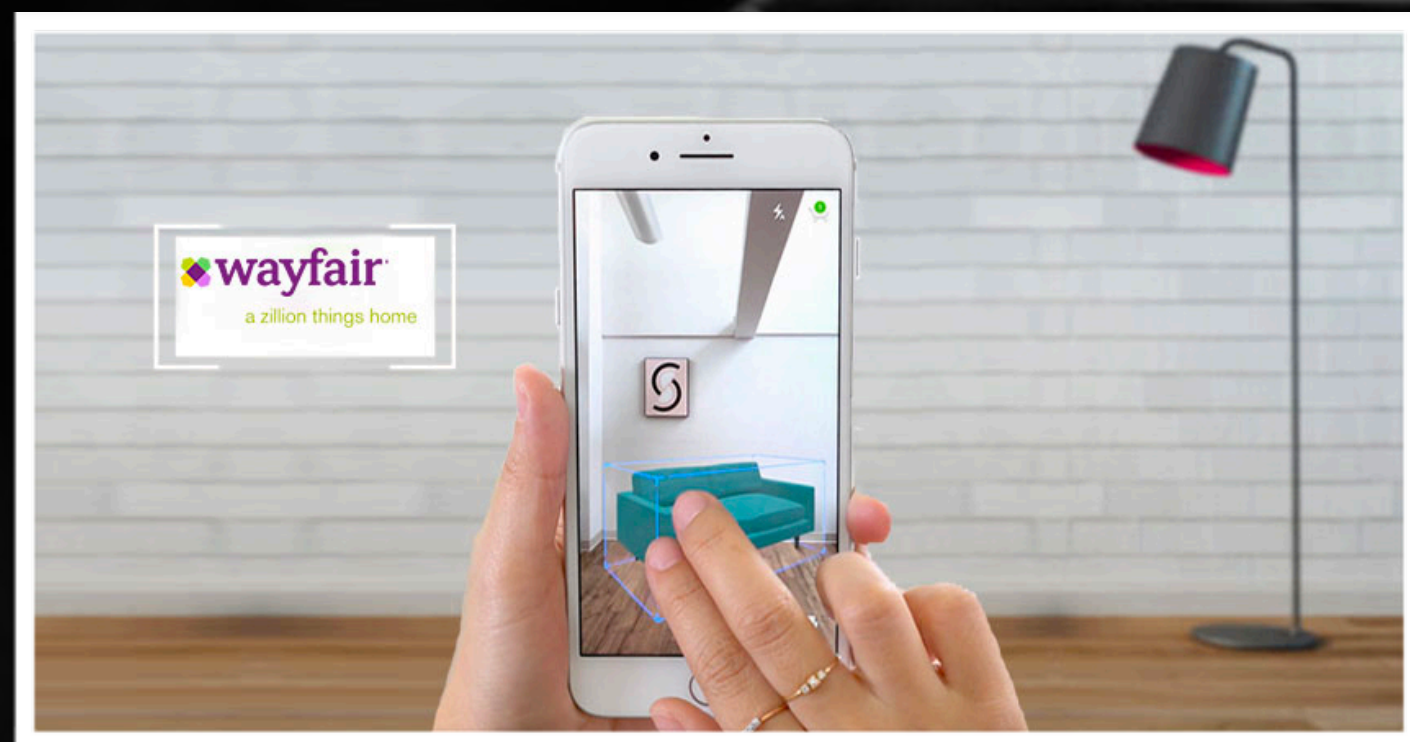
PARAMETERS FOR A GREAT A.R EXPERIENCE

PARAMETERS

We investigated the actual online shopping experiences of retailers and compared them.

FOR AN AR EXPERIENCE TO BE GREAT, WE'D EXPECT:

- AR Products are easy to find, ideally having their own section
- AR is available everywhere: IOS app, Android App, Mobile Web browser.
- There's an element in the interface that indicates a product is available as AR on the product list from search results or category lists.
- AR assets are of good quality, even with the limitations of file size. That means: size is accurate, color/texture is close enough and overall look and feel is decent.
- When in the App, make the most of it by tailoring the AR experience to the product. Exemple: If it's a Pendant, let the user adjust the height of the product to place it there.
- Leveraging Google AR, so that the "View In 3D" options appears on the search results.



BUILD

Rate ★★★★★

Fantastic AR experience overall.

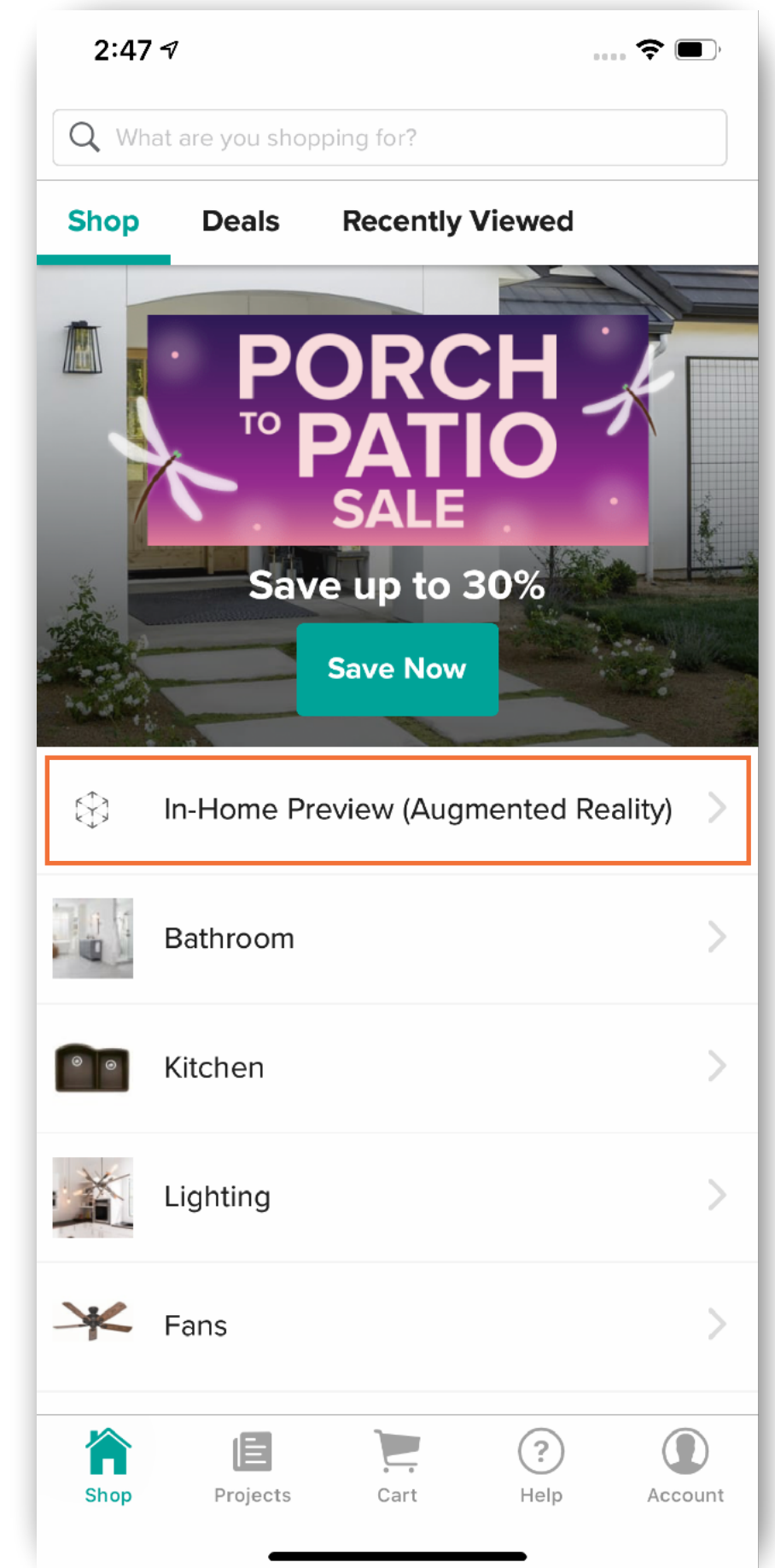
We were taken aback by the great AR experience Build brings to the table. It's extremely clear where the user can find AR items.

At the home-screen of the app, the first item is "In-home Preview (Augmented Reality)". Inside this section, there are a three major options:

- In-home Preview: Perhaps the only weak part of the experience. In theory, it tries to do what IKEA Spaces does by allowing multiple products in a room but there are only 11 products total available in this section. Seems incomplete.
- All Home Enabled Products: This is such a simple thing and so many other retailers fail: a section where all the items are AR ready. Within it, you can use any filter to find the product you want.
- All [Room]/All [Category]: In case the option above was too broad, it offers a few grouped options, such as All Bedroom items and All Appliances.

It's also nice that you can change the finishes of the product in the AR view.

The only drawbacks are the small library (about 2000 items), that the AR assets are not available neither as Google results or on the mobile web-browser.



DOING RIGHT

- AR is easy to find and use
- Products behave as expected (pendants show up on your ceiling)
- Possible to swap finishes on the spot

NEEDS IMPROVEMENT

- Needs more AR products
- Room Builder needs fixing
- AR not available on the web browser or in Google search results

CONCLUSION

FINAL THOUGHTS

- A.R is not the future, is the REALITY
- 3D is getting better everyday and will facilitate A.R adaptation
- Still on ecomm, lot of industries will take advantage, such as Fashion and Beauty
- Brands and retailers that are not thinking A.R or are skeptical, will suffer adaptation once they realised there is no turning back
- There are many challenges , such as technology, education and excitement from some areas
- The best experience is the one that the customer don't see a difference between browsing product and projecting A.R on their smartphones. We are not there yet - will be soon!