

AUGMENTED REALITY AS AN EXCITING ONLINE EXPERIENCE: IS IT REALLY BENEFICIAL FOR BRANDS?

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Abstract

The present research aims to look at the ways in which Augmented Reality beneficial for brands to create positive brand perception, intention of purchase and positive word of mouth. Based on the aims of this research paper and the study of Bluearca and Tamarjan (2010), five measures of perceived value have been chosen- enhancing convenience, influencing enjoyment, relevancy of idea, ease of interaction and WOM. Focus group is the method for this study because Augmented Reality application is a very new application in Turkey so there is little prior knowledge and the range of responses likely to emerge. Focus groups have the ability to provide us with data not obtainable through paper and pencil self-report measures or observational measures. In areas of study in which little is known, focus groups may be an appropriate place to begin (Byers and Wilcox, 1991: 65).

This paper explores the ways how can brands use AR application for their own beneficence. First time exposing this kind of interactive application, consumers' first impressions, feelings and experiences will be valuable for Turkish brands which might prefer to engage their customers more closely in future. Banana Flame is the brand chosen for this study because there is no Turkish brand using this application properly. Through this study, people's understanding about AR technologies will be able to revealed and those information will lead Turkish brands developing experiential value and positive attitude in minds of their customers.

The lack of Turkish brands using this application properly caused to choose a foreign brand (Banana Flame) which is an Online Fashion Boutique and first online retailer to integrate Augmented Reality throughout entire site in U.S.A. For this reason, it was assumed that Banana Flame has no brand awareness between young Turkish consumers. Owing to the fact that Banana Flame is a women's

fashion brand, focus group included 18-30 years of female students from Maltepe University.

Keywords: *Augmented Reality, Brand Communication, Interactivity, Experiential Value*

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1. INTRODUCTION

Transformed kid heroes who are struggling to save the mall from the bad character experience a stunning virtual reality show in Cartoon Network Turkey 's Proje Calide to create and manage all of their interactive properties including their website. Zugará's new online shopping app which couples the functionality of Augmented Reality and Motion Capture together into a utility that allows people to "virtually" shop online and seamlessly connect with Facebook to post photos of them wearing the latest dress or shirt and get their friends to comment live before they buy.

All of the above refers to exquisite examples of Augmented Reality applications in Experiential Marketing, which has been raising numerous controversies regarding its long-term benefits, extending from AR being only a promotional tool, to AR effectively contributing to a positive customer-brand relationship and to customer satisfaction through the creation of perceived experiential value during the past two years (Bulearca and Tamarjan, 2010:238).

In every second of every minute of every day, brands attempt to engage customers and influence purchasing decisions in infinite ways (Martin and Tomorov, 2010:61). The latest digital media enables brands to reach consumers more easily and more effectively. The consumer, who is exposed to many messages in her /his daily life, has become increasingly resistant to traditional forms of advertising. With developing new communication technologies in the fast paced world, consumers are exposed to transformation, for instance they play more active role in marketing communications. Having power to response, ignore, resist and generate content as well, Today's consumer is hard to be reached by traditional communication channels. Therefore, communication styles have to be changed into more personal and interactive format. Many consumers insist on participation in the creative process, turning their backs to media which they cannot choose, control, or create (Russel, 2009:2). The participative digital communications environment mandates accountability that goes beyond the distinction of "advertiser-controlled" or "consumer controlled" interactivity (Rogers and

Thorson, 2000:51). In this communication environment where interactivity, participation and experiential value are involved in, marketing practitioners try remarkable ways to touch the consumer such as using immersive and virtual environments (Grigorovici and Constantin 2004:26). AR, which has been used in marketing campaigns, can be seen as a form of experiential marketing because it focuses not only on a product/service, but also on an entire experience created for the customers (Yuan and Wu, 2008:388). Tony Effik (CSO at Publicis Modem) argues that “AR has the potential to provide consumers with an experience they want and they will tell their friends about” (Benjamin, 2009:41).

Global brands have been using this technology to engage their customers and it will likely to be used more frequent by Turkish brands in future. According to ABI Research (2009:26), the total market for AR marketing applications is projected to grow from \$6 million in 2008 to more than \$350 million in 2014.

The lack of any AR research studies and applications in Turkey have led researcher think that this study will contribute to literature and will be useful for brands in Turkey. It is estimated that AR as an experiential marketing beneficial for brands not only in short term but also in long term, contributing to creation of positive brand attitude and positive WOM.

1.1 WHAT IS AUGMENTED REALITY?

AR technology has existed for more than a decade, but has been mainly used in industrial design and theme parks. However, a recent report published by ABI Research suggests that the popularity of smartphones will transform the way AR is used, boosting its marketing potential and paving the way for a host of new apps (Benjamin et al, 2009:42).

Augmented Reality (AR) is a variation of Virtual Environments or Virtual Reality as it is more commonly called. Virtual Environment technologies completely immerse a user inside a synthetic environment. While immersed, the user cannot see the real world around him. In contrast, Augmented Reality allows the user to see there dimensional virtual objects superimposed upon the real world (Haller, Billinghamurst and Thomas, 2007:10).

Augmented reality is a technology to create a “next generation, reality-based interface” and moving from laboratories around the world into various industries and consumer markets (Krevelen and Poelman, 2010:1). By this exciting human-computer interaction, consumers engage with brands in a very active way and direct the process on their own wish.

According to Azuma (1997:2), an AR system has to fulfill the following three characteristics:

- It combines both the real a virtual content,
- The system is interactive and performs in real-time, and
- The virtual content is registered with the real world.

Performing in real-time and interacting effectively with consumers, AR applications help to promote brands by creating virtual content which refers to real world. Consumers have a chance to interact with promising metaphor of products.

1.2 AR: A FORM OF EXPERIENTIAL MARKETING

An experience is more than simply the passive reception of external sensations or subjective mental interpretation of an event or situation (Li, Daugherty and Biocco, 2001:14). Rather, experience is the product of an ongoing transaction that gains in quality, intensity, meaning, and value integrating both psychological and emotional conditions (Mathur, 1971:24). Conceptually, every experience stems from the interaction between an individual and an object or environment (Li, Daugherty and Biocco, 2001:16). So, Managing experience is far more complex than providing entertainment or being creative.

In recent years, managers have become increasingly aware of the need to create value for their customers in the form of experiences (Berry, Carbone and Haeckel, 2002:45). Experience driven communication methods which are important part of marketing strategies have made each brand an experience designer. Economists posit that the contemporary world finds itself in the “experience economy” where customers do not always focus on products but on experiential consumption “where functional utility is either taken for granted or seen as irrelevant” (Bulearca And Tamarjan et al, 2010). So, in a variety of industries, companies have moved away from traditional "features-and-benefits" marketing toward creating experiences for their customers (Schmitt, 1999:53). At the present time, with the help of technology revolution, people are able to use computing devices with integrating mobile phones anywhere in the world. Those applications enable brands to create product oriented experiences for consumers including entertainment, participation and interaction. In this sense, AR has power to put the product in the hand of the users, giving them the opportunity to test the product as they already own it, enticing the prospect to commit more time or even trigger a purchase (Owyang, 2010:32).

Banana Flame is an online Fashion Boutique and first online retailer to integrate Augmented Reality throughout entire site in U.S.A. This brand identifies itself as a fresh and flirty women's fashion brand targeting young females with vintage inspired collections.

2. AIM & OBJECTIVES

The present research aims to look at the ways in which Augmented Reality beneficial for brands to create positive brand perception, intention of purchase and positive word of mouth. Based on the aims of this research paper and the study of Bluearca and Tamarjan (2010:237), five measures of perceived value have been chosen- enhancing convenience, influencing enjoyment, relevancy of idea, ease of interaction and WOM (Word of Mouth). The six objectives are as follows:

Research Question 1: Can AR marketing application enhance convenience?

Convenience is defined for this study as the functional value and the questions that will be asked are below:

- How many functional feature of the product can consumers experience through AR?
- Is this application time and cost efficient for consumers?
- Is this application easy to implement? Is it complicated or hard to comprehend?
- Is it useful when compared to other promotion activities?

Research Question 2: Can AR marketing application influence enjoyment level?

Emotional value refers to the enjoyment and emotional satisfaction that products and services offer to their users (Saxena, 2009:76). Many products and activities offer desired emotions and most experiential consumption offers emotional value. This is also one of the primacy links between experiential marketing outcomes and customer satisfaction (Chou, 2009).

- Is the use of AR application enjoyable? In what ways? (Active engagement, playful, exciting.)

Research Question 3: Can AR application entail Wow factor?

- Did this application impress you instantly?
- Did you find application exciting?

- What did you feel?

Research Question 4: Is AR application easy to interact?

- Can you control the process easily?
- Can you direct the application for your own wish?
- Do you think this application is personal?

Research Question 5: What do you think about relevancy of idea?

Research Question 6: Would you tell your mates about this AR application?
(WOM factor)

3. RESEARCH METHODOLOGY

This research focuses on perceived experiential value of Augmented Reality. Previous mentioned objectives were used for conducting focus group discussions, comprising between 18-30 years old 14 female Turkish students at Maltepe University. Banana Flame AR application was chosen for this research.

4. DATA ANALYSIS

Two focus groups were conducted for this study includes five undergraduate, five postgraduate and four doctoral students from Maltepe University. University's private rooms were used and all members were provided with drinks for relaxing. Every focus group lasted for 40 minutes (without introduction) and was recorded in a digital audio format. During the session, one major problem was determined by some unexpected Internet Related problems which did not allow the researcher to conduct a live demonstration of Banana Flame's AR application.

4.1 Perceived Benefits of Augmented Reality Application

All participants have no awareness about Banana Flame brand which is an Online Fashion Boutique in U.S.A. Also, only two of the participants told that they already knew about Augmented Reality application before. But that was first experience for all the participants to see and use the AR application. The first impression of the AR application among the participants was very positive. They found application enjoyable and had a good time during the meeting.

Very enjoyable and different. During the application, I felt that I was playing an enjoyable game.

Most of the participants told that it was very interesting to see themselves in front of the camera. Virtual mirror application caused participants to feel like a model trying different kinds of clothes in front of the mirror.

It is like playing a computer game and feel myself part of the game.

When they assessed AR application in terms of functional benefits such as time saving, practicality and convenience they stated that this application is easy to use and practical. But there were some controversies regarding the convenience of that application. Some of the participants told that they could not be sure about the dresses fit their body or not.

It doesn't make me feel wear that dress. I couldn't be sure that it suits me.

Considering the generality, people found AR application time saving, practical and enjoyable. Further, they stated that they would use this application not only to try on clothes, but also to enjoy.

4.2 Perceived Drawbacks of AR In Relation To The Product Category

Because of the lack of research in the AR area, there is no evidence about possible drawbacks of AR applications. Some of them emerged in focus group. One of them is about differences between the reel shopping experience and the AR online experience. Most of them have different kinds of reel shopping experiences and they told that AR application does not actually provide a reel experience.

I can see dresses on my body but I can't really decide if it fits. Also can't see how the quality is, I can't touch, and that's negative.

If I used this application at home, I would feel more comfortable and see how it looked clearer.

All participants agreed that Banana Flame AR application is not personal enough. This virtual mirror application should offer more personal application to decrease uncertainty in the minds of participants.

It had better ask for my body size and also scan my body detailed. Type of the cloth and size of dress is also critical for me. I would want to know that sizes were standard or not.

4.3 Wow Factor

Excluding two participants who know about AR application, other people felt surprise when they saw and used AR application. They also felt exciting and enjoy.

I had no information about this kind of application and when I saw myself in front of the mirror, I felt a little bit strange but the more I get used to it, the more I had fun.

4.4 Relevancy of the Idea

Most of the participants (11 people) found Banana Flame AR application useful and relevant idea for this brand. Some of them (3people) evaluated AR application can be used in online shopping to guide people in case being more personal and more convincing in terms of visual image.

Idea is fantastic but, for some clothes I need more detailed information. This application can be used also for glasses and even jewels.

4.5 WOM (Word of Mouth Factor)

All of the participants specified that they would tell their mates about this application and make them try this enjoyable application. Banana Flame's AR application also allows people connect with Facebook to post photos of them wearing the latest dress or shirt and get their friends to comment live before they buy. Nine of the participants told that they would share their photos on Facebook to make their friends aware of that AR application and also ask for comment. Seven of participants stated that they would not share any of photos and would want to be sure about those photos were removed from that site.

5. CONCLUSION

Augmented Reality (AR) makes it possible to blend virtual and real worlds. Although this unique technology is in its infancy, it has potential for brands to develop and sustain strong relationship with their customers. Thanks to Augmented Reality applications, relations can get more interactive and personal thus brands are able to create positive brand attitude and therefore customer satisfaction.

In this research, it is thought that young consumers, especially Generation Y are thought to have more information about new communication technologies and have no difficulty to use AR marketing applications. On the contrary most of the participants had no information about AR technology and never used it before. But they didn't have any difficulty while using the application. Although they assessed AR application practical and easy to use, it is obvious that Banana Flame AR application didn't make them really feel wear that dress. So they could not be sure about that dress fits or not. For this reason Augmented Reality application

seems not to be an alternative of real shopping for now. Also this kind of applications which allows people mixing virtual and real environment needs to be improved in terms of convincing. Participants stated that this application would be more convincing if it serviced more personally by asking for size and weight. Decreasing uncertainty as possible as in the minds of consumers will make people's perception of reality much stronger.

Depending on the outcome of this study, people find Augmented Reality application enjoyable and exciting. They prefer to get involved that interactive application not only for trying the product, but also for enjoying. On the grounds that augmented reality is a very powerful tool for visualizing, it is easy to build a high quality of virtual world, engage people into this virtuality and make them feel more realistic. Brands which prefer to connect own customers via social media should be eager to use that technology and also have to develop convincing AR applications to encourage direct engagement with their brands.

Augmented reality as an exciting online experience can help to create positive Word of Mouth among consumers. Not only sharing information about application, but also willing to share something about themselves such as photos and comments.

Augmented Reality as a marketing tool is very early in the lifecycle but can be regarded as a new form of visualization and interaction. One of the problems with AR is the technological obstacles in Turkey. Only a fraction of consumers with internet access have a webcam, and the majority of mobile handsets are unable to support AR activities. Also, awareness is low and not every product is outfitted with the ability to display the interactions. So, relevancy of idea with the product should be considered while designing augmented reality applications.

Finally, this paper purposes to present people's personal thoughts and opinions about Augmented Reality application which is a little known system in Turkey. it is important to have a clearer picture as to how different communication options work and attract more consumers' attention. This study purposes to contribute to the research on new human-computer interaction techniques and provide useful insight for Turkish brands.

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