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Augmented reality generates powerful advantage for luxury brands: expert

June 2, 2011



By KAYLA HUTZLER



Luxury brands from jewelers to automakers have been integrating

augmented reality into their marketing strategies, leading experts to believe that it will soon become a staple in luxury advertising.

Luxury brands such as Boucheron, Tissot, Garrard and BMW have recently used augmented reality to allow consumers to virtually try on products via smartphone and webcam technology. The rising trend falls in step with a Juniper study that found the number of augmented reality-capable smartphones had increased from 8 million in 2009 to more than 100 million in 2010.

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Luxury Daily

“These companies are at the vanguard of the trend of increased interaction with their clients online, which is the way that the Web on the whole is heading,” said Maria Doulton, founder of online magazine Jewellery Editor, London.

Reality check

Augmented reality has been used in a variety of different ways, from gaming to showing consumers the inside look of a car.

For example, Britain's Garrard, the world's oldest jewelry manufacturer, teamed up with Vogue UK's Street Light project and Holition, creating augmented-reality windows that allowed viewers to wear a \$154,481 tiara on their head. This was extremely popular during the recent royal wedding craze.

Swiss watchmaker Tissot allowed window shoppers to try on its luxury watches from the sidewalk in front of Selfridges and Harrods, using Holition technology.

The Tissot campaign was more successful than any other British campaign that the brand had done. Sales in the Tissot Selfridges boutique rose 83 percent, per Holition, the company that developed the augmented reality technology.

German automaker BMW had consumers print out a sheet of paper, which they could then hold in front of a webcam and move around to see different views from inside the brand's cars.

German apparel retailer Hugo Boss set up an augmented reality game in front of one of the London locations with discounts as the prizes.

Hugo Boss Augmented Reality Game

France's Boucheron allowed consumers to try on its luxury jewelry from home or via smartphone, causing a 50 percent increase in Web site traffic ([see story](#)).

"This demonstrates that even a traditional brand such as Boucheron can still generate significant advantage through the incorporation of this technology while providing a powerful statement of innovation to the world," said Jonathan Chippindale, CEO of Holition, London.

AR, not PR

While some are skeptical as to the lasting importance of augmented reality, especially

after the build-up and downfall of 3D movies and TV, Juniper principal analyst Windsor Holden believes that it is here to stay. Mr. Holden recently conducted a study for Juniper on augmented reality.

“Brands have to persuade people that augmented reality isn’t a gimmick, and to do this it has to be a practical app,” Mr. Holden said.

There are applications that allow consumers to try on glasses in their home, which providing them with the ability to run quickly in and out of a store without wasting an hour trying on glasses with the salesperson, per Mr. Holden.

In keeping with a luxury brand's commitment to customer service, the ability to allow its consumers to shop more quickly is a big incentive.

“This is where augmented reality comes into its own, by allowing an online experience richer than just the flat screen,” Jewellery Editor's Ms. Doulton said.

“Luxury companies, in keeping with their distinct identities, will use augmented reality according to their brand personality,” she said.

In the upcoming months, Holition suggests that “markerless tracking” will be the big new buzz in technology marketing.

“The important difference [from other marketing tools] is that it is intuitive to use, modern and fun,” Holition's Mr. Chippindale said.

Jewellery Editor plans to be the first third-party site to allow consumers to virtually try on luxury jewellery and watches with Holition’s technology.

“It is not going to go away so they [old-guard CEOs] should be investing and understanding new technologies that have the power to take the luxury experience from bricks-and-mortar to the screen,” Doulton said.

Final Take

Kayla Hutzler, editorial assistant on Luxury Daily, New York

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