

AR in the retail market: What has been achieved so far?

A lot has been written on Augmented Reality (AR). Usually, the word is thrown in with Virtual Reality (VR) as two technologies that will reshape the world going forward. While it's true that AR has a use that goes beyond TikTok filters —there's a lot of misinformation on the potential applications of this technology.

In particular, AR's use in retail has a lot of store owners excited. It's being touted along with AI and the Internet of Things (IoT) as a technology that will uplift consumer experience in both online and in-store retail, and in turn, improve sales.

But it's important to not get ahead of ourselves and take a clear look at what's really happening on the ground.

Examples of Augmented Reality application in retail

Retail brands are incorporating AR to both give customers a preview of products and also as a part of their larger marketing strategy. Here are some significant examples:

1. IKEA Place App

Most of the shopping has moved online due to the on-going pandemic. And as it's unfortunately the case, what you order online is not always what you get. While it's easy to return a jacket, the same cannot be said about a piece of furniture.

Research estimates that returns cost UK retailers £60B every year. This makes IKEA's Place app all the more valuable. It lets consumers project 3D furniture rendering in their homes to see if it fits before they order online. The projection shows up at scale with 98% accuracy with authentic representations of fabric, textures, shadows and lighting. You cannot just see if a sofa will fit in your living room but how it will look.

Instead of 2D camera overlays, the Place app utilizes data from the phone's camera sensors to chart digital objects. Also known as "world tracking", this methodology keeps the furniture from scampering around the room. Since its inception almost three years ago, the loading time of furniture in Place app has reduced significantly.

This provides a level of assurance to customers that help in increasing the conversion rate.

2. See My Fit

Last year, Asos launched a new AR feature on its app called Virtual Catwalk. The feature developed in partnership with London-based firm HoloMe was trialled in 100 new-in Asos Design products.

Customers would point their phone's camera at any flat surface and click the 'AR' button on the product page of the app and they were able to view the models demonstrating the apparel.

Due to the coronavirus outbreak, ASOS ramped up their AR initiative so that people can get a simulated view of products without leaving their homes. The models utilized for this exercise also worked remotely.

This time, the tech firm Zeekit was involved and the move was now named "See My Fit". Asos is now providing a realistic view of up to 500 clothing items per week on sixteen professional models in sizes 4 to 18.

Once customers select a model, the product is digitally mapped in a realistic manner, taking size, fit and cut all into consideration. In the end, what appears seems to be a real photograph.

3. Mirror

In July of this year, Lululemon bought AR fitness firm Mirror for \$500M. Mirror sells what it calls smart mirrors for \$1500. In these, the user can see both themselves and an online instructor. This mirror streams unlimited workouts be it pilates or yoga.

This move by Lululemon came in the backdrop of the recent boom in home-fitness due to the lockdowns. On the surface, it seemed like an attempt to capitalize on an emerging trend. However, Forbes' Senior Contributor Chris Walton described the acquisition as "pure omnichannel retailing gold".

Lululemon has been working on new store formats that include yoga studios, cafes and restaurants. The company wants to be more than just a retailer that sells athletic apparel. Instead, it aims to be associated with a health-conscious lifestyle. And to that end, it has chosen Augmented Reality as the weapon of choice.

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What's in store next?

Asos, [IKEA](#) and [Lululemon](#) have all demonstrated the practical applications of AR in retail. But there are some uses of this technology that are not quite ready.

1. Virtual Try-Ons

The AR-powered try-ons have been hyped up as something that will take customer experience to a new level.

Already, Gucci is utilizing a Snapchat filter to let customers virtually try on shoes. Warby Parker is letting people preview how they would look in the company's catalogue of glasses. Both of these can be performed at homes.

However, there are reasons to believe customers won't be superimposing tracksuits on their bodies in clothing stores anytime soon.

To start, many consumers are still avoiding in-store shopping even though it seems as if the worst of the pandemic is over in the UK. And social distancing protocols are also limiting the number of people who can shop. Considering this, most retailers will be prioritizing online shopping in the coming months rather than investing AR-enabled try-ons in stores.

But that isn't to say this technology will never arrive. Apple and Google are doing their part in taking AR forward and will eventually break new ground, making this technology more affordable for the brands. When that happens, virtual try-ons will become common across stores around the world.

2. Customised deals with in-store navigation

Back in 2017, American home improvement retailer Lowe introduced AR navigation in its stores. It allows customers to get turn-by-turn directions to their desired products using the company's app. All customers have to do is choose objects from the catalogue and they will receive optimized routes.

Other stores have hesitated in following Lowe's lead. One can attribute this to the high cost of developing a good app that supports such functionality. And also to the fact that customers are least interested in installing an app for a one, highly specific task.

Some brands are even seeking to integrate coupon marketing into the whole AR navigation function. Here, consumers walking along an aisle will receive a discount on whatever product is near them. But this might be even further into the future than in-store virtual try-ons.

Conclusion

With AR, the possibilities are endless. The technology is allowing retailers to increase customer confidence during online shopping and also creating a unique buying experience in brick-and-mortar settings.

As with all technologies, some applications of Augmented Reality are further into the future than others. At the end, it will be the customer demand that will push more stores to adopt AR.