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Augmented reality and virtual reality: New realities in digital marketing

*by **Alex Gibson*** in

Following many false dawns, it seems as if augmented (AR) and virtual reality (VR) are finally making their way onto the agendas of digital marketing executives, says Alex Gibson of the Dublin Institute of Technology.

What is augmented reality? It's the blending of virtual reality and real life, as developers can create images within applications that blend in with, or overlay with, content in the real world. With AR, users are able to interact with virtual contents in the real world, and are able to distinguish between the two. Examples in a digital marketing context would include smartphone AR apps which scan print advertisements to deploy and overlay animation/video or more textual information (already companies such as Uniworld are AR-enabling their brochures to give consumers a more immersive view of cruise-ship facilities), or navigation and interpretive services being used by tourism destinations to provide visitors with a better customer experience. The phenomenal rise of Pokémon Go points to the opportunity that gamification of such services offers.

Early deployments of augmented reality were seen as gimmicky in nature, expensive to produce, and with dubious payback. Today, the widespread use of smartphones has been instrumental in the expansion of AR. Indeed, mobile marketing guru Tomi Ahonen has predicted that some one billion people will be using AR apps on smartphone devices by 2020. The adoption of dedicated wearable devices is more difficult to predict; the demise of Google Glass is a salutary lesson in the technical and social challenges that lie ahead. In enterprise, business-to-business contexts, we are already seeing a number of specialist wearable manufacturers making an impact. However, we are likely to see a tipping point in usage of AR wearables for consumer markets come with massive investments by companies such as Microsoft (Hololens), Google (Magic Leap), and from Apple over the next three to five years.

In terms of more immediate customer engagement, it seems that virtual reality will take an early lead, with a number of customer devices already on the market, and major launches from Sony Playstation VR on the cards. In contrast to augmented reality, VR is about the creation of a virtual world with which users can interact. Unlike AR, users are totally immersed in this virtual world, usually achieved by the wearing of a VR helmet or goggles such as Oculus Rift or HTC Vive, which require expensive PCs to run, or more inexpensive options such as Google Cardboard, which works with the user's smartphone and has already shipped more than a million units.

Examples of VR being used in a digital marketing context include allowing potential visitors to a hotel resort to virtually "sample" the destination using a VR device in their own home or at a sales exhibition. Best Western has recently piloted this technology to showcase their new brand identity. Other potential examples include sponsorship of a virtual game or virtual world with the opportunity to build brand linkages, and in the medium to long-term we are likely to see the creation of virtual e-commerce spaces offering the public the opportunity to evaluate and purchase from brands.

So what are the marketing applications for AR and VR for the hospitality sector? One way to assess the technologies' impact from a digital marketing perspective is to assess them relative to the marketing funnel, beginning with brand awareness building. Both AR and VR offer exciting prospects in terms of building consumer engagement. The relative novelty of the technologies has certainly enhanced the potential to allow brands to break through the communications clutter, and many early investments were made with an eye on the public relations and social media interest they might generate. Marriott, as part of their "Travel Brilliantly" campaign, developed the #geteleported experience, offering the chance to "virtually" travel to two of their properties in Hawaii and London. Holiday Inn also developed an AR app at the time of the 2012 London Olympics to allow guests to take selfie photos, with "virtual" competitors from the UK team in the lobby of one of their hotels.

By their nature, AR and VR are "pull" channels, in that the consumers have to actively participate in the process rather than "push" channels where consumers are interrupted by content.   UK-based AR app creation specialists Blippar claims a dwell time of 75 seconds on their AR apps versus 30 seconds or lower for "push" channels such as TV, radio or outdoor advertising. For VR experiences, the opportunity for greater dwell time would appear to be even greater. A good example of this would be Thomas Cook, who has developed a Holiday 360 App which can be used to allow their customers to virtually explore their overseas hotel resorts.

And while AR and VR clearly offer great prospects to build engagement, they can also be used in a real way to enhance conversion rates. In direct selling, companies such as Cimagine have been using the technology to enhance sales of Coca-Cola vending machines by allowing retail customers to visualize their units in-situ; they claim sales increases of as much as 20% versus traditional methods. In a digital context, the use of AR allows companies to create digital coupons for use in retail contexts. While we are still a while away, it will certainly be the case that AR and VR offer interesting e-commerce platforms in the future.

Developing engaging content is definitely one of the keys to success. As flashy as it is, at the end of the day, consumers will ultimately seek the content not the technology, so it's important to focus on creating content in which brand interactions are seen as appropriate and engaging. It's likely also that the increasingly wide availability of inexpensive 360 degree cameras will lead to an explosion of such content, with a concurrent rise in interest to experience it in a more immersive way with VR headsets. The YouTube 360º Channel created to be a home for such content is experiencing a dramatic rise in content upload and subscriber base.

As the technologies develop, it's important to see both AR and VR as channels that need to co-exist with a cross-media set of activities. Rather than see AR and VR as stand-alone technologies, it will be important for digital strategists to explore how the technologies can be deployed as part of broader integrated marketing campaigns. In line with audiences spending a growing part of their media time immersed in virtual and augmented worlds, it's clear that media planners will look to AR and VR as viable media channels.

And it's worth remembering that despite the undoubted hype, only a minority of consumers have tried AR or VR technologies, so it's crucial to use the opportunity to expose people to the concept in contexts such as retail and exhibitions, and to use clear calls-to-action in creative executions. The hospitality and tourism sector is well placed to act as an early lead market in the deployment of both AR and VR, in this way offering digital marketers exciting opportunities to create superior brand engagement and accountability. Early movers to incorporate these technologies stand to build a significant edge in their hotel marketing.

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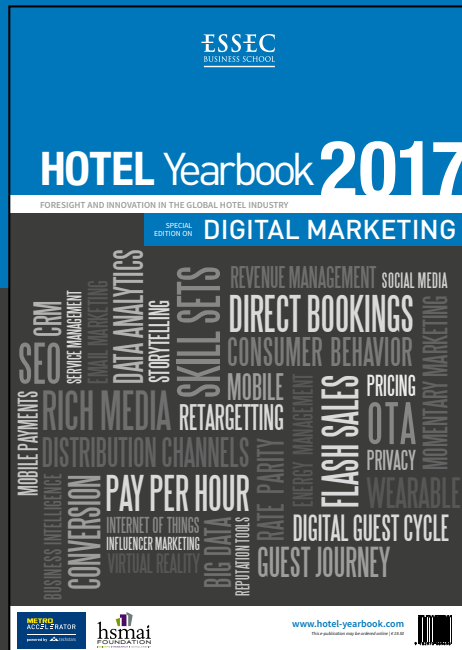**METRO supports innovative minds with a technology startup program for the hospitality sector**

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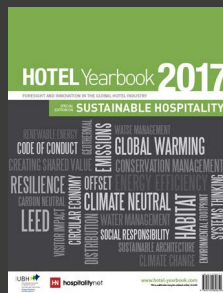
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