

RETAIL

AR has the advantage of practicality over VR for retailers

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Augmented reality can be a powerful tool for retailers if they use it right. Image credit: Sephora

By DANNY PARISI

While much has been made of the upcoming virtual reality revolution, the technology's high barrier to entry means that augmented reality has been much more prevalent immediately in the retail space.

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Augmented reality, which requires nothing more than a smartphone, has been a valuable tool for many brands, particularly in the luxury industry in fashion and cosmetics. New technology can be a valuable part of luxury brands and retailers' toolsets in attracting more customers.

"The key foundations that differentiate luxury are quality and service," said Rachel Mercer, senior vice president, head of digital strategy and invention at **Deutsch**, New York. "To me, one of the easiest and most effective points to implement AR is at retail where you can immediately and effectively elevate that service experience and reinforce quality stories.

"In-store, AR can provide the relevant layers of information about craft or story, while also providing a touchpoint to continue the purchase and consideration path. This is something that Kiehl's and Kate Spade have done to great effect in certain stores."

Augmented reality

The rise of mobile technology has offered retailers and brands a host of new opportunities for marketing to their customers.

While virtual reality has been on everyone's minds lately, it is augmented reality that is poised to have the biggest effect on the industry in the near future.

The reason for this is one of practicality. While VR requires expensive headsets, AR requires that customers only have a smartphone, something that practically everyone has already anyway.

This opens up opportunities for brands to create unique AR experiences for customers without the fear of no one having access to it.



Galleries Lafayette AR app. Image credit: Galleries Lafayette

Primarily, this has taken the form of visual accompaniments to campaigns that make use of a consumers' phone camera. For example, a cosmetics company might allow customers to turn the phone camera on themselves while the beauty products are digitally projected onto their face.

In this way, AR offers an opportunity to add value to any marketing campaign.

"There's a huge opportunity for the luxury hospitality industry to elevate their service through AR," said Tamara Belopopsky, business development and strategy at **King & Partners**, New York. "For guests exploring the areas around a hotel, a branded AR app can act as an extension of the hotel concierge.

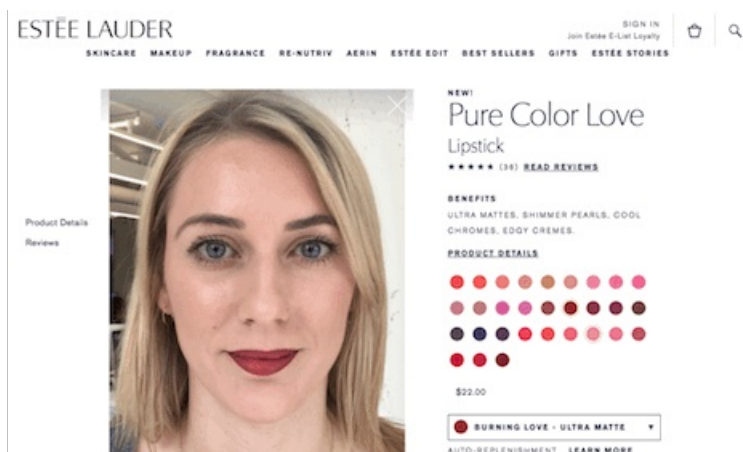
"Guests can learn insider tips about where to go and what to see, eat and do just by aiming their smartphone at designated points of interest to see relevant information," she said. "An AR app could offer several language options to tailor that experience for travelers from various regions."

Ease of use

Sephora and Esté Lauder are among the beauty marketers leveraging facial tracking technology to lift conversions.

ModiFace, which creates augmented reality solutions including real-time virtual makeup application, has launched a software development kit for iOS and Android devices, enabling marketers to use the technology in their own apps. In the beauty world, face tracking has become a way to spur more confident purchase decisions away from the beauty counter, but ModiFace also sees the potential of face tracking to guide consumers along a relevant purchase path ([see story](#)).

Sephora is also bringing live 3D facial recognition to the existing Virtual Artist feature on its application and Web site, a move expected to boost conversion rates through more accurate facial tracking and rendering.



Esté Lauder's AR makeup experience. Image credit: Esté Lauder

The augmented reality feature currently allows users to upload a still selfie to virtually try on various products that can be purchased from Sephora, but the new update will allow users to view themselves moving in real time with the digital makeup, with more effective technology. The update comes from ModiFace after a survey of non-Modiface and non-Sephora apps showed that a 22 percent drop in conversion rates occurred when the virtual products did not line up or appear correctly on the user's face ([see story](#)).

Outside of cosmetics, other parts of the luxury industry are embracing AR as well.

French department store chain Galeries Lafayette leveraged its foot traffic and added attention around the holiday season to promote an environmental cause.

The retailer's "Amazing Arctic Christmas" told the story of a family of polar bears who must venture away from the North Pole due to melting ice caps, with the bears finally finding respite in Galeries Lafayette's flagship store on Boulevard Haussmann in Paris. Bringing the story to life in front of shoppers' eyes, the retailer launched a mobile experience accessible in-store that used augmented reality to create an arctic environment indoors ([see story](#)).

While AR has a clear advantage over VR, there are still challenges associated with the tech. Namely, the lack of a clear way to integrate AR outside of a mobile application.

"It is often a challenge to not attempt to fit a square peg in a circle hole," said Kevin Harper, VR engineer at [ustwo](#), New York. "It is easy to get lost in design without considering the technical strengths and weakness available technologies.

"Designing to highlight what a particular tech is good at while avoiding the areas where it lacks is a big challenge at the moment because the available APIs are so fragmented," he said. "AR kit has great tracking after a few seconds of scanning a matte surface but if your idea is to place a hat on a head, it is not the tool for it.

"[Facebook AR Studio](#) is amazing at placing a hat on a head, but do not try to place a cup on a table with it quite yet."

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